



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 30 September 2011

The Directors are pleased to announce the following:-

#### Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 30 September 2011

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000	Current Year To Date 30/9/2011 RM'000	Preceding Year Corresponding Period 30/9/2010 RM'000
Revenue		22,638	34,461	55,689	65,060
Cost of sales		(14,794)	(23,108)	(37,160)	(44,242)
<b>Gross profit</b>		<b>7,844</b>	<b>11,353</b>	<b>18,529</b>	<b>20,818</b>
Other income		880	608	972	946
Administrative expenses		(1,202)	(1,320)	(2,454)	(2,828)
Distribution costs		(1,158)	(1,488)	(1,390)	(2,845)
Other expenses		(66)	(82)	(166)	(172)
<b>Operating profit</b>		<b>6,298</b>	<b>9,071</b>	<b>15,491</b>	<b>15,919</b>
Interest Income		396	212	867	429
<b>Profit before tax</b>		<b>6,694</b>	<b>9,283</b>	<b>16,358</b>	<b>16,348</b>
Income tax expense		(1,716)	(2,360)	(4,145)	(4,189)
<b>Profit and total comprehensive income for the period</b>		<b>4,978</b>	<b>6,923</b>	<b>12,213</b>	<b>12,159</b>
Profit and total comprehensive income attributable to:-					
Owners of the Company		3,811	5,090	9,246	8,995
Non-controlling interest		1,167	1,833	2,967	3,164
		<b>4,978</b>	<b>6,923</b>	<b>12,213</b>	<b>12,159</b>
<b>Earnings per share attributable to owners of the Company:-</b>					
Basic (sen)	<b>B13</b>	<u>2.95</u>	<u>3.95</u>	<u>7.17</u>	<u>6.97</u>
Diluted (sen)	<b>B13</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 2011.



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2011

	Note	As At End Of Current Quarter 30/9/2011 RM'000	As At Preceding Financial Year End 31/03/2011 RM'000
<b>Non-current assets</b>			
Property, plant and equipment	A9	32,253	32,934
Deferred tax assets		3	3
		<u>32,256</u>	<u>32,937</u>
<b>Current assets</b>			
Inventories		17,835	14,969
Trade and other receivables		29,616	35,934
Cash and cash equivalents		45,824	76,400
		<u>93,275</u>	<u>127,303</u>
<b>TOTAL ASSETS</b>		<u>125,531</u>	<u>160,240</u>
<b>Equity</b>			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		33,219	55,578
		<u>64,834</u>	<u>87,193</u>
<b>Non-controlling interest</b>		15,298	22,683
<b>Total equity</b>		<u>80,132</u>	<u>109,876</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,406	1,833
		<u>1,406</u>	<u>1,833</u>
<b>Current liabilities</b>			
Trade and other payables		37,393	43,060
Provisions		2,861	3,164
Taxation		3,739	2,307
		<u>43,993</u>	<u>48,531</u>
<b>Total liabilities</b>		45,399	50,364
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>125,531</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

(Company No: 322661-W)

### Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 30 September 2011

Group	Share capital RM'000	<i>Non-Distributable</i> Share premium RM'000	Capital reserve RM'000	<i>Distributable</i> 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)	(10,352)	(41,957)
Total comprehensive income for the financial period	-	-	-	9,246	9,246	2,967	12,213
Balance at 30 September 2011	25,800	5,812	3	33,219	64,834	15,298	80,132
Balance at 1 April 2010	25,800	5,812	3	41,129	72,744	16,593	89,337
Dividends paid	-	-	-	(3,870)	(3,870)	(830)	(4,700)
Total comprehensive income for the financial period	-	-	-	8,995	8,995	3,164	12,159
Balance at 30 September 2010	25,800	5,812	3	46,254	77,869	18,927	96,796

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 Period Ended 30 September 2011

	Current Financial Period 30/9/2011 RM'000	Preceding Year Corresponding Period 30/9/2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	16,358	16,348
Adjustments for:-		
Non-cash items	1,484	826
Non-operating items	(867)	(429)
Operating profit before working capital changes	<u>16,975</u>	<u>16,745</u>
Changes in working capital:-		
Inventories	(2,866)	1,671
Trade and other receivables	6,316	(3,704)
Trade and other payables	(12,810)	(6,518)
Provisions	(303)	1,144
Cash generated from operations	<u>7,312</u>	<u>9,338</u>
Tax paid	<u>(3,140)</u>	<u>(1,646)</u>
<b>Net cash generated from operating activities</b>	<u>4,172</u>	<u>7,692</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(783)	(758)
Proceeds from disposal of property, plant and equipment	28	175
Interest received	867	429
<b>Net cash generated from/(used in) investing activities</b>	<u>112</u>	<u>(154)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	<u>(34,937)</u>	<u>(5,870)</u>
<b>Net cash used in financing activities</b>	<u>(34,937)</u>	<u>(5,870)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(30,653)	1,668
Effect of exchange rate fluctuations on cash held	77	583
<b>Cash and cash equivalents at beginning of financial period</b>	<u>76,400</u>	<u>53,978</u>
<b>Cash and cash equivalents at end of financial period</b>	<u>45,824</u>	<u>56,229</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

(Company No: 322661-W)

### Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 30 September 2011 - continued

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

	<b>As at End of Current Financial Period 30/9/2011 RM'000</b>	<b>As at End of Preceding Year Corresponding Period 30/9/2010 RM'000</b>
Deposits placed with licensed banks	28,908	52,688
Cash and bank balances	16,916	3,541
	<u>45,824</u>	<u>56,229</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**

(Company No : 322661-W)

**Notes on the Quarterly Interim Financial Report - 30 September 2011**

**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.



**OPCOM HOLDINGS BERHAD**

(Company No : 322661-W)

**Notes on the Quarterly Interim Financial Report - 30 September 2011**

**A7. Dividends paid**

A special interim dividend of 22.50 sen per ordinary share under single tier system was paid on 28 September 2011 (30 September 2010: Interim dividend of 1.50 sen per ordinary share under single-tier system).

**A8. Segmental reporting**

The Group operates wholly in Malaysia.

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

30 September 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
<b>Revenue:</b>						
External Revenue	42,513	13,131	45	55,689	-	55,689
Intersegment revenue	-	13,288	2,922	16,210	(16,210)	-
Total revenue	42,513	26,419	2,967	71,899	(16,210)	55,689
Segment results						15,569
Unallocated expenses						(78)
Operating Profit						15,491
Interest income						867
Profit before tax						16,358
Income tax expense						(4,145)
Profit after tax						12,213

30 September 2010

<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	48,803	16,230	27	65,060	-	65,060
Intersegment revenue	-	10,253	2,992	13,245	(13,245)	-
Total revenue	48,803	26,483	3,019	78,305	(13,245)	65,060
Segment results						16,004
Unallocated expenses						(85)
Operating Profit						15,919
Interest income						429
Profit before tax						16,348
Income tax expense						(4,189)
Profit after tax						12,159

**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 - 30 September 2011**

**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 30 Sep 2011 RM'000	As at 31 Mar 2011 RM'000
Performance and warranty bonds issued	18,436	18,595

**A13. Significant Related Party Transactions**

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

	Current Quarter 30 Sep 2011 RM'000	Preceding Year Corresponding Quarter 30 Sep 2010 RM'000	Current Financial Period 30 Sep 2011 RM'000	Preceding Year Corresponding Period 30 Sep 2010 RM'000
A related company in which substantial shareholders of the Company and a Director of a subsidiary have interests:-				
Purchase of accessories	3,435	7,301	11,465	13,482
Corporate shareholder of a subsidiary of the Company:-				
Purchase of materials	1,757	1,891	4,634	3,511



**OPCOM HOLDINGS BERHAD**

(Company No : 322661-W)

**Notes on the Quarterly Interim Financial Report - 30 September 2011**

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

**B1. Review of Performance**

The Group registered revenue of RM22.6 million and profit before tax of RM6.7 million in current quarter as compared to revenue and profit before tax of RM34.5 million and RM9.3 million respectively in the preceding year's corresponding quarter. The sales of the Group's products was affected by the festive season which resulted in lower revenue contribution in current quarter. However, profit before tax margin for the current quarter was higher as there was relatively more sales of higher margin products.

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

The Group's revenue decreased to RM22.6 million in current quarter as compared to the immediate preceding quarter of RM33.1 million. The Group registered a profit before tax of RM6.7 million in the current quarter as compared to RM9.7 million in the immediate preceding quarter. There was a decrease in sales during the festive season which resulted in lower revenue contribution in current quarter. The profit before tax margin was consistent in current and immediate preceding quarter respectively.

**B3. Prospect**

With the 2-year extension of the existing RM359.6 million FTTH Supply Contract with Telekom Malaysia Berhad in hand, the Board is positive of the Group's performance for the remaining quarters of current financial year.

**B4. Profit forecast and profit guarantee**

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

**B5. Income Tax Expense**

	Current quarter ended		Financial period ended	
	30 Sep 2011 RM'000	30 Sep 2010 RM'000	30 Sep 2011 RM'000	30 Sep 2010 RM'000
Tax expense	1,938	2,637	4,572	4,377
Deferred taxation	(222)	(277)	(427)	(188)
	<u>1,716</u>	<u>2,360</u>	<u>4,145</u>	<u>4,189</u>

The Group recorded a tax expense of RM4.1 million for the current financial period. The Group's effective tax rate for current financial period was slightly higher than the statutory tax rate of 25%. The higher tax expense was mainly due to non-deductible expenses incurred during the financial period.

**B6. Profits/(Losses) on Sale of Unquoted Investments and/or Properties**

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

**B7. Purchase and Disposal of Quoted Securities**

There was no purchase or disposal of quoted securities during the current quarter.

**B8. Status of corporate proposals as at 21 November 2011**

**(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 21 November 2011.

**B9. Group borrowings and Debt Securities**

The Group has no borrowings and debt securities as at 30 September 2011.



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**Notes on the Quarterly Interim Financial Report - 30 September 2011**

**B10. Derivative Financial Instruments**

The Group has no derivative financial instruments as at 30 September 2011.

**B11. Material litigation as at 21 November 2011**

(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 21 November 2011, being the latest practicable date.

**B12. Dividends**

During the current quarter, the Company declared a special interim dividend of 22.50 sen per ordinary share under single tier system for the current financial year on 29 August 2011 and fully paid the same dividend on 28 September 2011 (30 September 2010: Interim dividend of 1.50 sen per ordinary share under single tier system).

Total net dividends declared for the current financial year is 24.50 sen per ordinary share (30 September 2010: 3.00 sen per ordinary share).

**B13. Earnings per share**

	Current quarter ended		Financial period ended	
	30 Sep 2011	30 Sep 2010	30 Sep 2011	30 Sep 2010
Profit and total comprehensive income attributable to owners of the Company (RM'000)	3,811	5,090	9,246	8,995
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
<b>Basic earnings per share (sen)</b>	<u>2.95</u>	<u>3.95</u>	<u>7.17</u>	<u>6.97</u>

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

**B14. 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, in accordance to directive from Bursa Malaysia Securities Berhad ("Bursa Securities") dated 20 December 2010, is as follows:-

	As at 30 Sep 2011 RM'000	As at 31 Mar 2011 RM'000
Total retained profits		
i) Company and its subsidiaries		
- realised	49,601	80,790
- unrealised	(4,837)	(6,600)
	<u>44,764</u>	<u>74,190</u>
ii) Less : Consolidation adjustments	(11,545)	(18,612)
Group total retained profits as per unaudited consolidated accounts	<u>33,219</u>	<u>55,578</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.



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**Notes on the Quarterly Interim Financial Report - 30 September 2011**

**B15. 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.