



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 30 September 2012

The Directors are pleased to announce the following:-

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 30 September 2012

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 30/09/2012 RM'000	Preceding Year Corresponding Quarter 30/09/2011 RM'000 <i>Restated</i>	Current Year To Date 30/09/2012 RM'000	Preceding Year Corresponding Period 30/09/2011 RM'000 <i>Restated</i>
Revenue		27,049	22,638	53,774	55,689
Cost of sales		(17,003)	(14,820)	(36,254)	(37,212)
Gross profit		10,046	7,818	17,520	18,477
Other operating income		24	880	135	972
Administrative expenses		(1,501)	(1,202)	(2,967)	(2,454)
Distribution costs		(1,191)	(1,158)	(1,558)	(1,390)
Other operating expenses		(1,079)	(66)	(1,724)	(166)
Operating profit		6,299	6,272	11,406	15,439
Interest Income		398	396	767	867
Profit before tax		6,697	6,668	12,173	16,306
Income tax expense		(1,765)	(1,709)	(3,152)	(4,131)
Profit and total comprehensive income for the period	B14	4,932	4,959	9,021	12,175
Profit and total comprehensive income attributable to:-					
Owners of the Company		3,735	3,792	6,828	9,208
Non-controlling interest		1,197	1,167	2,193	2,967
		<u>4,932</u>	<u>4,959</u>	<u>9,021</u>	<u>12,175</u>
Earnings per share attributable to owners of the Company:-					
Basic (sen)	B11	<u>2.90</u>	<u>2.94</u>	<u>5.29</u>	<u>7.14</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 2012.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2012

	Note	As At End Of Current Quarter 30/09/2012 RM'000	As At Preceding Financial Year End 31/03/2012 RM'000 <i>Restated</i>
Non-current assets			
Property, plant and equipment	A9	37,286	38,525
Deferred tax assets		3	3
		<u>37,289</u>	<u>38,528</u>
Current assets			
Inventories		14,027	17,087
Trade and other receivables		35,374	47,005
Cash and cash equivalents		58,110	50,352
		<u>107,511</u>	<u>114,444</u>
TOTAL ASSETS		<u>144,800</u>	<u>152,972</u>
Equity			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		53,965	49,072
		<u>85,580</u>	<u>80,687</u>
Non-controlling interest		15,940	18,836
Total equity		<u>101,520</u>	<u>99,523</u>
Non-current liabilities			
Deferred tax liabilities		3,156	3,438
		<u>3,156</u>	<u>3,438</u>
Current liabilities			
Trade and other payables		35,163	45,583
Provisions		2,025	2,021
Taxation		2,936	2,407
		<u>40,124</u>	<u>50,011</u>
Total liabilities		43,280	53,449
TOTAL EQUITY AND LIABILITIES		<u>144,800</u>	<u>152,972</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 2012.



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Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 30 September 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 2012 (Restated)	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 Sept 2012	25,800	5,812	3	53,965	85,580	15,940	101,520
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)	-	-	-	9,208	9,208	2,967	12,175
Balance at 30 Sept 2011 (Restated)	25,800	5,812	3	38,369	69,984	15,298	85,282

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 30 September 2012

	Current Financial Period 30/09/2012 RM'000	Preceding Year Corresponding Period 30/09/2011 RM'000 <i>Restated</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,173	16,306
Adjustments for:-		
Depreciation	1,423	1,471
Interest Income	(767)	(867)
Other Non-cash items	47	19
Other Non-operating items	3	46
Operating profit before working capital changes	<u>12,879</u>	<u>16,975</u>
Changes in working capital:-		
Inventories	3,060	(2,866)
Trade and other receivables	11,503	6,316
Trade and other payables	(15,446)	(12,810)
Provisions	4	(303)
Cash generated from operations	<u>12,000</u>	<u>7,312</u>
Tax paid	(2,904)	(3,140)
Net cash generated from operating activities	<u>9,096</u>	<u>4,172</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(187)	(783)
Proceeds from disposal of property, plant and equipment	-	28
Interest received	813	867
Net cash generated from investing activities	<u>626</u>	<u>112</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,935)	(34,937)
Net cash used in financing activities	<u>(1,935)</u>	<u>(34,937)</u>
Net increase/(decrease) in cash and cash equivalents	7,787	(30,653)
Effect of exchange rate fluctuations on cash held	(29)	77
Cash and cash equivalents at beginning of financial period	<u>50,352</u>	<u>76,400</u>
Cash and cash equivalents at end of financial period	<u>58,110</u>	<u>45,824</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 30 September 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 30/09/2012 RM'000	Preceding Year Corresponding Period 30/09/2011 RM'000 <i>Restated</i>
Deposits placed with licensed banks	41,810	28,908
Cash and bank balances	<u>16,300</u>	<u>16,916</u>
	<u>58,110</u>	<u>45,824</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 - 30 September 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>30 Sept 2011</u>			
<i>Consolidated Statement of Comprehensive Income</i>			
Cost of Sales	(37,160)	(52)	(37,212)
Tax Expense	(4,145)	14	(4,131)
<i>Consolidated Statement of Changes in Equity</i>			
Retained Earnings as 1 April 2011	55,578	5,188	60,766
Total Comprehensive Income	9,246	(38)	9,208
<i>Consolidated Statement of Cash Flows</i>			
Depreciation	1,419	52	1,471

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.



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Notes on the Quarterly Interim Financial Report - 30 September 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 did not pay dividend during the current quarter (30 September 2011: A special interim dividend of 22.50 sen per ordinary share under single-tier system was paid on 28 September 2011).

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

30 September 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	47,817	5,913	44	53,774	-	53,774
Intersegment revenue	-	9,707	2,922	12,629	(12,629)	-
Total revenue	<u>47,817</u>	<u>15,620</u>	<u>2,966</u>	<u>66,403</u>	<u>(12,629)</u>	<u>53,774</u>
Segmental results	8,887	1,320	17,449	27,656	(16,094)	11,562
Unallocated expenses						(156)
Operating Profit						<u>11,406</u>
Interest income						<u>767</u>
Profit before tax						<u>12,173</u>
Income tax expense						<u>(3,152)</u>
Profit after tax						<u>9,021</u>

30 September 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
Revenue:						
External Revenue	42,513	13,131	45	55,689	-	55,689
Intersegment revenue	-	13,288	2,922	16,210	(16,210)	-
Total revenue	<u>42,513</u>	<u>26,419</u>	<u>2,967</u>	<u>71,899</u>	<u>(16,210)</u>	<u>55,689</u>
Segmental results	12,574	2,012	34,732	49,318	(33,801)	15,517
Unallocated expenses						(78)
Operating Profit						<u>15,439</u>
Interest income						<u>867</u>
Profit before tax						<u>16,306</u>
Income tax expense						<u>(4,131)</u>
Profit after tax						<u>12,175</u>



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Notes on the Quarterly Interim Financial Report - 30 September 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 30 September 2012 RM'000	As at 31 March 2012 RM'000
Performance and warranty bonds issued	18,906	18,595

A13. Significant Related Party Transactions

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

	Current Quarter 30 Sept 2012 RM'000	Preceding Year Corresponding Quarter 30 Sept 2011 RM'000	Current Year To Date 30 Sept 2012 RM'000	Preceding Year Corresponding Period 30 Sept 2011 RM'000
A related company in which substantial shareholders of the Company and a Director of a subsidiary have interests:-				
Purchase of accessories	1,991	3,435	5,671	11,465
Business development commission	617	-	1,029	-
Corporate shareholder of a subsidiary of the Company:-				
Purchase of materials	2,399	1,757	5,340	4,634



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Notes on the Quarterly Interim Financial Report - 30 September 2012

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

B1. Review of Performance

The Group registered revenue of RM27.0 million and profit before tax of RM6.7 million in current quarter as compared to revenue and profit before tax of RM22.6 million and RM6.7 million respectively in the preceding year's corresponding quarter. The increase of revenue in current quarter was mainly due to increase in customer demand for cables.

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 33% in current quarter was mainly due to increase in customer demand for cables.
- b) Trading and Engineering Services - The decrease in revenue by 1% in current quarter was due to decrease in customer demand for accessories.
- c) Other Operations - The revenue contribution in current quarter was consistent with preceding year's corresponding quarter.

B2. Variation of results against the immediate preceding quarter

The Group's revenue increased to RM27.0 million in current quarter as compared to the immediate preceding quarter of RM26.7 million. The Group registered a profit before tax of RM6.7 million in the current quarter as compared to RM5.5 million in the immediate preceding quarter. The increase of revenue in current quarter was mainly due to increase in customer demand for cables.

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 11% in current quarter was mainly due to increase in customer order for cables.
- b) Trading and Engineering Services - The decrease in revenue by 18% in current quarter was due to decrease in customer demand for accessories.
- c) Other Operations - The revenue contribution in current quarter was consistent with immediate preceding quarter.

B3. Prospect

The Group has an existing FTTH Supply Contract with Telekom Malaysia Berhad and the Board is positive of the Group's performance in the remaining quarters 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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B5. Income Tax Expense

	Quarter ended		Financial period ended	
	30 Sept 2012 RM'000	30 Sept 2011 RM'000 <i>Restated</i>	30 Sept 2012 RM'000	30 Sept 2011 RM'000 <i>Restated</i>
Tax expense	2,012	1,931	3,434	4,558
Deferred taxation	(247)	(222)	(282)	(427)
	<u>1,765</u>	<u>1,709</u>	<u>3,152</u>	<u>4,131</u>

The Group recorded tax expense of RM1.8 million for the current quarter and RM3.2 million for current financial period. 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 certain expenses not deductible for tax purposes.

B6. Status of corporate proposals as at 19 November 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 19 November 2012.

B7. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 30 September 2012.

B8. Derivative Financial Instruments

The Group has no derivative financial instruments as at 30 September 2012.

B9. Material litigation as at 19 November 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 19 November 2012, being the latest practicable date.

B10. Dividends

During the current quarter, the Company declared a special interim dividend of 11.00 sen per ordinary share under single tier system for current financial year on 3 September 2012 and fully paid the same on 3 October 2012 (30 September 2011: A special interim dividend of 22.50 sen per ordinary share).

Total net dividends declared for the current financial year is 12.50 sen per ordinary share (30 September 2011: 24.50 sen per ordinary share).

B11. Earnings per share

	Quarter ended		Financial period ended	
	30 Sept 2012	30 Sept 2011 <i>Restated</i>	30 Sept 2012	30 Sept 2011 <i>Restated</i>
Profit and total comprehensive income attributable to owners of the Company (RM'000)	3,735	3,792	6,828	9,208
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings per share (sen)	<u>2.90</u>	<u>2.94</u>	<u>5.29</u>	<u>7.14</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 2012 RM'000	As at 31 March 2012 RM'000 <i>Restated</i>
Total retained profits		
i) Company and its subsidiaries		
- realised	72,986	71,258
- unrealised	<u>(6,838)</u>	<u>(7,089)</u>
	66,148	64,169
ii) Less : Consolidation adjustments	<u>(12,183)</u>	<u>(15,097)</u>
Group total retained profits as per unaudited consolidated accounts	<u><u>53,965</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	
	30 Sept 2012 RM'000	30 Sept 2011 RM'000 <i>Restated</i>	30 Sept 2012 RM'000	30 Sept 2011 RM'000 <i>Restated</i>
Profit for the period is arrived at after crediting:				
Interest income	398	396	767	867
Other income	24	45	64	149
Foreign exchange gain	-	349	70	886
and after charging:				
Interest expense	-	-	-	-
Depreciation	676	739	1,423	1,471
Provision for/write off of receivables	-	-	-	-
Provision for/write off of inventories	-	-	-	-
Foreign exchange loss	268	-	582	47

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 2012 (30 September 2011: Nil).