



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 31 March 2013

The Directors are pleased to announce the following:-

#### Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Year Ended 31 March 2013

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 31/03/2013 RM'000	Preceding Year Corresponding Quarter 31/03/2012 RM'000 <i>Restated</i>	Current Year To Date 31/03/2013 RM'000	Preceding Year Corresponding Year To Date 31/03/2012 RM'000 <i>Restated</i>
Revenue		19,605	39,069	106,255	127,836
Cost of sales		(13,946)	(26,875)	(71,882)	(86,016)
<b>Gross profit</b>		<b>5,659</b>	<b>12,194</b>	<b>34,373</b>	<b>41,820</b>
Other operating income		77	276	216	1,292
Administrative expenses		(1,781)	(2,462)	(6,192)	(6,140)
Distribution costs		(1,388)	551	(4,812)	(2,336)
Other operating expenses		247	236	(2,800)	(446)
<b>Operating profit</b>		<b>2,814</b>	<b>10,795</b>	<b>20,785</b>	<b>34,190</b>
Interest Income		341	306	1,313	1,483
<b>Profit before tax</b>		<b>3,155</b>	<b>11,101</b>	<b>22,098</b>	<b>35,673</b>
Income tax expense		(647)	(2,690)	(5,285)	(9,257)
<b>Profit and total comprehensive income for the period</b>	<b>B14</b>	<b>2,508</b>	<b>8,411</b>	<b>16,813</b>	<b>26,416</b>
Profit and total comprehensive income attributable to:-					
Owners of the Company		2,136	6,307	12,957	19,910
Non-controlling interest		372	2,104	3,856	6,506
		<u>2,508</u>	<u>8,411</u>	<u>16,813</u>	<u>26,416</u>
<b>Earnings per share attributable to owners of the Company:-</b>					
Basic (sen)	<b>B11</b>	<u>1.66</u>	<u>4.89</u>	<u>10.04</u>	<u>15.43</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 March 2013

	Note	As At End Of Current Quarter 31/03/2013 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	37,180	38,525
Deferred tax assets		13	3
		<u>37,193</u>	<u>38,528</u>
<b>Current assets</b>			
Inventories		16,169	17,087
Trade and other receivables		24,458	47,005
Cash and cash equivalents		60,872	50,352
Tax recoverable		151	-
		<u>101,650</u>	<u>114,444</u>
<b>TOTAL ASSETS</b>		<u>138,843</u>	<u>152,972</u>
<b>Equity</b>			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		45,904	49,072
		<u>77,519</u>	<u>80,687</u>
<b>Non-controlling interest</b>		17,604	18,836
<b>Total equity</b>		<u>95,123</u>	<u>99,523</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		3,147	3,438
		<u>3,147</u>	<u>3,438</u>
<b>Current liabilities</b>			
Trade and other payables		37,474	45,583
Provisions		3,099	2,021
Taxation		-	2,407
		<u>40,573</u>	<u>50,011</u>
<b>Total liabilities</b>		43,720	53,449
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>138,843</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.



**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Year Ended 31 March 2013**

<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 year	-	-	-	12,957	12,957	3,856	16,813
Balance at 31 March 2013	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>45,904</u>	<u>77,519</u>	<u>17,604</u>	<u>95,123</u>
Balance at 1 April 2011 (Restated)	25,800	5,812	3	60,767	92,382	22,683	115,065
Dividends paid	-	-	-	(31,605)	(31,605)	(10,353)	(41,958)
Total comprehensive income for the financial year (Restated)	-	-	-	19,910	19,910	6,506	26,416
Balance at 31 March 2012 (Restated)	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>49,072</u>	<u>80,687</u>	<u>18,836</u>	<u>99,523</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 2012.



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Year Ended 31 March 2013

	Current Financial Year 31/03/2013 RM'000	Preceding Year Corresponding Year 31/03/2012 RM'000 <i>Restated</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	22,098	35,673
Adjustments for:-		
Depreciation	2,771	2,980
Interest Income	(1,313)	(1,483)
Other Non-cash items	31	193
Other Non-operating items	11	35
Operating profit before working capital changes	<u>23,598</u>	<u>37,398</u>
Changes in working capital:-		
Inventories	918	(2,118)
Trade and other receivables	22,673	(10,864)
Trade and other payables	(8,073)	(4,458)
Provisions	1,078	(1,143)
Cash generated from operations	<u>40,194</u>	<u>18,815</u>
Tax paid	(8,144)	(9,283)
<b>Net cash generated from operating activities</b>	<u>32,050</u>	<u>9,532</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,438)	(1,715)
Proceeds from disposal of property, plant and equipment	-	28
Interest received	1,144	1,276
<b>Net cash used in investing activities</b>	<u>(294)</u>	<u>(411)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(21,213)	(34,937)
<b>Net cash used in financing activities</b>	<u>(21,213)</u>	<u>(34,937)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	10,543	(25,816)
Effect of exchange rate fluctuations on cash held	(23)	(232)
<b>Cash and cash equivalents at beginning of financial year</b>	<u>50,352</u>	<u>76,400</u>
<b>Cash and cash equivalents at end of financial year</b>	<u>60,872</u>	<u>50,352</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 Year Ended 31 March 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 Year 31/03/2013 RM'000	Preceding Year Corresponding Year 31/03/2012 RM'000 <i>Restated</i>
Deposits placed with licensed banks	57,588	35,190
Cash and bank balances	<u>3,284</u>	<u>15,162</u>
	<u>60,872</u>	<u>50,352</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 March 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 ("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 ended 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 March 2012</u>			
<i>Consolidated Statement of Comprehensive Income</i>			
Cost of Sales	(85,912)	(104)	(86,016)
Tax Expense	(9,285)	28	(9,257)
<i>Consolidated Statement of Changes in Equity</i>			
Retained Earnings as 1 April 2011	55,578	5,189	60,767
Total Comprehensive Income	19,986	(76)	19,910
<i>Consolidated Statement of Cash Flows</i>			
Depreciation	2,876	104	2,980

#### 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

(Company No : 322661-W)

Notes on the Quarterly Interim Financial Report - 31 March 2013

### 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 (31 March 2012: Nil).

### A8. Segmental reporting

The Group operates wholly in Malaysia.

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

31 March 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
<b>Revenue:</b>						
External Revenue	93,223	12,960	72	106,255	-	106,255
Intersegment revenue		20,589	5,916	26,505	(26,505)	-
Total revenue	93,223	33,549	5,988	132,760	(26,505)	106,255
Segmental results	14,852	3,070	18,761	36,683	(15,711)	20,972
Unallocated expenses						(187)
Operating Profit						20,785
Interest income						1,313
Profit before tax						22,098
Income tax expense						(5,285)
Profit after tax						16,813

31 March 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
<b>Revenue:</b>						
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	36,276	68,161	(33,820)	34,341
Unallocated expenses						(151)
Operating Profit						34,190
Interest income						1,483
Profit before tax						35,673
Income tax expense						(9,257)
Profit after tax						26,416



## OPCOM HOLDINGS BERHAD

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Notes on the Quarterly Interim Financial Report - 31 March 2013

### 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 March 2013 RM'000	As at 31 March 2012 RM'000
Performance and warranty bonds issued	24,395	19,129

### A13. Significant Related Party Transactions

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

	Current Quarter 31 Mar 2013 RM'000	Preceding Year Corresponding Quarter 31 Mar 2012 RM'000	Current Year To Date 31 Mar 2013 RM'000	Preceding Year Corresponding Year To Date 31 Mar 2012 RM'000
A related company in which substantial shareholders of the Company and a Director of a subsidiary have interests:-				
Purchase of accessories	3,218	8,863	11,726	24,440
Business development commission	(77)	-	2,263	-
Corporate shareholder of a subsidiary of the Company:-				
Purchase of materials	3,584	5,078	12,598	13,263





## OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the Quarterly Interim Financial Report - 31 March 2013

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

#### B1. Review of Performance

The Group registered revenue of RM19.6 million and profit before tax of RM3.2 million in current quarter as compared to revenue and profit before tax of RM39.1 million and RM11.1 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 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 45% in current quarter was mainly due to decrease in customer demand for cables.
- b) Trading and Engineering Services - The decrease in revenue by 30% 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 decreased to RM19.6 million in current quarter as compared to the immediate preceding quarter of RM32.9 million. The Group registered a profit before tax of RM3.2 million in the current quarter as compared to RM6.8 million in the immediate preceding quarter. The decrease of revenue in current quarter was mainly due to decrease 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 decrease in revenue by 45% in current quarter was mainly due to decrease in customer order for cables.
- b) Trading and Engineering Services - The decrease in revenue by 60% in current quarter was due to decrease in customer demand for accessories and less supply of materials for cable manufacturing.
- c) Other Operations - The revenue contribution in current quarter was near consistent with immediate preceding quarter.

#### B3. Prospects

The Group has ongoing and new contracts with Telekom Malaysia Berhad and other telecommunication operators for supply of its cables and accessories. Orders from these customers are recurring and the Group expects its sales and shipment of fiber optic cables and accessories to remain healthy, and the Board is positive of the Group's performance for the financial year ending 31 March 2014.

#### 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 March 2013

**B5. Income Tax Expense**

	Quarter ended		Financial year ended	
	31 Mar 2013 RM'000	31 Mar 2012 RM'000 <i>Restated</i>	31 Mar 2013 RM'000	31 Mar 2012 RM'000 <i>Restated</i>
Tax expense	817	2,264	5,585	9,354
Deferred taxation	(170)	426	(300)	(97)
	<u>647</u>	<u>2,690</u>	<u>5,285</u>	<u>9,257</u>

The Group recorded tax expense of RM0.6 million for the current quarter and RM5.3 million as at end of financial year. The Group's effective tax rate at end of 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 30 May 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 30 May 2013.

**B7. Group borrowings and Debt Securities**

The Group has no borrowings and debt securities as at 31 March 2013.

**B8. Derivative Financial Instruments**

The Group has no derivative financial instruments as at 31 March 2013.

**B9. Material litigation as at 30 May 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 30 May 2013, being the latest practicable date.

**B10. Dividends**

The Company did not declare dividend during the current quarter (31 March 2012: Nil).

Total net dividends declared as at end of financial year is 12.50 sen per ordinary share (31 March 2012: 24.50 sen per ordinary share).

**B11. Earnings per share**

	Quarter ended		Financial year ended	
	31 Mar 2013	31 Mar 2012 <i>Restated</i>	31 Mar 2013	31 Mar 2012 <i>Restated</i>
Profit and total comprehensive income attributable to owners of the Company (RM'000)	2,136	6,307	12,957	19,910
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
<b>Basic earnings per share (sen)</b>	<u>1.66</u>	<u>4.89</u>	<u>10.04</u>	<u>15.43</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 March 2013

**B12. Realised and Unrealised Retained Profits**

The breakdown of retained profits of the Group as at end of financial year and end of preceding financial year into realised and unrealised profits or losses is as follows:-

	As at 31 Mar 2013 RM'000	As at 31 March 2012 RM'000 <i>Restated</i>
Total retained profits		
i) Company and its subsidiaries		
- realised	66,736	71,258
- unrealised	<u>(7,284)</u>	<u>(7,089)</u>
	59,452	64,169
ii) Less : Consolidation adjustments	<u>(13,549)</u>	<u>(15,097)</u>
Group total retained profits as per unaudited consolidated accounts	<u><u>45,903</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 as at end of financial year.

**B14. Profit for the Year**

	Quarter ended		Financial year ended	
	31 Mar 2013 RM'000	31 Mar 2012 RM'000 <i>Restated</i>	31 Mar 2013 RM'000	31 Mar 2012 RM'000 <i>Restated</i>
Profit for the year is arrived at after crediting:				
Interest income	341	306	1,313	1,483
Other income	38	204	177	396
Foreign exchange gain	(651)	458	-	867
and after charging:				
Interest expense	-	-	-	-
Depreciation	669	833	2,771	2,980
Provision for/write off of receivables	-	-	-	-
Provision for/write off of inventories	414	837	414	578
Foreign exchange loss	(393)	192	189	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 2013 (31 March 2012: Nil).