



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 30 June 2012

The Directors are pleased to announce the following:-

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

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 30/06/2012 RM'000	Preceding Year Corresponding Quarter 30/06/2011 RM'000 <i>Restated</i>	Current Year To Date 30/06/2012 RM'000	Preceding Year Corresponding Period 30/06/2011 RM'000 <i>Restated</i>
Revenue		26,725	33,051	26,725	33,051
Cost of sales		(19,251)	(22,392)	(19,251)	(22,392)
<b>Gross profit</b>		7,474	10,659	7,474	10,659
Other operating income		111	92	111	92
Administrative expenses		(1,466)	(1,252)	(1,466)	(1,252)
Distribution costs		(367)	(232)	(367)	(232)
Other operating expenses		(645)	(100)	(645)	(100)
<b>Operating profit</b>		5,107	9,167	5,107	9,167
Interest Income		369	471	369	471
<b>Profit before tax</b>		5,476	9,638	5,476	9,638
Income tax expense		(1,387)	(2,422)	(1,387)	(2,422)
<b>Profit and total comprehensive income for the period</b>	<b>B14</b>	<b>4,089</b>	<b>7,216</b>	<b>4,089</b>	<b>7,216</b>
Profit and total comprehensive income attributable to:-					
Owners of the Company		3,093	5,416	3,093	5,416
Non-controlling interest		996	1,800	996	1,800
		4,089	7,216	4,089	7,216
<b>Earnings per share attributable to owners of the Company:-</b>					
Basic (sen)	<b>B11</b>	2.40	4.20	2.40	4.20
Diluted (sen)	<b>B11</b>	Not applicable	Not applicable	Not applicable	Not applicable

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 June 2012

	Note	As At End Of Current Quarter 30/06/2012 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	37,792	38,525
Deferred tax assets		3	3
		37,795	38,528
<b>Current assets</b>			
Inventories		12,234	17,087
Trade and other receivables		32,027	47,005
Cash and cash equivalents		55,705	50,352
		99,966	114,444
<b>TOTAL ASSETS</b>		137,761	152,972
<b>Equity</b>			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		50,230	49,072
		81,845	80,687
<b>Non-controlling interest</b>		19,002	18,836
<b>Total equity</b>		100,847	99,523
<b>Non-current liabilities</b>			
Deferred tax liabilities		3,404	3,438
		3,404	3,438
<b>Current liabilities</b>			
Trade and other payables		29,355	45,583
Provisions		1,780	2,021
Taxation		2,375	2,407
		33,510	50,011
<b>Total liabilities</b>		36,914	53,449
<b>TOTAL EQUITY AND LIABILITIES</b>		137,761	152,972

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 Period Ended 30 June 2012**

<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	-	-	-	(1,935)	(1,935)	(830)	(2,765)
Total comprehensive income for the financial period	-	-	-	3,093	3,093	996	4,089
<b>Balance at 30 June 2012</b>	<b>25,800</b>	<b>5,812</b>	<b>3</b>	<b>50,230</b>	<b>81,845</b>	<b>19,002</b>	<b>100,847</b>
Balance at 1 April 2011 (Restated)	25,800	5,812	3	60,766	92,381	22,683	115,064
Dividends paid	-	-	-	(2,580)	(2,580)	(830)	(3,410)
Total comprehensive income for the financial period (Restated)	-	-	-	5,416	5,416	1,800	7,216
<b>Balance at 30 June 2011 (Restated)</b>	<b>25,800</b>	<b>5,812</b>	<b>3</b>	<b>63,602</b>	<b>95,217</b>	<b>23,653</b>	<b>118,870</b>

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 June 2012

	Current Financial Period 30/06/2012 RM'000	Preceding Year Corresponding Period 30/06/2011 RM'000 <i>Restated</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,476	9,638
Adjustments for:-		
Depreciation	747	732
Interest Income	(369)	(471)
Other Non-cash items	313	366
Other Non-operating items	2	(4)
Operating profit before working capital changes	<u>6,169</u>	<u>10,261</u>
Changes in working capital:-		
Inventories	4,854	(2,537)
Trade and other receivables	14,835	(4,163)
Trade and other payables	(17,328)	(2,313)
Provisions	(241)	(613)
Cash generated from operations	<u>8,289</u>	<u>635</u>
Tax paid	(1,452)	(1,574)
<b>Net cash generated from/(used in) operating activities</b>	<u>6,837</u>	<u>(939)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(14)	(647)
Proceeds from disposal of property, plant and equipment	-	28
Interest received	555	471
<b>Net cash generated from/(used in) investing activities</b>	<u>541</u>	<u>(148)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,935)	(2,580)
<b>Net cash used in financing activities</b>	<u>(1,935)</u>	<u>(2,580)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	5,443	(3,667)
Effect of exchange rate fluctuations on cash held	(90)	(397)
<b>Cash and cash equivalents at beginning of financial period</b>	<u>50,352</u>	<u>76,400</u>
<b>Cash and cash equivalents at end of financial period</b>	<u>55,705</u>	<u>72,336</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 June 2012 - continued**

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

	<b>Current Financial Period 30/06/2012 RM'000</b>	<b>Preceding Year Corresponding Period 30/06/2011 RM'000 <i>Restated</i></b>
Deposits placed with licensed banks	49,588	54,910
Cash and bank balances	6,117	17,426
	<u>55,705</u>	<u>72,336</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 June 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 June 2011</u>			
<i>Consolidated Statement of Comprehensive Income</i>			
Cost of Sales	(22,366)	(26)	(22,392)
Tax Expense	(2,429)	7	(2,422)
<i>Consolidated Statement of Changes in Equity</i>			
Retained Earning as 1 April 2011	55,578	5,188	60,766
Total Comprehensive Income	5,435	(19)	5,416
<i>Consolidated Statement of Cash Flows</i>			
Depreciation	706	26	732

**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**

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**Notes on the Quarterly Interim Financial Report - 30 June 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 paid an interim dividend of 1.50 sen per ordinary share under single tier system on 9 May 2012 (30 June 2011: An interim dividend of 2.00 sen per ordinary share).

**A8. Segmental reporting**

The Group operates wholly in Malaysia.

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

30 June 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
<b>Revenue:</b>						
External Revenue	22,721	3,982	22	26,725	-	26,725
Intersegment revenue	-	4,585	1,461	6,046	(6,046)	-
Total revenue	<u>22,721</u>	<u>8,567</u>	<u>1,483</u>	<u>32,771</u>	<u>(6,046)</u>	<u>26,725</u>
Segmental results	3,970	593	2,602	7,165	(2,025)	5,140
Unallocated expenses						(33)
Operating Profit						<u>5,107</u>
Interest income						<u>369</u>
Profit before tax						<u>5,476</u>
Income tax expense						<u>(1,387)</u>
Profit after tax						<u>4,089</u>

30 June 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
<b>Revenue:</b>						
External Revenue	23,712	9,316	22	33,050	-	33,050
Intersegment revenue	-	9,981	1,461	11,442	(11,442)	-
Total revenue	<u>23,712</u>	<u>19,297</u>	<u>1,483</u>	<u>44,492</u>	<u>(11,442)</u>	<u>33,050</u>
Segmental results	6,610	2,420	3,235	12,265	(3,089)	9,176
Unallocated expenses						(9)
Operating Profit						<u>9,167</u>
Interest income						<u>471</u>
Profit before tax						<u>9,638</u>
Income tax expense						<u>(2,422)</u>
Profit after tax						<u>7,216</u>



**OPCOM HOLDINGS BERHAD**

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**Notes on the Quarterly Interim Financial Report - 30 June 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 June 2012 RM'000	As at 31 March 2012 RM'000
Performance and warranty bonds issued	<u>19,075</u>	<u>18,595</u>

**A13. Significant Related Party Transactions**

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

	Current Quarter 30 June 2012 RM'000	Preceding Year Corresponding Quarter 30 June 2011 RM'000	Current Year To Date 30 June 2012 RM'000	Preceding Year Corresponding Period 30 June 2011 RM'000
A related company in which substantial shareholders of the Company and a Director of a subsidiary have interests:-				
Purchase of accessories	3,680	8,030	3,680	8,030
Business Development	412	-	412	-
Corporate shareholder of a subsidiary of the Company:-				
Purchase of materials	2,941	2,877	2,941	2,877





**OPCOM HOLDINGS BERHAD**

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**Notes on the Quarterly Interim Financial Report - 30 June 2012**

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

**B1. Review of Performance**

The Group registered revenue of RM26.7 million and profit before tax of RM5.5 million in current quarter as compared to revenue and profit before tax of RM33.1 million and RM9.6 million respectively in the preceding year's corresponding quarter. The decrease of revenue in current quarter was mainly due to decrease in customer demand for 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 4% in current quarter was mainly due to decrease in customer demand for cables.
- b) Trading and Engineering Services - The decrease in revenue by 56% in current quarter was due to decrease in customer demand for accessories and less supply of materials for cables manufacturing.
- 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 decreased to RM26.7 million in current quarter as compared to the immediate preceding quarter of RM39.1 million. The Group registered a profit before tax of RM5.5 million in the current quarter as compared to RM11.1 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 23% in current quarter was mainly due to decrease in customer order for cables.
- b) Trading and Engineering Services - The decrease in revenue by 63% in current quarter was due to decrease in customer demand for accessories and less supply of materials for cables manufacturing.
- 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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**Notes on the Quarterly Interim Financial Report - 30 June 2012**

**B5. Income Tax Expense**

	Quarter ended		Financial period ended	
	30 June 2012 RM'000	30 June 2011 RM'000 <i>Restated</i>	30 June 2012 RM'000	30 June 2011 RM'000 <i>Restated</i>
Tax expense	1,421	2,634	1,421	2,634
Deferred taxation	(34)	(212)	(34)	(212)
	<u>1,387</u>	<u>2,422</u>	<u>1,387</u>	<u>2,422</u>

The Group recorded tax expense of RM1.4 million for the current quarter and 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 July 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 July 2012.

**B7. Group borrowings and Debt Securities**

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

**B8. Derivative Financial Instruments**

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

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

**B10. Dividends**

The Company declared an interim dividend of 1.50 sen per ordinary share under single tier system for current financial year on 12 April 2012 and fully paid the same on 9 May 2012 (30 June 2011: An interim dividend of 2.00 sen per ordinary share).

Total net dividends declared for the current financial year is 1.50 sen per ordinary share (30 June 2011: 2.00 sen per ordinary share).

**B11. Earnings per share**

	Quarter ended		Financial period ended	
	30 June 2012	30 June 2011 <i>Restated</i>	30 June 2012	30 June 2011 <i>Restated</i>
Profit and total comprehensive income attributable to owners of the Company (RM'000)	3,093	5,416	3,093	5,416
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
<b>Basic earnings per share (sen)</b>	<u>2.40</u>	<u>4.20</u>	<u>2.40</u>	<u>4.20</u>

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



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**Notes on the Quarterly Interim Financial Report - 30 June 2012**

**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 June 2012 RM'000	As at 31 March 2012 RM'000 <i>Restated</i>
Total retained profits		
i) Company and its subsidiaries		
- realised	72,118	71,258
- unrealised	<u>(6,549)</u>	<u>(7,089)</u>
	65,569	64,169
ii) Less : Consolidation adjustments	<u>(15,339)</u>	<u>(15,097)</u>
Group total retained profits as per unaudited consolidated accounts	<u><u>50,230</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 June 2012 RM'000	30 June 2011 RM'000 <i>Restated</i>	30 June 2012 RM'000	30 June 2011 RM'000 <i>Restated</i>
Profit for the period is arrived at after crediting:				
Interest income	369	471	369	471
Other income	41	92	41	92
Foreign exchange gain	70	285	70	285
and after charging:				
Interest expense	-	-	-	-
Depreciation	747	732	747	732
Provision for/write off of receivables	-	-	-	-
Provision for/write off of inventories	-	-	-	-
Foreign exchange loss	314	299	314	299

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 June 2012 (30 June 2011: Nil).