

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

QUARTERLY REPORT

On Consolidated Results for the Second Quarter ended 30 September 2010

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the Second Quarter ended 30 September 2010

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 30/09/2010 RM'000	Preceding Year Corresponding Quarter 30/09/2009 RM'000	Current Year To Date 30/09/2010 RM'000	Preceding Year Corresponding Period 30/09/2009 RM'000
Revenue		34,461	32,894	65,060	59,088
Cost of sales		(23,108)	(25,185)	(44,242)	(43,755)
Gross profit		11,353	7,709	20,818	15,333
Other income		608	254	946	353
Administrative expenses		(1,320)	(3,091)	(2,828)	(4,678)
Distribution costs		(1,488)	(617)	(2,845)	(1,623)
Other expenses		(82)	(75)	(172)	(176)
Other gain and losses		-	-	-	-
Finance costs		-	-	-	-
Operating Profit		9,071	4,180	15,919	9,209
Interest Income		212	109	429	243
Profit before tax		9,283	4,289	16,348	9,452
Income tax expense	B5	(2,360)	(1,323)	(4,189)	(2,657)
Profit for the period		6,923	2,966	12,159	6,795
Attributable to:					
Equity holders of the parent		5,090	2,016	8,995	4,861
Minority interest		1,833	950	3,164	1,934
		6,923	2,966	12,159	6,795
Earnings per share attributable to equity holders of the parent:					
Basic, for profit for the period (sen)	B13	3.95	1.56	6.97	3.77

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Balance Sheet as at 30 September 2010

	Note	As At End Of Current Quarter 30/09/2010 RM'000	As At Preceding Financial Year End 31/03/2010 RM'000
Non-current assets			
Property, plant and equipment	A9	26,699	27,464
Prepaid lease payments		7,447	7,508
Deferred tax assets		-	39
		<u>34,146</u>	<u>35,011</u>
Current assets			
Inventories		15,149	16,820
Trade and other receivables		26,062	22,358
Cash and cash equivalents		56,229	53,978
Tax recoverable		-	53
		<u>97,440</u>	<u>93,209</u>
TOTAL ASSETS		<u>131,586</u>	<u>128,220</u>
EQUITY AND LIABILITIES			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		46,254	41,129
		<u>77,869</u>	<u>72,744</u>
Minority interest		18,927	16,593
Total equity		<u>96,796</u>	<u>89,337</u>
Non-current liabilities			
Deferred tax liabilities		1,837	2,033
		<u>1,837</u>	<u>2,033</u>
Current liabilities			
Trade and other payables		30,141	36,685
Taxation		2,812	165
		<u>32,953</u>	<u>36,850</u>
Total liabilities		34,790	38,883
TOTAL EQUITY AND LIABILITIES		<u>131,586</u>	<u>128,220</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Second Quarter ended 30 September 2010

Group	Non Distributable			Distributable	Minority interest RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Retained profits RM'000		
At 1 April 2010	25,800	5,812	3	41,129	16,593	89,337
Net profit for the period	-	-	-	8,995	3,164	12,159
Dividends	-	-	-	(3,870)	(830)	(4,700)
At 30 September 2010	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>46,254</u>	<u>18,927</u>	<u>96,796</u>
At 1 April 2009	25,800	5,812	3	37,011	15,137	83,763
Net profit for the period	-	-	-	4,861	1,934	6,795
Dividends	-	-	-	(3,541)	(840)	(4,381)
At 30 September 2009	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>38,331</u>	<u>16,231</u>	<u>86,177</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 2010.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Cash Flow Statement for the Second Quarter Ended 30 September 2010

	30/09/2010 RM'000	30/09/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,348	9,452
Adjustments for:		
Non-cash items	1,409	1,666
Non-operating items	(429)	(243)
Operating profit before working capital changes	<u>17,328</u>	<u>10,875</u>
Changes in working capital:		
Inventories	1,671	(2,256)
Trade and other receivables	(3,704)	(4,220)
Trade and other payables	(5,374)	4,854
Cash generated from operations	<u>9,921</u>	<u>9,253</u>
Tax paid	<u>(1,646)</u>	<u>(1,292)</u>
Net cash generated from operating activities	<u>8,275</u>	<u>7,961</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(758)	(487)
Proceeds from disposal of property, plant and equipment	175	-
Proceeds from disposal of leasehold land	-	3,575
Interest received	429	244
Net cash generated (used in)/from investing activities	<u>(154)</u>	<u>3,332</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	<u>(5,870)</u>	<u>(3,541)</u>
Net cash generated used in financing activities	<u>(5,870)</u>	<u>(3,541)</u>
Net increase in cash and cash equivalents	2,251	7,752
Cash and cash equivalents at beginning of period	<u>53,978</u>	<u>36,276</u>
Cash and cash equivalents at end of period	<u>56,229</u>	<u>44,028</u>

The unaudited Condensed Consolidation Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010.



OPCOM HOLDINGS BERHAD
(Company No : 322661-W)
Notes on the quarterly report - 30 September 2010

A. EXPLANATORY NOTES AS PER FINANCIAL REPORTING STANDARD (“FRS”) 134, INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim unaudited financial statements for the quarter under review 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 year ended 31 March 2010. 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 year ended 31 March 2010.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 March 2010.

A2. Audit Report

There was no audit qualification on the annual financial statements for the financial year ended 31 March 2010.

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

During the quarter under review, there were no items or events that have arisen, which affected assets, liabilities, equity, net income or cash flows, that were unusual by reason of their nature, size or incidence.

A5. Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect in the quarter under review.

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 quarter under review.

A7. Dividends paid

An interim dividend of 1.50 sen per ordinary share single-tier tax exempt for current financial year was paid on 26 August 2010 (30 September 2009: an interim dividend of 1.50 sen tax exempt per ordinary share was paid on 16 September 2009)

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

30 September 2010

Business Segments

	Manufacturing RM'000	Trading & Engineering Services RM'000	Other Operations RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Revenue:						
External Revenue	48,803	16,230	27	65,060	-	65,060
Intersegment revenue	-	10,253	2,992	13,245	(13,245)	-
Total revenue	<u>48,803</u>	<u>26,483</u>	<u>3,019</u>	<u>78,305</u>	<u>(13,245)</u>	<u>65,060</u>
Segment results						16,004
Unallocated expenses						(85)
Operating Profit						<u>15,919</u>
Interest income						429
Profit before tax						<u>16,348</u>



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Notes on the quarterly report - 30 September 2010

A8. Segmental reporting (cont'd)

30 September 2009

Business Segments

	Manufacturing RM'000	Trading & Engineering Services RM'000	Other Operations RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Revenue:						
External Revenue	47,683	11,303	102	59,088	-	59,088
Intersegment revenue	-	11,669	2,922	14,591	(14,591)	-
Total revenue	<u>47,683</u>	<u>22,972</u>	<u>3,024</u>	<u>73,679</u>	<u>(14,591)</u>	<u>59,088</u>
Segment results						9,273
Unallocated expenses						<u>(65)</u>
Operating Profit						9,208
Interest income						<u>244</u>
Profit before tax						<u>9,452</u>

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 the quarter under review that have not been reflected in the financial statements for the quarter under review.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

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 2010 RM'000	As at 31 Mar 2010 RM'000
Performance and warranty bonds issued to customers	<u>18,339</u>	<u>18,674</u>



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On Consolidated Results for the Second Quarter ended 30 September 2010

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1. Review of Performance

In the quarter under review, the Group registered a revenue of RM34.5mil and profit before tax of RM9.3mil as compared to revenue and profit before tax of RM32.9mil and RM4.3mil respectively in the preceding year's corresponding quarter. Higher revenue was recorded in current quarter due to the roll-out of the Fiber-To-The-Home ("FTTH") Supply Contract awarded by Telekom Malaysia Berhad to a subsidiary of the Group. The Group also recorded a higher profit before tax in current quarter due to sales of higher margin products.

B2. Variation of results against the immediate preceding quarter

In the quarter ended 30 September 2010, the Group's revenue has increased to RM34.5mil as compared to the immediate preceding quarter of RM30.6mil. The Group registered a profit before tax of RM9.3mil in the current quarter as compared to RM7.1mil in the immediate preceding quarter. Higher revenue was recorded in current quarter due to increase in demand for the Group's products. Higher sales contribution, lower overheads and efficiency gains have resulted in higher profit before tax.

B3. Prospect

In view of the roll-out of a 2-year FTTH Supply Contract with a contract value of RM359.6 million awarded by Telekom Malaysia Berhad to a subsidiary of the Group, the Board is positive of the Group's performance for the remaining quarters of current financial year.

B4. Profit forecast and profit guarantee

The Company has not issued any profit forecast and profit guarantee.

B5. Taxation

	Individual quarter ended		Cumulative quarter ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Current tax expense	2,637	777	4,377	1,725
Deferred taxation	(277)	546	(188)	932
	<u>2,360</u>	<u>1,323</u>	<u>4,189</u>	<u>2,657</u>

The Group recorded a tax expense of RM2.4mil in current quarter and RM4.2mil year to date respectively. The Group's effective tax rate for current year to date was slightly higher than the statutory tax rate of 25%. This was mainly due to non-deductible expenses 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 quarter under review.

B7. Purchase and Disposal of Quoted Securities

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

B8. Status of corporate proposals as at 3 November 2010

(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 3 November 2010.

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 30 September 2010.



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B10. Off Balance Sheet Financial Instruments as at 3 November 2010

(being a date not earlier than seven (7) days from the date of issue of the quarterly report)

There were no off balance sheet financial instruments as at 3 November 2010, being the latest practicable date.

B11. Material litigation as at 3 November 2010

(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 3 November 2010, being the latest practicable date.

B12. Dividends

The Company declared its second interim dividend of 1.50 sen per ordinary share single-tier tax exempt for current financial year on 2 August 2010 and fully paid the same dividend on 26 August 2010 (30 September 2009: 1.50 sen per ordinary share tax exempt was declared on 6 August 2009 and paid on 16 September 2009)

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
Net profit for the period (RM'000)	5,090	2,016	8,995	4,861
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings per share (sen)	<u>3.95</u>	<u>1.56</u>	<u>6.97</u>	<u>3.77</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>