



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY REPORT

On Consolidated Results for the First Quarter ended 30 June 2010

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the First Quarter ended 30 June 2010

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2010 RM'000	Preceding Year Corresponding Quarter 30/06/2009 RM'000	Current Year To Date 30/06/2010 RM'000	Preceding Year Corresponding Period 30/06/2009 RM'000
Revenue	30,599	26,194	30,599	26,194
Cost of sales	(21,134)	(18,570)	(21,134)	(18,570)
Gross profit	9,465	7,624	9,465	7,624
Other income	338	98	338	98
Administrative expenses	(1,508)	(1,587)	(1,508)	(1,587)
Distribution costs	(1,357)	(1,006)	(1,357)	(1,006)
Other expenses	(90)	(101)	(90)	(101)
Other gain and losses	-	-	-	-
Finance costs	-	-	-	-
Operating Profit	6,848	5,028	6,848	5,028
Interest Income	217	135	217	135
Profit before tax	7,065	5,163	7,065	5,163
Income tax expense	(1,829)	(1,334)	(1,829)	(1,334)
Profit for the period	5,236	3,829	5,236	3,829
Attributable to:				
Equity holders of the parent	3,905	2,845	3,905	2,845
Minority interest	1,331	984	1,331	984
	5,236	3,829	5,236	3,829
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (sen)	3.03	2.21	3.03	2.21

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

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	As At End Of Current Quarter 30/06/2010 RM'000	As At Preceding Financial Year End 31/03/2010 RM'000
Note		
Non-current assets		
Property, plant and equipment	27,254	27,464
Prepaid lease payments	7,478	7,508
Deferred tax assets	-	39
	<u>34,732</u>	<u>35,011</u>
Current assets		
Inventories	20,315	16,820
Trade and other receivables	24,869	22,358
Cash and cash equivalents	50,793	53,978
Tax recoverable	-	53
	<u>95,977</u>	<u>93,209</u>
TOTAL ASSETS	<u>130,709</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	43,111	41,129
	<u>74,726</u>	<u>72,744</u>
Minority interest	17,094	16,593
Total equity	<u>91,820</u>	<u>89,337</u>
Non-current liabilities		
Deferred tax liabilities	2,111	2,033
	<u>2,111</u>	<u>2,033</u>
Current liabilities		
Trade and other payables	35,832	36,685
Taxation	946	165
	<u>36,778</u>	<u>36,850</u>
Total liabilities	38,889	38,883
TOTAL EQUITY AND LIABILITIES	<u>130,709</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)

Group	Share capital RM'000	Non Distributable Share premium RM'000	Capital reserve RM'000	Distributable Retained profits RM'000	Minority interest RM'000	Total RM'000
At 1 April 2010	25,800	5,812	3	41,129	16,593	89,337
Net profit for the period	-	-	-	3,905	1,331	5,236
Dividends	-	-	-	(1,923)	(830)	(2,753)
At 30 June 2010	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>43,111</u>	<u>17,094</u>	<u>91,820</u>
At 1 April 2009	25,800	5,812	3	37,011	15,137	83,763
Net profit for the period	-	-	-	2,845	984	3,829
Dividends	-	-	-	(1,606)	-	(1,606)
At 30 June 2009	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>38,250</u>	<u>16,121</u>	<u>85,986</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**

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	30/06/2010 RM'000	30/06/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,065	5,163
Adjustments for:		
Non-cash items	735	698
Non-operating items	(217)	(233)
Operating profit before working capital changes	<u>7,583</u>	<u>5,628</u>
Changes in working capital:		
Inventories	(3,495)	(897)
Trade and other receivables	(2,511)	(11,107)
Trade and other payables	317	3,083
Cash generated from/(used in) operations	<u>1,894</u>	<u>(3,293)</u>
Tax paid	<u>(878)</u>	<u>(689)</u>
Net cash generated from/(used in) operating activities	<u>1,016</u>	<u>(3,982)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(495)	(196)
Interest received	217	214
Net cash generated (used in)/from investing activities	<u>(278)</u>	<u>18</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	<u>(3,923)</u>	<u>(1,606)</u>
Net cash generated used in financing activities	<u>(3,923)</u>	<u>(1,606)</u>
Net decrease in cash and cash equivalents	<u>(3,185)</u>	<u>(5,570)</u>
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>50,793</u>	<u>30,706</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 June 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 28 April 2010 (30 June 2009: 1.66 sen per ordinary share less 25% tax)

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

30 June 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
Revenue:						
External Revenue	25,520	5,066	13	30,599	-	30,599
Intersegment revenue	-	7,813	1,461	9,274	(9,274)	-
Total revenue	25,520	12,879	1,474	39,873	(9,274)	30,599
Segment results						6,865
Unallocated expenses						(17)
Operating Profit						6,848
Interest income						217
Profit before tax						7,065



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Notes on the quarterly report - 30 June 2010

A8. Segmental reporting (cont'd)

30 June 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	26,132	-	62	26,194	-	26,194
Intersegment revenue	-	8,889	1,332	10,221	(10,221)	-
Total revenue	26,132	8,889	1,394	36,415	(10,221)	26,194
Segment results						5,065
Unallocated expenses						(37)
Operating Profit						5,028
Interest income						135
Profit before tax						5,163

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 June 2010 RM'000	As at 31 Mar 2010 RM'000
Performance and warranty bonds issued to customers	18,416	18,674



OPCOM HOLDINGS BERHAD
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On Consolidated Results for the First Quarter ended 30 June 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 RM30.6mil and profit before tax of RM7.1mil as compared to revenue and profit before tax of RM26.2mil and RM5.2mil 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 June 2010, the Group's revenue has increased to RM30.6mil as compared to the immediate preceding quarter of RM26.2mil. The Group registered a profit before tax of RM7.1mil in the current quarter as compared to RM5.2mil in the immediate preceding quarter. Higher revenue was recorded in current quarter due to increase in demand for the Group's products. The higher sales contribution has 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 June 2010	30 June 2009	30 June 2010	30 June 2009
	RM'000	RM'000	RM'000	RM'000
Current tax expense	1,740	948	1,740	948
Deferred taxation	89	386	89	386
	<u>1,829</u>	<u>1,334</u>	<u>1,829</u>	<u>1,334</u>

The Group recorded a tax expense of RM1.8m in current quarter and 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 21 July 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 21 July 2010.

B9. Group borrowings and Debt Securities

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



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B10. Off Balance Sheet Financial Instruments as at 21 July 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 21 July 2010, being the latest practicable date.

B11. Material litigation as at 21 July 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 21 July 2010, being the latest practicable date.

B12. Dividends

The Company declared its first interim dividend of 1.50 sen per ordinary share single-tier tax exempt for current financial year on 2 April 2010 and fully paid the same dividend on 28 April 2010 (30 June 2009: 1.66 sen per ordinary share less 25% tax)

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
Net profit for the period (RM'000)	3,905	2,845	3,905	2,845
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings per share (sen)	<u>3.03</u>	<u>2.21</u>	<u>3.03</u>	<u>2.21</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>