



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 31 March 2011

The Directors are pleased to announce the following:-

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Year Ended 31 March 2011

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/3/2011 RM'000	Preceding Year Corresponding Quarter 31/3/2010 RM'000	Current Year To Date 31/3/2011 RM'000	Preceding Year Corresponding Period 31/3/2010 RM'000
Revenue	34,215	25,962	136,558	121,218
Cost of sales	<u>(23,169)</u>	<u>(10,460)</u>	<u>(91,425)</u>	<u>(83,008)</u>
Gross profit	11,046	15,502	45,133	38,210
Other income	1,072	2,683	2,404	3,461
Administrative expenses	(2,390)	(2,668)	(6,301)	(9,005)
Distribution costs	(1,090)	(2,574)	(4,866)	(5,002)
Other expenses	<u>(152)</u>	<u>(11,850)</u>	<u>(403)</u>	<u>(12,112)</u>
Operating profit	8,486	1,093	35,967	15,552
Interest Income	451	225	1,341	689
Profit before tax	8,937	1,318	37,308	16,241
Income tax expense	B5 <u>(2,290)</u>	<u>280</u>	<u>(9,719)</u>	<u>(3,521)</u>
Profit and total comprehensive income for the period	<u>6,647</u>	<u>1,598</u>	<u>27,589</u>	<u>12,720</u>
Profit and total comprehensive income attributable to:-				
Owners of the Company	4,817	1,676	20,254	9,594
Non-controlling interest	<u>1,830</u>	<u>(78)</u>	<u>7,335</u>	<u>3,126</u>
	<u>6,647</u>	<u>1,598</u>	<u>27,589</u>	<u>12,720</u>
Earnings per share attributable to owners of the Company:-				
Basic (sen)	B13 <u>3.73</u>	<u>1.30</u>	<u>15.70</u>	<u>7.44</u>
Diluted (sen)	B13 <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 2010.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Financial Position as at 31 March 2011

	Note	As At End Of Current Quarter 31/3/2011 RM'000	As At Preceding Financial Year End 31/03/2010 RM'000 Restated
Non-current assets			
Property, plant and equipment	A9	32,934	34,972
Deferred tax assets		3	39
		<u>32,937</u>	<u>35,011</u>
Current assets			
Inventories		14,969	16,820
Trade and other receivables		35,934	22,358
Tax recoverable		-	53
Cash and cash equivalents		76,400	53,978
		<u>127,303</u>	<u>93,209</u>
TOTAL ASSETS		<u>160,240</u>	<u>128,220</u>
Equity			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		55,578	41,129
		<u>87,193</u>	<u>72,744</u>
Non-controlling interest		<u>22,683</u>	<u>16,593</u>
Total equity		<u>109,876</u>	<u>89,337</u>
Non-current liabilities			
Deferred tax liabilities		1,833	2,033
		<u>1,833</u>	<u>2,033</u>
Current liabilities			
Trade and other payables		43,060	35,060
Provisions		3,164	1,625
Taxation		2,307	165
		<u>48,531</u>	<u>36,850</u>
Total liabilities		<u>50,364</u>	<u>38,883</u>
TOTAL EQUITY AND LIABILITIES		<u>160,240</u>	<u>128,220</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 2010.



OPCOM HOLDINGS BERHAD

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Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Year Ended 31 March 2011

Group	Share capital RM'000	<i>Non-Distributable</i>		<i>Distributable</i>	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
		Share premium RM'000	Capital reserve RM'000	Retained earnings RM'000			
Balance at 1 April 2010	25,800	5,812	3	41,129	72,744	16,593	89,337
Dividends paid	-	-	-	(5,805)	(5,805)	(1,245)	(7,050)
Total comprehensive income for the financial year	-	-	-	20,254	20,254	7,335	27,589
Balance at 31 March 2011	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>55,578</u>	<u>87,193</u>	<u>22,683</u>	<u>109,876</u>
Balance at 1 April 2009	25,800	5,812	3	37,011	68,626	15,137	83,763
Dividends paid	-	-	-	(5,476)	(5,476)	(1,670)	(7,146)
Total comprehensive income for the financial year	-	-	-	9,594	9,594	3,126	12,720
Balance at 31 March 2010	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>41,129</u>	<u>72,744</u>	<u>16,593</u>	<u>89,337</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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Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Year Ended 31 March 2011

	Current Year 31/3/2011 RM'000	Preceding Year 31/3/2010 RM'000 Re-stated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	37,308	16,241
Adjustments for:-		
Non-cash items	2,427	3,244
Non-operating items	(1,384)	(376)
Operating profit before working capital changes	<u>38,351</u>	<u>19,109</u>
Changes in working capital:-		
Inventories	1,851	(7,250)
Trade and other receivables	(13,578)	(4,108)
Trade and other payables	9,100	19,626
Provisions	1,539	1,625
Cash generated from operations	<u>37,263</u>	<u>29,002</u>
Tax paid	(7,688)	(3,509)
Net cash generated from operating activities	<u>29,575</u>	<u>25,493</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,175)	(3,938)
Proceeds from disposal of property, plant and equipment	387	3,576
Interest received	1,341	689
Deposits released from/(pledged to) bank	3,600	(3,500)
Net cash generated from/(used in) investing activities	<u>4,153</u>	<u>(3,173)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(7,805)	(7,476)
Net cash used in financing activities	<u>(7,805)</u>	<u>(7,476)</u>
Net increase in cash and cash equivalents	25,923	14,844
Effect of exchange rate fluctuations on cash held	99	(642)
Cash and cash equivalents at beginning of financial year	<u>50,378</u>	<u>36,176</u>
Cash and cash equivalents at end of financial year	<u>76,400</u>	<u>50,378</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 2010.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Year Ended 31 March 2011 - continued

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

	Current Year 31/3/2011 RM'000	Preceding Year 31/3/2010 RM'000
Deposits placed with licensed banks	64,183	41,985
Cash and bank balances	12,217	11,993
	<u>76,400</u>	<u>53,978</u>
Less: Deposits pledged to bank	-	(3,600)
	<u>76,400</u>	<u>50,378</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 2010.



OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the Quarterly Interim Financial Report - 31 March 2011

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

A1. Basis of preparation

The interim 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 financial 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 financial year ended 31 March 2010.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted for the annual audited financial statements for the year financial ended 31 March 2010 except for the adoption of the new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations that are issued by the Malaysian Accounting Standard Board ("MASB") with effect from 1 April 2010.

The adoption of the new and revised FRSs, Amendments to FRSs and Interpretations does not have any material impact on the financial statements of the Group.

The effect from the adoption of the new and revised FRSs, Amendments to FRSs and Interpretations are as follows:-

FRS 7, Financial Instruments: Disclosures

Prior to 1 April 2010, information about financial instruments was disclosed in accordance with the requirements of FRS132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk.

FRS 8, Operating Segments

FRS 8 requires the disclosure of information about the Group's operating segments and replaced the requirement to determine primary and secondary reporting segments of the Group. The Group has determined that the operating segments in accordance with FRS 8 are the same as the business segments adopted for the financial year ended 31 March 2010.

FRS 101, Presentation of Financial Statements

The revised FRS 101 requires separate presentation of owner and non owner changes in the statement of equity. Therefore, the statement of changes in equity includes all owner changes in equity.

Amendments to FRS 117, Leases

The amendments to FRS 117 requires that leases of land should be classified as either finance or operating using the general principles of FRS 117. Prior to the adoption of the Amendment to FRS 117, leasehold land were treated as operating leases and classified and presented as prepaid lease payments in the statement of financial position. Accordingly, the Group has reassessed and determined the lands with initial lease term of 50 years or more are in substance finance leases, and reclassified it to property, plant and equipment. This change in classification has no effect to the profit for the current financial year ended 31 March 2011 or the comparative prior period. The effect of the reclassification to the comparative of the prior year's statement of financial position and statement of cash flows is as follows:-

At 31 March 2010	As previously reported RM'000	Reclassified RM'000	As restated RM'000
Consolidated Statement of Financial Position:-			
Property, plant and equipment	27,464	7,508	34,972
Prepaid lease payments	7,508	(7,508)	-
Consolidated Statement of Cash Flows:-			
Proceeds from disposal of leasehold land	3,575	(3,575)	-
Proceeds from disposal of property, plant and equipment	1	3,575	3,576



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A1. Basis of preparation - continued

FRS 139, Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. A financial instrument is initially recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument. A financial instrument is initially recognised, at its fair values plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

A financial asset is derecognised when, and only when, the contractual rights to receive cash flows from the financial asset expire or the Group has transferred substantially all risks and rewards of ownership of the financial asset. A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. The differences from the derecognition are recognised in the profit or loss.

Financial Assets

The Group's financial assets include cash, short-term deposits and receivables. These financial assets are subsequently measured at amortised cost using the effective interest method.

Financial Liabilities

The Group's financial liabilities include trade and other payables. These financial liabilities are subsequently measured at amortised cost using the effective interest method.

A2. Audit Report

The Audit Report of the Group's annual financial statements for the financial year ended 31 March 2010 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.

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

No dividend was paid out during the current quarter (31 March 2010 : Nil).



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A8. Segmental reporting

The Group operates wholly in Malaysia.

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

31 March 2011

<u>Business Segments</u>	Trading & Engineering		Other	Total RM'000	Elimination RM'000	Consolidated RM'000
	Manufacturing RM'000	Services RM'000	Operations RM'000			
Revenue:						
External Revenue	106,764	29,723	71	136,558	-	136,558
Intersegment revenue	-	17,723	5,844	23,567	(23,567)	-
Total revenue	106,764	47,446	5,915	160,125	(23,567)	136,558
Segment results						36,190
Unallocated expenses						(223)
Operating Profit						35,967
Interest income						1,341
Profit before tax						37,308
Income tax expense						(9,719)
Profit after tax						27,589

31 March 2010

<u>Business Segments</u>	Trading & Engineering		Other	Total RM'000	Elimination RM'000	Consolidated RM'000
	Manufacturing RM'000	Services RM'000	Operations RM'000			
Revenue:						
External Revenue	98,027	23,062	129	121,218	-	121,218
Intersegment revenue	-	20,478	5,844	26,322	(26,322)	-
Total revenue	98,027	43,540	5,973	147,540	(26,322)	121,218
Segment results						15,798
Unallocated expenses						(246)
Operating Profit						15,552
Interest income						689
Profit before tax						16,241
Income tax expense						(3,521)
Profit after tax						12,720

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 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 2011 RM'000	As at 31 March 2010 RM'000
Performance and warranty bonds issued to customers	18,595	18,674



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Notes on the Quarterly Interim Financial Report - 31 March 2011

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

B1. Review of Performance

The Group registered a revenue of RM34.2 million and profit before tax of RM8.9 million in current quarter as compared to revenue and profit before tax of RM26.0 million and RM1.3 million respectively in the preceding year's corresponding quarter. Higher revenue was recorded in current quarter due to the increase in roll-out of the Fiber To The Home ("FTTH") Supply Contract awarded by Telekom Malaysia Berhad to a subsidiary of the Group. Higher sales contribution, improved cost management and efficiency gains recorded in current quarter has resulted in higher profit before tax.

B2. Variation of results against the immediate preceding quarter

In the current quarter, the Group's revenue recorded was RM34.2 million as compared to the immediate preceding quarter of RM37.3 million. The Group registered a profit before tax of RM8.9 million in the current quarter as compared to RM12.0 million in the immediate preceding quarter. The revenue and profit before tax in current quarter were lower due to lower orders for the Group's products in the current quarter.

B3. Prospect

In May 2011, a subsidiary of the Group signed a 2-year extension of the existing RM359.6 million FTTH Supply Contract with Telekom Malaysia Berhad. The extension period is from 20 April 2011 to 19 April 2013. The Board is positive of the Group's performance in the next financial year.

B4. Profit forecast and profit guarantee

The Group has not issued any profit forecast and profit guarantee in any public document.

B5. Income Tax Expense

	Individual quarter ended		Financial year ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Tax expense	2,220	241	9,883	3,741
Deferred taxation	70	(521)	(164)	(220)
	<u>2,290</u>	<u>(280)</u>	<u>9,719</u>	<u>3,521</u>

The Group recorded a tax expense of RM2.3 million and RM9.7 million for the current quarter and current financial year respectively. 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 non-deductible expenses incurred during the financial year.

B6. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investments or properties during the current quarter.

B7. Purchase and Disposal of Quoted Securities

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

B8. Status of corporate proposals as at 26 May 2011

(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 26 May 2011.

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 31 March 2011.

**OPCOM HOLDINGS BERHAD****(Company No : 322661-W)****Notes on the Quarterly Interim Financial Report - 31 March 2011****B10. Derivative Financial Instruments**

The Group has no derivative financial instruments as at 31 March 2011.

B11. Material litigation as at 26 May 2011

(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 26 May 2011, being the latest practicable date.

B12. Dividends

The Company did not declare dividend for the current quarter (31 March 2010 : Nil).

Total net dividends declared for the current financial year is 4.50 sen per ordinary share (31 March 2010 : 4.25 sen per ordinary share).

B13. Earnings per share

	Individual quarter ended		Financial year ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
Profit and total comprehensive income attributable to owners of the Company (RM'000)	4,817	1,676	20,254	9,594
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings per share (sen)	<u>3.73</u>	<u>1.30</u>	<u>15.70</u>	<u>7.44</u>

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

B14. Realised and Unrealised Retained Profits

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Rules 2.07 and 2.23 of Bursa Securities ACE Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued another directive on the disclosure and the prescribed format of presentation. The breakdown of retained profits of the Group as at 31 March 2011, into realised and unrealised profits or losses, pursuant to the directive, is as follows:-

	As at 31 March 2011 RM'000
Total retained profits	
i) Company and its subsidiaries	
- realised	80,789
- unrealised	<u>(6,599)</u>
	74,190
ii) Less : Consolidation adjustments	<u>(18,612)</u>
Group total retained profits as per unaudited consolidated accounts	<u><u>55,578</u></u>

Note: No comparative figures for the preceding year's corresponding period are required in the first financial year of complying with the realised and unrealised profits/losses disclosure in compliance with the Bursa Securities ACE Market Listing Requirements.



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B14. Realised and Unrealised Retained Profits - continued

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.

B15. 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 year.