

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**QUARTERLY REPORT**

On Consolidated Results for the Second Quarter ended 30 September 2009

The Directors are pleased to announce the following:

**Unaudited Condensed Consolidated Income Statement for the Second Quarter ended 30 September 2009**

|   | Individual Quarter                              |  | Cumulative Quarter                              |   |
|---|---|--|---|---|
|   | Current Year<br>Quarter<br>30/09/2009<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>30/09/2008<br>RM'000 | Current Year<br>To Date<br>30/09/2009<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>30/09/2008<br>RM'000 |
| Revenue   | 32,894  | 15,965   | 59,088  | 27,881  |
| Cost of sales   | (25,185)  | (11,147)   | (43,755)  | (19,107)  |
| <b>Gross profit</b>   | <b>7,709</b>                                    | <b>4,818</b>   | <b>15,333</b>                                   | <b>8,774</b>  |
| Other income  | 363   | 209  | 596   | 423   |
| Administrative expenses   | (3,091)   | (1,692)  | (4,678)   | (2,991)   |
| Distribution costs  | (617)   | (790)  | (1,623)   | (1,727)   |
| Other expenses  | (75)  | (17)   | (176)   | (43)  |
| Other gain and losses   | -   | 50   | -   | 50  |
| Finance costs   | -   | -  | -   | -   |
| <b>Profit before tax</b>  | <b>4,289</b>                                    | <b>2,578</b>   | <b>9,452</b>                                    | <b>4,486</b>  |
| Income tax expense  | (1,323)   | (738)  | (2,657)   | (1,269)   |
| <b>Profit for the period</b>  | <b>2,966</b>                                    | <b>1,840</b>   | <b>6,795</b>                                    | <b>3,217</b>  |
| Attributable to:  |   |  |   |   |
| Equity holders of the parent  | 2,016   | 1,255  | 4,861   | 2,255   |
| Minority interest   | 950   | 585  | 1,934   | 962   |
|   | <b>2,966</b>                                    | <b>1,840</b>   | <b>6,795</b>                                    | <b>3,217</b>  |
| <b>Earnings per share attributable to equity holders of the parent:</b> |   |  |   |   |
| Basic, for profit for the period (sen)                                  | <b>1.56</b>                                     | <b>0.97</b>  | <b>3.77</b>                                     | <b>1.75</b>   |

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2009.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Balance Sheet as at 30 September 2009**

|                                     | Note | As At End Of<br>Current Quarter<br>30/09/2009<br>RM'000 | As At Preceding<br>Financial Year End<br>31/03/2009<br>RM'000 |
|-------------------------------------|------|---|---|
| <b>Non-current assets</b>           |      |   |   |
| Property, plant and equipment       | A9   | 25,438  | 26,826  |
| Prepaid lease payments              |      | 7,578   | 10,944  |
| Deferred tax assets                 |      | 15  | 48  |
|                                     |      | <u>33,031</u>   | <u>37,818</u>   |
| <b>Current assets</b>               |      |   |   |
| Inventories                         |      | 11,826  | 9,570   |
| Trade and other receivables         |      | 22,469  | 18,249  |
| Cash and cash equivalents           |      | 44,028  | 36,276  |
| Tax recoverable                     |      | -   | 199   |
|                                     |      | <u>78,323</u>   | <u>64,294</u>   |
| <b>TOTAL ASSETS</b>                 |      | <u>111,354</u>  | <u>102,112</u>  |
| <b>EQUITY AND LIABILITIES</b>       |      |   |   |
| Share capital                       |      | 25,800  | 25,800  |
| Share premium                       |      | 5,812   | 5,812   |
| Capital reserve                     |      | 3   | 3   |
| Retained earnings                   |      | 38,331  | 37,011  |
|                                     |      | <u>69,946</u>   | <u>68,626</u>   |
| <b>Minority interest</b>            |      | <u>16,231</u>   | <u>15,137</u>   |
| <b>Total equity</b>                 |      | <u>86,177</u>   | <u>83,763</u>   |
| <b>Non-current liabilities</b>      |      |   |   |
| Deferred tax liabilities            |      | 3,160   | 2,261   |
|                                     |      | <u>3,160</u>  | <u>2,261</u>  |
| <b>Current liabilities</b>          |      |   |   |
| Trade and other payables            |      | 21,703  | 16,009  |
| Taxation                            |      | 314   | 79  |
| Dividend payable                    |      | -   | -   |
|                                     |      | <u>22,017</u>   | <u>16,088</u>   |
| <b>Total liabilities</b>            |      | <u>25,177</u>   | <u>18,349</u>   |
| <b>TOTAL EQUITY AND LIABILITIES</b> |      | <u>111,354</u>  | <u>102,112</u>  |

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2009.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Second Quarter ended 30 September 2009

| Group                     | Non Distributable       |                         |                           | Distributable              | Minority interest<br>RM'000 | Total<br>RM'000 |
|---------------------------|-------------------------|-------------------------|---------------------------|----------------------------|-----------------------------|-----------------|
|                           | Share capital<br>RM'000 | Share premium<br>RM'000 | Capital reserve<br>RM'000 | Retained profits<br>RM'000 |                             |                 |
| 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>   |
| At 1 April 2008           | 25,800                  | 5,812                   | 3                         | 34,124                     | 14,459                      | 80,198          |
| Net profit for the period | -                       | -                       | -                         | 2,255                      | 962                         | 3,217           |
| Dividends                 | -                       | -                       | -                         | (1,296)                    | -                           | (1,296)         |
| At 30 September 2008      | <u>25,800</u>           | <u>5,812</u>            | <u>3</u>                  | <u>35,083</u>              | <u>15,421</u>               | <u>82,119</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 2009.



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Cash Flow Statement for the Second Quarter ended 30 September 2009

|  | 30/09/2009<br>RM'000 | 30/09/2008<br>RM'000 |
|--|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |                      |                      |
| Profit before taxation   | 9,452                | 4,486                |
| Adjustments for:   |                      |                      |
| Non-cash items   | 1,667                | 1,221                |
| Non-operating items  | (244)                | (459)                |
| Operating profit before working capital changes                | <u>10,875</u>        | <u>5,248</u>         |
| Changes in working capital:                                    |                      |                      |
| Inventories  | (2,256)              | (2,178)              |
| Trade and other receivables                                    | (4,220)              | (3,133)              |
| Trade and other payables                                       | 4,854                | (3,009)              |
| Cash generated from/(used in) operations                       | <u>9,253</u>         | <u>(3,072)</u>       |
| Tax paid   | <u>(1,292)</u>       | <u>(965)</u>         |
| <b>Net cash generated from/(used in) operating activities</b>  | <u>7,961</u>         | <u>(4,037)</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                    |                      |                      |
| Purchase of property, plant and equipment                      | (487)                | (576)                |
| Proceeds from disposal of property, plant and equipment        | -                    | 43                   |
| Proceeds from disposal of leasehold land                       | 3,575                | -                    |
| Interest received  | 244                  | 459                  |
| <b>Net cash generated from/ (used in) investing activities</b> | <u>3,332</u>         | <u>(74)</u>          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                    |                      |                      |
| Interest paid  | -                    | -                    |
| Dividend paid  | (3,541)              | (1,613)              |
| <b>Net cash used in financing activities</b>                   | <u>(3,541)</u>       | <u>(1,613)</u>       |
| <b>Net increase/ (decrease) in cash and cash equivalents</b>   | 7,752                | (5,724)              |
| <b>Cash and cash equivalents at beginning of period</b>        | <u>36,276</u>        | <u>33,895</u>        |
| <b>Cash and cash equivalents at end of period</b>              | <u>44,028</u>        | <u>28,171</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 2009.



**OPCOM HOLDINGS BERHAD**  
**(Company No : 322661-W)**  
**Notes on the quarterly report - 30 September 2009**

**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 2009. 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 2009.

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 2009.

**A2. Audit Report**

There were no audit qualifications on the annual financial statements for the financial year ended 31 March 2009.

**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**

On 16 September 2009, the Company paid its second interim dividend of 1.50 sen tax exempt per ordinary share for current financial year. (30 September 2008: Nil).

**A8. Segmental reporting**

The Group operates wholly in Malaysia.

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

30 September 2009

Business Segments

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



**OPCOM HOLDINGS BERHAD**  
(Company No : 322661-W)

**Notes on the quarterly report - 30 September 2009**

**A8. Segmental reporting (cont'd)**

30 September 2008

Business Segments

|                      | Manufacturing<br>RM'000 | Trading & Engineering<br>Services<br>RM'000 | Other<br>Operations<br>RM'000 | Total<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|----------------------|-------------------------|---|-------------------------------|-----------------|-----------------------|------------------------|
| <b>Revenue:</b>      |                         |   |                               |                 |                       |                        |
| External Revenue     | 27,448                  | 272   | 161                           | 27,881          |                       | 27,881                 |
| Intersegment revenue | -                       | -   | 2,382                         | 2,382           | (2,382)               | -                      |
| Total revenue        | <u>27,448</u>           | <u>272</u>                                  | <u>2,543</u>                  | <u>30,263</u>   | <u>(2,382)</u>        | <u>27,881</u>          |
| Segment results      |                         |   |                               |                 |                       | 4,101                  |
| Unallocated expenses |                         |   |                               |                 |                       | <u>(61)</u>            |
| Operating Profit     |                         |   |                               |                 |                       | 4,040                  |
| Interest income      |                         |   |                               |                 |                       | 396                    |
| Unallocated income   |                         |   |                               |                 |                       | <u>50</u>              |
| Profit before tax    |                         |   |                               |                 |                       | <u>4,486</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<br>30 Sep 2009<br>RM'000 | As at<br>31 March 2009<br>RM'000 |
|--|--------------------------------|----------------------------------|
| Performance and warranty bonds issued to customers | <u>18,287</u>                  | <u>2,996</u>                     |

**OPCOM HOLDINGS BERHAD**

(Company No : 322661-W)

**Notes on the quarterly report - 30 September 2009****B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS****B1. Review of Performance**

For the quarter under review, the Group registered a revenue of RM32.9m and profit before tax of RM4.3m as compared to revenue and profit before tax of RM16.0m and RM2.6m 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 higher sales contribution has resulted in higher profit before tax.

**B2. Variation of results against the immediate preceding quarter**

In the quarter ended 30 Sep 2009, the Group's revenue has increased to RM32.9m as compared to the immediate preceding quarter of RM26.2m. The Group registered a profit before tax of RM4.3m in the current quarter as compared to RM5.2m in the immediate preceding quarter. Higher revenue was recorded in current quarter due to the roll-out of the FTTH Supply Contract awarded by Telekom Malaysia Berhad ("TM") to a subsidiary of the Group. The profit before tax was lower in current quarter as a result of the lower products pricing contracted with TM in the FTTH Supply Contract.

**B3. Prospect**

In view of the effective 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 Sep 2009<br>RM'000    | 30 Sep 2008<br>RM'000 | 30 Sep 2009<br>RM'000    | 30 Sep 2008<br>RM'000 |
| Current tax expense | 777                      | 696                   | 1,725                    | 1,641                 |
| Deferred taxation   | <u>546</u>               | <u>42</u>             | <u>932</u>               | <u>(372)</u>          |
|                     | <u>1,323</u>             | <u>738</u>            | <u>2,657</u>             | <u>1,269</u>          |

The Group recorded a tax expense of RM1,323,000 and RM2,657,000 for the current quarter and year to date respectively. The Group's effective tax rate for the year was slightly higher than the statutory tax rate of 25%. This was mainly due certain expenses which are not deductible for tax purposes.

**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 24 November 2009**

**(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 24 November 2009.

**B9. Group borrowings and Debt Securities**

The Group has no borrowings and debt securities as at 30 September 2009.



**OPCOM HOLDINGS BERHAD**

(Company No : 322661-W)

Notes on the quarterly report - 30 September 2009

**B10. Off Balance Sheet Financial Instruments as at 24 November 2009**

(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 24 November 2009, being the latest practicable date.

**B11. Material litigation as at 24 November 2009**

(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 24 November 2009, being the latest practicable date.

**B12. Dividends**

The Company declared its second interim dividend of 1.50 sen tax exempt per ordinary share for the current financial year on 6 August 2009 and fully paid the same dividend on 16 September 2009 (30 September 2008: 1.34 sen per ordinary share less 25% tax was declared on 25 September 2008 and paid on 17 October 2008 ).

**B13. Earnings per share**

|   | Individual quarter ended |                       | Cumulative quarter ended |                       |
|---|--------------------------|-----------------------|--------------------------|-----------------------|
|   | 30 Sep 2009              | 30 Sep 2008           | 30 Sep 2009              | 30 Sep 2008           |
| Net profit for the period (RM'000)              | 2,016                    | 1,255                 | 4,861                    | 2,255                 |
| Total number of ordinary shares in issue ('000) | 129,000                  | 129,000               | 129,000                  | 129,000               |
| <b>Basic earnings per share (sen)</b>           | <u>1.56</u>              | <u>0.97</u>           | <u>3.77</u>              | <u>1.75</u>           |
| <b>Fully diluted earnings per share</b>         | <u>Not applicable</u>    | <u>Not applicable</u> | <u>Not applicable</u>    | <u>Not applicable</u> |