

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

QUARTERLY REPORT

On Consolidated Results for the Third Quarter ended 31 December 2009

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the Third Quarter ended 31 December 2009

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2009 RM'000	Preceding Year Corresponding Quarter 31/12/2008 RM'000	Current Year To Date 31/12/2009 RM'000	Preceding Year Corresponding Period 31/12/2008 RM'000
Revenue	36,168	17,982	95,256	45,863
Cost of sales	(28,793)	(12,992)	(72,548)	(32,099)
Gross profit	7,375	4,990	22,708	13,764
Other income	646	217	1,242	640
Administrative expenses	(1,660)	(1,569)	(6,337)	(4,560)
Distribution costs	(804)	(922)	(2,427)	(2,649)
Other expenses	(86)	(32)	(262)	(75)
Other gain and losses	-	-	-	50
Finance costs	-	-	-	-
Profit before tax	5,471	2,684	14,924	7,170
Income tax expense	(1,144)	(362)	(3,801)	(1,631)
Profit for the period	4,327	2,322	11,123	5,539
Attributable to:				
Equity holders of the parent	3,057	1,932	7,919	4,187
Minority interest	1,270	390	3,204	1,352
	4,327	2,322	11,123	5,539
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (sen)	2.37	1.50	6.14	3.25

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 31 December 2009

	Note	As At End Of Current Quarter 31/12/2009 RM'000	As At Preceding Financial Year End 31/03/2009 RM'000
Non-current assets			
Property, plant and equipment	A9	25,438	26,826
Prepaid lease payments		7,578	10,944
Deferred tax assets		48	48
		<u>33,064</u>	<u>37,818</u>
Current assets			
Inventories		10,521	9,570
Trade and other receivables		30,234	18,249
Cash and cash equivalents		53,436	36,276
Tax recoverable		-	199
		<u>94,191</u>	<u>64,294</u>
TOTAL ASSETS		<u>127,255</u>	<u>102,112</u>
EQUITY AND LIABILITIES			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		39,454	37,011
		<u>71,069</u>	<u>68,626</u>
Minority interest		<u>16,671</u>	<u>15,137</u>
Total equity		<u>87,740</u>	<u>83,763</u>
Non-current liabilities			
Deferred tax liabilities		2,563	2,261
		<u>2,563</u>	<u>2,261</u>
Current liabilities			
Trade and other payables		35,687	16,009
Taxation		1,265	79
Dividend payable		-	-
		<u>36,952</u>	<u>16,088</u>
Total liabilities		39,515	18,349
TOTAL EQUITY AND LIABILITIES		<u>127,255</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

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Unaudited Condensed Consolidated Statement of Changes in Equity for the Third Quarter ended 31 December 2009

Group	Non Distributable		Capital reserve RM'000	Distributable Retained profits RM'000	Minority interest RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000				
At 1 April 2009	25,800	5,812	3	37,011	15,137	83,763
Net profit for the period	-	-	-	7,919	3,204	11,123
Dividends	-	-	-	(5,476)	(1,670)	(7,146)
At 31 December 2009	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>39,454</u>	<u>16,671</u>	<u>87,740</u>
At 1 April 2008	25,800	5,812	3	34,124	14,459	80,198
Net profit for the period	-	-	-	4,187	1,352	5,539
Dividends	-	-	-	(1,296)	-	(1,296)
At 31 December 2008	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>37,015</u>	<u>15,811</u>	<u>84,441</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

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Unaudited Condensed Consolidated Cash Flow Statement for the Third Quarter ended 31 December 2009

	31/12/2009 RM'000	31/12/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,924	7,170
Adjustments for:		
Non-cash items	2,381	1,878
Non-operating items	(464)	(696)
Operating profit before working capital changes	<u>16,841</u>	<u>8,352</u>
Changes in working capital:		
Inventories	(951)	(2,360)
Trade and other receivables	(11,985)	(3,324)
Trade and other payables	18,008	4,438
Cash generated from/(used in) operations	<u>21,913</u>	<u>7,105</u>
Tax paid	<u>(2,115)</u>	<u>(1,626)</u>
Net cash generated from/(used in) operating activities	<u>19,798</u>	<u>5,479</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,201)	(2,975)
Proceeds from disposal of property, plant and equipment	-	-
Proceeds from disposal of leasehold land	3,575	-
Interest received	464	696
Net cash generated from/(used in) investing activities	<u>2,838</u>	<u>(2,279)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	-
Dividend paid	(5,476)	(2,909)
Net cash generated from/(used in) financing activities	<u>(5,476)</u>	<u>(2,909)</u>
Net increase/ (decrease) in cash and cash equivalents	17,160	291
Cash and cash equivalents at beginning of period	<u>36,276</u>	<u>33,895</u>
Cash and cash equivalents at end of period	<u>53,436</u>	<u>34,186</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 - 31 December 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

An interim dividend of 1.50 sen per ordinary share single-tier tax exempt for current financial year was paid on 17 December 2009 (31 December 2008 : An interim dividend of 1.34 sen per ordinary share less 25% tax was paid on 17 October 2008).

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

31 December 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	76,817	18,323	116	95,256		95,256
Intersegment revenue		15,505	4,383	19,888	(19,888)	-
Total revenue	76,817	33,828	4,499	115,144	(19,888)	95,256
Segment results						14,555
Unallocated expenses						(95)
Operating Profit						14,460
Interest income						464
Profit before tax						14,924

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Notes on the quarterly report - 31 December 2009

A8. Segmental reporting (cont'd)

31 December 2008

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	45,308	310	245	45,863		45,863
Intersegment revenue	-	9,163	3,996	13,159	(13,159)	-
Total revenue	<u>45,308</u>	<u>9,473</u>	<u>4,241</u>	<u>59,022</u>	<u>(13,159)</u>	<u>45,863</u>
Segment results						6,662
Unallocated expenses						(154)
Operating Profit						<u>6,508</u>
Interest income						612
Unallocated income						50
Profit before tax						<u>7,170</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 31 Dec 2009 RM'000	As at 31 March 2009 RM'000
Performance and warranty bonds issued to customers	<u>18,871</u>	<u>2,996</u>

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Notes on the quarterly report - 31 December 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 RM36.2m and profit before tax of RM5.5m as compared to revenue and profit before tax of RM18.0m 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 recorded in current quarter has resulted in higher profit before tax.

B2. Variation of results against the immediate preceding quarter

In the quarter ended 31 Dec 2009, the Group's revenue has increased to RM36.2m as compared to the immediate preceding quarter of RM32.9m. The Group registered a profit before tax of RM5.5m in the current quarter as compared to RM4.3m in the immediate preceding quarter. Higher revenue was recorded in current quarter due to the higher demand from the FTTH Supply Contract awarded by Telekom Malaysia Berhad ("TM") to a subsidiary of the Group. The higher sales contribution recorded in current quarter has resulted in higher profit before tax.

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 quarter 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	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	RM'000	RM'000	RM'000	RM'000
Current tax expense	1,775	(567)	3,500	1,074
Deferred taxation	<u>(631)</u>	<u>929</u>	<u>301</u>	<u>557</u>
	<u>1,144</u>	<u>362</u>	<u>3,801</u>	<u>1,631</u>

The Group recorded a tax expense of RM1,144,000 and RM3,801,000 for the 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 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 23 February 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 23 February 2010.

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 31 December 2009.



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Notes on the quarterly report - 31 December 2009

B10. Off Balance Sheet Financial Instruments as at 23 February 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 23 February 2010, being the latest practicable date.

B11. Material litigation as at 23 February 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 23 February 2010, being the latest practicable date.

B12. Dividends

The Company declared an interim dividend of 1.50 sen per ordinary share single-tier tax exempt for the current financial year on 27 October 2009 and fully paid the same dividend on 17 December 2009 (31 December 2008: Nil).

Total net dividends declared for the current financial year to date is 4.25 sen per ordinary share (31 December 2008 : 1.01 sen per ordinary share).

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Net profit for the period (RM'000)	3,057	1,932	7,919	4,187
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings per share (sen)	<u>2.37</u>	<u>1.50</u>	<u>6.14</u>	<u>3.25</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>