

**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 Quarter 30/09/2009 RM'000	Preceding Year Corresponding Quarter 30/09/2008 RM'000	Current Year To Date 30/09/2009 RM'000	Preceding Year Corresponding Period 30/09/2008 RM'000
Revenue	32,894	15,965	59,088	27,881
Cost of sales	(25,185)	(11,147)	(43,755)	(19,107)
Gross profit	7,709	4,818	15,333	8,774
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	-	-	-	-
Profit before tax	4,289	2,578	9,452	4,486
Income tax expense	(1,323)	(738)	(2,657)	(1,269)
Profit for the period	2,966	1,840	6,795	3,217
Attributable to:				
Equity holders of the parent	2,016	1,255	4,861	2,255
Minority interest	950	585	1,934	962
	2,966	1,840	6,795	3,217
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (sen)	1.56	0.97	3.77	1.75

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 Current Quarter 30/09/2009 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		15	48
		<u>33,031</u>	<u>37,818</u>
Current assets			
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>
TOTAL ASSETS		<u>111,354</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		38,331	37,011
		<u>69,946</u>	<u>68,626</u>
Minority interest		<u>16,231</u>	<u>15,137</u>
Total equity		<u>86,177</u>	<u>83,763</u>
Non-current liabilities			
Deferred tax liabilities		3,160	2,261
		<u>3,160</u>	<u>2,261</u>
Current liabilities			
Trade and other payables		21,703	16,009
Taxation		314	79
Dividend payable		-	-
		<u>22,017</u>	<u>16,088</u>
Total liabilities		<u>25,177</u>	<u>18,349</u>
TOTAL EQUITY AND LIABILITIES		<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**

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

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

	30/09/2009 RM'000	30/09/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
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>
Net cash generated from/(used in) operating activities	<u>7,961</u>	<u>(4,037)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
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
Net cash generated from/ (used in) investing activities	<u>3,332</u>	<u>(74)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	-
Dividend paid	(3,541)	(1,613)
Net cash used in financing activities	<u>(3,541)</u>	<u>(1,613)</u>
Net increase/ (decrease) in cash and cash equivalents	7,752	(5,724)
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>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 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	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



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Notes on the quarterly report - 30 September 2009

A8. Segmental reporting (cont'd)

30 September 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	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 30 Sep 2009 RM'000	As at 31 March 2009 RM'000
Performance and warranty bonds issued to customers	<u>18,287</u>	<u>2,996</u>



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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	30 Sep 2008	30 Sep 2009	30 Sep 2008
	RM'000	RM'000	RM'000	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.



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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
Basic earnings per share (sen)	<u>1.56</u>	<u>0.97</u>	<u>3.77</u>	<u>1.75</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>