

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

QUARTERLY REPORT

On Consolidated Results for the Fourth Quarter ended 31 March 2010

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the Fourth Quarter ended 31 March 2010

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2010 RM'000	Preceding Year Corresponding Quarter 31/03/2009 RM'000	Current Year To Date 31/03/2010 RM'000	Preceding Year Corresponding Period 31/03/2009 RM'000
Revenue	25,962	16,925	121,218	62,836
Cost of sales	(10,460)	(11,797)	(83,008)	(41,990)
Gross profit	15,502	5,128	38,210	20,846
Other income	2,683	43	3,461	24
Administrative expenses	(2,668)	(1,585)	(9,005)	(6,190)
Distribution costs	(2,574)	(397)	(5,002)	(3,047)
Other expenses	(11,850)	(117)	(12,112)	(1,894)
Other gain and losses	-	-	-	-
Finance costs	-	-	-	-
Operating Profit	1,093	3,072	15,552	9,739
Interest Income	225	170	689	845
Profit before tax	1,318	3,242	16,241	10,584
Income tax expense	280	(706)	(3,521)	(2,366)
Profit for the period	1,598	2,536	12,720	8,218
Attributable to:				
Equity holders of the parent	1,676	1,828	9,594	6,118
Minority interest	(78)	708	3,126	2,100
	1,598	2,536	12,720	8,218
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (sen)	1.30	1.42	7.44	4.74

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**

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Unaudited Condensed Consolidated Balance Sheet as at 31 March 2010

	Note	As At End Of Current Quarter 31/03/2010 RM'000	As At Preceding Financial Year End 31/03/2009 RM'000
Non-current assets			
Property, plant and equipment	A9	27,464	26,826
Prepaid lease payments		7,508	10,944
Deferred tax assets		39	48
		<u>35,011</u>	<u>37,818</u>
Current assets			
Inventories		16,820	9,570
Trade and other receivables		22,358	18,249
Cash and cash equivalents		53,978	36,276
Tax recoverable		53	200
		<u>93,209</u>	<u>64,295</u>
TOTAL ASSETS		<u>128,220</u>	<u>102,113</u>
EQUITY AND LIABILITIES			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		41,129	37,011
		<u>72,744</u>	<u>68,626</u>
Minority interest		<u>16,593</u>	<u>15,137</u>
Total equity		<u>89,337</u>	<u>83,763</u>
Non-current liabilities			
Deferred tax liabilities		2,033	2,262
		<u>2,033</u>	<u>2,262</u>
Current liabilities			
Trade and other payables		36,685	16,009
Taxation		165	79
		<u>36,850</u>	<u>16,088</u>
Total liabilities		38,883	18,350
TOTAL EQUITY AND LIABILITIES		<u>128,220</u>	<u>102,113</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.



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Unaudited Condensed Consolidated Statement of Changes in Equity for the Fourth Quarter ended 31 March 2010

Group	Non Distributable			Distributable	Minority interest RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Retained profits RM'000		
At 1 April 2009	25,800	5,812	3	37,011	15,137	83,763
Net profit for the period	-	-	-	9,594	3,126	12,720
Dividends	-	-	-	(5,476)	(1,670)	(7,146)
At 31 March 2010	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>41,129</u>	<u>16,593</u>	<u>89,337</u>
At 1 April 2008	25,800	5,812	3	34,124	14,459	80,198
Net profit for the period	-	-	-	6,118	2,100	8,218
Dividends	-	-	-	(3,231)	(1,422)	(4,653)
At 31 March 2009	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>37,011</u>	<u>15,137</u>	<u>83,763</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 Fourth Quarter ended 31 March 2010.

	31/03/2010	31/03/2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,241	10,584
Adjustments for:		
Non-cash items	3,444	3,341
Non-operating items	(1,218)	(962)
Operating profit before working capital changes	18,467	12,963
Changes in working capital:		
Inventories	(7,250)	(1,278)
Trade and other receivables	(4,109)	698
Trade and other payables	21,253	285
Cash generated from/(used in) operations	28,361	12,668
Tax paid	(3,509)	(2,700)
Net cash generated from/(used in) operating activities	24,852	9,968
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,938)	(3,721)
Proceeds from disposal of investment	-	50
Proceeds from disposal of property, plant and equipment	1	84
Proceeds from disposal of leasehold land	3,574	-
Interest received	689	845
Net cash generated from/(used in) investing activities	326	(2,742)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	-
Dividend paid	(7,476)	(4,845)
Net cash generated from/(used in) financing activities	(7,476)	(4,845)
Net increase/ (decrease) in cash and cash equivalents	17,702	2,381
Cash and cash equivalents at beginning of period	36,276	33,895
Cash and cash equivalents at end of period	53,978	36,276

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.



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Notes on the quarterly report - 31 March 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 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

During the quarter under review, no dividends were paid out.

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

31 March 2010

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	98,027	23,062	129	121,218		121,218
Intersegment revenue		20,478	5,844	26,322	(26,322)	-
Total revenue	<u>98,027</u>	<u>43,540</u>	<u>5,973</u>	<u>147,540</u>	<u>(26,322)</u>	<u>121,218</u>
Segment results						15,798
Unallocated expenses						(246)
Operating Profit						<u>15,552</u>
Interest income						<u>689</u>
Profit before tax						<u><u>16,241</u></u>

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Notes on the quarterly report - 31 March 2010

A8. Segmental reporting (cont'd)

31 March 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	62,437	148	251	62,836		62,836
Intersegment revenue	-	13,134	5,328	18,462	(18,462)	-
Total revenue	<u>62,437</u>	<u>13,282</u>	<u>5,579</u>	<u>81,298</u>	<u>(18,462)</u>	<u>62,836</u>
Segment results						9,914
Unallocated expenses						(175)
Operating Profit						<u>9,739</u>
Interest income						845
Profit before tax						<u>10,584</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 Mar 2010 RM'000	As at 31 March 2009 RM'000
Performance and warranty bonds issued to customers	<u>18,674</u>	<u>2,996</u>



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Notes on the quarterly report - 31 March 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 RM26.0mil and profit before tax of RM1.3mil as compared to revenue and profit before tax of RM16.9mil and RM3.2mil 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 recorded a lower profit before tax in current quarter due to shipment of lower margin products and higher upfront operating expenses arising from the implementation of its various business projects.

B2. Variation of results against the immediate preceding quarter

In the quarter ended 31 Mar 2010, the Group recorded a lower revenue of RM26.0mil as compared to the immediate preceding quarter of RM36.2mil. The Group registered a profit before tax of RM1.3mil in the current quarter as compared to RM5.5mil in the immediate preceding quarter. Lower revenue was recorded in current quarter due to the fluctuation in demand for the Group's products. The lower sales contribution and certain year end provisions made in current quarter have resulted in lower 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 next 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 Mar 2010 RM'000	31 Mar 2009 RM'000	31 Mar 2010 RM'000	31 Mar 2009 RM'000
Current tax expense	241	1,897	3,741	3,016
Deferred taxation	(521)	(1,191)	(220)	(650)
	<u>(280)</u>	<u>706</u>	<u>3,521</u>	<u>2,366</u>

The Group recorded a tax asset and tax expense of RM280,000 and RM3,521,000 for the current quarter and year to date respectively. The Group's effective tax rate for current year to date was slightly lower than the statutory tax rate of 25%. This was mainly due to the reinvestment allowance incentive available 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 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 25 May 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 25 May 2010.

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 31 March 2010.



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B10. Off Balance Sheet Financial Instruments as at 25 May 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 25 May 2010, being the latest practicable date.

B11. Material litigation as at 25 May 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 25 May 2010, being the latest practicable date.

B12. Dividends

No dividend has been declared for the current quarter. (31 March 2009: Nil)

Total net dividends declared for the current financial year to date is 4.25 sen per ordinary share (31 March 2009 : 2.51 sen per ordinary share).

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
Net profit for the period (RM'000)	1,676	1,828	9,594	8,218
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings per share (sen)	<u>1.30</u>	<u>1.42</u>	<u>7.44</u>	<u>4.74</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>