

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

INTERIM FINANCIAL REPORT

For the 9-month Financial Period Ended 31 December 2010

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Statements of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2010 RM'000	Preceding Year Corresponding Quarter 31/12/2009 RM'000	Current Year To Date 31/12/2010 RM'000	Preceding Year Corresponding Period 31/12/2009 RM'000
Revenue	37,283	36,168	102,343	95,256
Cost of sales	(24,014)	(28,793)	(68,256)	(72,548)
Gross profit	13,269	7,375	34,087	22,708
Other income	386	426	1,332	778
Administrative expenses	(1,083)	(1,660)	(3,911)	(6,337)
Distribution costs	(931)	(804)	(3,776)	(2,427)
Other expenses	(79)	(86)	(251)	(262)
Other gain and losses	-	-	-	-
Finance costs	-	-	-	-
Operating profit	11,562	5,251	27,481	14,460
Interest income	461	220	890	464
Profit before tax	12,023	5,471	28,371	14,924
Income tax expense	(3,240)	(1,144)	(7,429)	(3,801)
Profit for the period	8,783	4,327	20,942	11,123
Profit attributable to:				
Owners of the parent	6,442	3,057	15,437	7,919
Non-controlling interests	2,341	1,270	5,505	3,204
	8,783	4,327	20,942	11,123
Earnings per share attributable to owners of the parent:				
Basic, for profit for the period (sen)	4.99	2.37	11.97	6.14

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 Financial Position as at 31 December 2010

	Note	As At End Of Current Quarter 31/12/2010 RM'000	As At Preceding Financial Year End 31/03/2010 RM'000
Non-current assets			
Property, plant and equipment	A9	33,318	34,972
Deferred tax assets		9	39
		<u>33,327</u>	<u>35,011</u>
Current assets			
Inventories		10,509	16,820
Trade and other receivables		29,352	22,358
Cash and cash equivalents		67,822	53,978
Tax recoverable		-	53
		<u>107,683</u>	<u>93,209</u>
TOTAL ASSETS		<u>141,010</u>	<u>128,220</u>
EQUITY AND LIABILITIES			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		50,761	41,129
		<u>82,376</u>	<u>72,744</u>
Non-controlling interests		<u>20,854</u>	<u>16,593</u>
Total equity		<u>103,230</u>	<u>89,337</u>
Non-current liabilities			
Deferred tax liabilities		1,803	2,033
		<u>1,803</u>	<u>2,033</u>
Current liabilities			
Trade and other payables		32,009	36,685
Taxation		3,968	165
		<u>35,977</u>	<u>36,850</u>
Total liabilities		<u>37,780</u>	<u>38,883</u>
TOTAL EQUITY AND LIABILITIES		<u>141,010</u>	<u>128,220</u>

The unaudited Condensed Consolidated Financial Position 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 Changes in Equity for the 9-month Financial Period Ended 31 December 2010

Group	Share capital RM'000	Non Distributable Share premium RM'000	Capital reserve RM'000	Distributable Retained profits RM'000	Non-controlling interest RM'000	Total RM'000
Balance at 1 April 2010	25,800	5,812	3	41,129	16,593	89,337
Dividends paid	-	-	-	(5,805)	(1,244)	(7,049)
Total comprehensive income for the financial period	-	-	-	15,437	5,505	20,942
Balance at 31 December 2010	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>50,761</u>	<u>20,854</u>	<u>103,230</u>
Balance at 1 April 2009	25,800	5,812	3	37,011	15,137	83,763
Dividends paid	-	-	-	(5,476)	(1,670)	(7,146)
Total comprehensive income for the financial period	-	-	-	7,919	3,204	11,123
Balance 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>

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

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Cash Flows for the 9-month Financial Period Ended 31 December 2010

	31/12/2010 RM'000	31/12/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,371	14,924
Adjustments for:		
Non-cash items	2,151	2,381
Non-operating items	(890)	(464)
Operating profit before working capital changes	<u>29,632</u>	<u>16,841</u>
Changes in working capital:		
Inventories	6,311	(951)
Trade and other receivables	(6,994)	(11,985)
Trade and other payables	(3,921)	18,008
Cash generated from operations	<u>25,028</u>	<u>21,913</u>
Tax paid	<u>(3,772)</u>	<u>(2,115)</u>
Net cash generated from operating activities	<u>21,256</u>	<u>19,798</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(858)	(1,201)
Proceeds from disposal of property, plant and equipment	361	-
Proceeds from disposal of leasehold land	-	3,575
Interest received	890	464
Net cash generated from investing activities	<u>393</u>	<u>2,838</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	-
Dividend paid	(7,805)	(5,476)
Net cash generated used in financing activities	<u>(7,805)</u>	<u>(5,476)</u>
Net increase in cash and cash equivalents	13,844	17,160
Cash and cash equivalents at beginning of financial period	<u>53,978</u>	<u>36,276</u>
Cash and cash equivalents at end of financial period	<u>67,822</u>	<u>53,436</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 interim financial report - 31 December 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 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 year ended 31 March 2010.

The accounting policies and methods of computation adopted by the Group in this interim financial report 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").

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

FRS 8

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

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income.

Amendments to FRS 117

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 or loss for the current period ended 31 December 2010 or the comparative prior period. The effect of the reclassification to the comparative of the prior year's statement of financial position as follows:

At 31 March 2010	As previously		
	reported	Reclassified	As restated
	RM'000	RM'000	RM'000
Property, plant and equipment	27,464	7,508	34,972
Prepaid lease payments	7,508	(7,508)	-

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.



OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the interim financial report - 31 December 2010

A5. Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect in the quarter period 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 period 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 20 December 2010 (31 December 2009 : An interim dividend of 1.50 sen per ordinary share single-tier tax exempt was paid on 17 December 2009).

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

31 December 2010

Business Segments

	Trading & Engineering		Other	Total RM'000	Elimination RM'000	Consolidated RM'000
	Manufacturing RM'000	Services RM'000	Operations RM'000			
Revenue:						
External Revenue	79,580	22,714	49	102,343	-	102,343
Intersegment revenue	-	13,537	4,383	17,920	(17,920)	-
Total revenue	79,580	36,251	4,432	120,263	(17,920)	102,343

Segment results						27,572
Unallocated expenses						(91)
Operating Profit						27,481
Interest income						890
Profit before tax						28,371
Income tax expense						(7,429)
Profit after tax						20,942

31 December 2009

Business Segments

	Trading & Engineering		Other	Total RM'000	Elimination RM'000	Consolidated RM'000
	Manufacturing RM'000	Services RM'000	Operations 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
Income tax expense						(3,801)
Profit after tax						11,123

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 period under review that have not been reflected in the financial statements for the quarter period under review.



OPCOM HOLDINGS BERHAD
(Company No : 322661-W)
Notes on the interim financial report - 31 December 2010

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter period 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 2010 RM'000	As at 31 March 2010 RM'000
Performance and warranty bonds issued to customers	<u>18,329</u>	<u>18,674</u>

**OPCOM HOLDINGS BERHAD****(Company No : 322661-W)****Notes on the interim financial report - 31 December 2010****B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS****B1. Review of Performance**

For the quarter financial under review, the Group registered a revenue of RM37.3m and profit before tax of RM12.0m as compared to revenue and profit before tax of RM36.2m and RM5.5m 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. 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 quarter financial ended 31 Dec 2010, the Group's revenue has increased to RM37.3m as compared to the immediate preceding quarter of RM34.5m. The Group registered a profit before tax of RM12.0m in the current quarter as compared to RM9.3m in the immediate preceding quarter. Higher revenue was recorded in current quarter due to increase in demand for the Group's products. Higher sales contribution, lower overheads and efficiency gains have 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 Group has not issued any profit forecast and profit guarantee in any public document.

B5. Income Tax Expense

	Individual quarter ended		Cumulative quarter ended	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Current tax expense	3,286	1,775	7,663	3,500
Deferred taxation	(46)	(631)	(234)	301
	<u>3,240</u>	<u>1,144</u>	<u>7,429</u>	<u>3,801</u>

The Group recorded a tax expense of RM3.2m and RM7.4m 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 to non-deductible expenses during the financial period.

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 February 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 24 February 2011.

B9. Group borrowings and Debt Securities

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

**OPCOM HOLDINGS BERHAD**

(Company No : 322661-W)

Notes on the interim financial report - 31 December 2010**B10. Off Balance Sheet Financial Instruments as at 24 February 2011****(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 February 2011, being the latest practicable date.

B11. Material litigation as at 24 February 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 24 February 2011, 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 12 November 2010 and fully paid the same dividend on 20 December 2010 (31 December 2009: 1.50 sen per ordinary share single-tier tax exempt was declared on 27 October 2009 and fully paid on 17 December 2009).

Total net dividends declared for the current financial year to date is 4.50 sen per ordinary share (31 December 2009 : 4.25 sen per ordinary share).

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Net profit for the period (RM'000)	6,442	3,057	15,437	7,919
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings per share (sen)	<u>4.99</u>	<u>2.37</u>	<u>11.97</u>	<u>6.14</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 earnings

	As at	As at
	31 Dec 2010	30 Sept 2010
	RM'000	RM'000
Total retained earnings		
i) Company and subsidiaries		
- realised profits	71,789	65,498
- unrealised losses	<u>(4,289)</u>	<u>(4,426)</u>
	67,500	61,072
ii) Group consolidation adjustments	<u>(16,739)</u>	<u>(14,818)</u>
Total Group retained earnings as per unaudited consolidated financial statements	<u>50,761</u>	<u>46,254</u>

Note: No comparative figures for the preceeding 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 Malaysia ACE Market Listing Requirements.