

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**QUARTERLY INTERIM FINANCIAL REPORT**

For the Quarter Ended 30 June 2011

The Directors are pleased to announce the following:-

**Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 30 June 2011**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/6/2011 RM'000	Preceding Year Corresponding Quarter 30/6/2010 RM'000	Current Year To Date 30/6/2011 RM'000	Preceding Year Corresponding Period 30/6/2010 RM'000
Revenue		33,051	30,599	33,051	30,599
Cost of sales		<u>(22,366)</u>	<u>(21,134)</u>	<u>(22,366)</u>	<u>(21,134)</u>
<b>Gross profit</b>		10,685	9,465	10,685	9,465
Other income		92	338	92	338
Administrative expenses		(1,252)	(1,508)	(1,252)	(1,508)
Distribution costs		(232)	(1,357)	(232)	(1,357)
Other expenses		<u>(100)</u>	<u>(90)</u>	<u>(100)</u>	<u>(90)</u>
<b>Operating profit</b>		9,193	6,848	9,193	6,848
Interest Income		471	217	471	217
<b>Profit before tax</b>		9,664	7,065	9,664	7,065
Income tax expense	<b>B5</b>	<u>(2,429)</u>	<u>(1,829)</u>	<u>(2,429)</u>	<u>(1,829)</u>
<b>Profit and total comprehensive income for the period</b>		<u>7,235</u>	<u>5,236</u>	<u>7,235</u>	<u>5,236</u>
Profit and total comprehensive income attributable to:-					
Owners of the Company		5,435	3,905	5,435	3,905
Non-controlling interest		<u>1,800</u>	<u>1,331</u>	<u>1,800</u>	<u>1,331</u>
		<u>7,235</u>	<u>5,236</u>	<u>7,235</u>	<u>5,236</u>
<b>Earnings per share attributable to owners of the Company:-</b>					
Basic (sen)	<b>B13</b>	<u>4.21</u>	<u>3.03</u>	<u>4.21</u>	<u>3.03</u>
Diluted (sen)	<b>B13</b>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>

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 2011.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2011**

	Note	As At End Of Current Quarter 30/6/2011 RM'000	As At Preceding Financial Year End 31/03/2011 RM'000
<b>Non-current assets</b>			
Property, plant and equipment	A9	32,850	32,934
Deferred tax assets		3	3
		<u>32,853</u>	<u>32,937</u>
<b>Current assets</b>			
Inventories		17,506	14,969
Trade and other receivables		40,097	35,934
Cash and cash equivalents		72,336	76,400
		<u>129,939</u>	<u>127,303</u>
<b>TOTAL ASSETS</b>		<u>162,792</u>	<u>160,240</u>
<b>Equity</b>			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		58,433	55,578
		<u>90,048</u>	<u>87,193</u>
<b>Non-controlling interest</b>		<u>23,653</u>	<u>22,683</u>
<b>Total equity</b>		<u>113,701</u>	<u>109,876</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,628	1,833
		<u>1,628</u>	<u>1,833</u>
<b>Current liabilities</b>			
Trade and other payables		41,545	43,060
Provisions		2,551	3,164
Taxation		3,367	2,307
		<u>47,463</u>	<u>48,531</u>
<b>Total liabilities</b>		49,091	50,364
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>162,792</u>	<u>160,240</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 30 June 2011**

<b>Group</b>	<b>Share capital RM'000</b>	<b>Non-Distributable Share premium RM'000</b>	<b>Capital reserve RM'000</b>	<b>Distributable Retained earnings RM'000</b>	<b>Total RM'000</b>	<b>Non- controlling interest RM'000</b>	<b>Total equity RM'000</b>
Balance at 1 April 2011	25,800	5,812	3	55,578	87,193	22,683	109,876
Dividends paid	-	-	-	(2,580)	(2,580)	(830)	(3,410)
Total comprehensive income for the financial period	-	-	-	5,435	5,435	1,800	7,235
Balance at 30 June 2011	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>58,433</u>	<u>90,048</u>	<u>23,653</u>	<u>113,701</u>
Balance at 1 April 2010	25,800	5,812	3	41,129	72,744	16,593	89,337
Dividends paid	-	-	-	(1,923)	(1,923)	(830)	(2,753)
Total comprehensive income for the financial period	-	-	-	3,905	3,905	1,331	5,236
Balance at 30 June 2010	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>43,111</u>	<u>74,726</u>	<u>17,094</u>	<u>91,820</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 2011.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 30 June 2011**

	<b>Current Financial Period 30/6/2011 RM'000</b>	<b>Preceding Year Corresponding Period 30/6/2010 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	9,664	7,065
Adjustments for:-		
Non-cash items	1,072	702
Non-operating items	(475)	(217)
Operating profit before working capital changes	<u>10,261</u>	<u>7,550</u>
Changes in working capital:-		
Inventories	(2,537)	(3,495)
Trade and other receivables	(4,163)	(2,529)
Trade and other payables	(2,313)	343
Provisions	(613)	468
Cash generated from operations	<u>635</u>	<u>2,337</u>
Tax paid	(1,574)	(878)
<b>Net cash (used in)/generated from operating activities</b>	<u>(939)</u>	<u>1,459</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(647)	(495)
Proceeds from disposal of property, plant and equipment	28	-
Interest received	471	217
Deposits released from/(pledged to) bank	-	3,600
<b>Net cash (used in)/generated from investing activities</b>	<u>(148)</u>	<u>3,322</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(2,580)	(3,923)
<b>Net cash used in financing activities</b>	<u>(2,580)</u>	<u>(3,923)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(3,667)	858
Effect of exchange rate fluctuations on cash held	(397)	(443)
<b>Cash and cash equivalents at beginning of financial period</b>	<u>76,400</u>	<u>50,378</u>
<b>Cash and cash equivalents at end of financial period</b>	<u>72,336</u>	<u>50,793</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 2011.



**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 30 June 2011 - continued**

**Cash and cash equivalents included in the Statement of Cash Flows comprise of the following amounts in Statement of Financial Position:-**

	<b>As at End of Current Financial Period 30/6/2011 RM'000</b>	<b>As at End of Preceding Year Corresponding Period 30/6/2010 RM'000</b>
Deposits placed with licensed banks	54,910	33,439
Cash and bank balances	<u>17,426</u>	<u>17,354</u>
	72,336	50,793
Less: Deposits pledged to bank	-	-
	<u>72,336</u>	<u>50,793</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 2011.



**OPCOM HOLDINGS BERHAD**

**(Company No : 322661-W)**

**Notes on the Quarterly Interim Financial Report - 30 June 2011**

**A. EXPLANATORY NOTES AS PER FINANCIAL REPORTING STANDARD (“FRS”) 134, INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

The interim financial statements for the current quarter 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 financial year ended 31 March 2011. 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 financial year ended 31 March 2011.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2011 except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations that are issued by the Malaysian Accounting Standard Board (“MASB”) with effect from 1 April 2011:-

FRS1, First-time Adoption of Financial Reporting Standards (revised)

FRS 3, Business Combination (revised)

FRS 127, Consolidated and Separate Financial Statements (revised)

Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives

Amendments to FRS 7, Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments

Improvements to FRSs (2010)

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

**A2. Audit Report**

The Audit Report of the Group's annual financial statements for the financial year ended 31 March 2011 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.

**A5. Changes in estimates**

There were no changes in the estimates of amounts reported that have a material effect in the current quarter.

**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 current quarter.

**A7. Dividends paid**

An interim dividend of 2.00 sen per ordinary share under single tier system was paid on 6 May 2011 (30 June 2010 : Interim dividend of 1.50 sen per ordinary share under single-tier system).



**OPCOM HOLDINGS BERHAD**

(Company No : 322661-W)

**Notes on the Quarterly Interim Financial Report - 30 June 2011**

**A8. Segmental reporting**

The Group operates wholly in Malaysia.

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

30 June 2011

<u>Business Segments</u>	Trading & Engineering		Other	Total RM'000	Elimination RM'000	Consolidated RM'000
	Manufacturing RM'000	Services RM'000	Operations RM'000			
<b>Revenue:</b>						
External Revenue	23,712	9,316	22	33,050	-	33,050
Intersegment revenue	-	9,981	1,461	11,442	(11,442)	-
<b>Total revenue</b>	<b>23,712</b>	<b>19,297</b>	<b>1,483</b>	<b>44,492</b>	<b>(11,442)</b>	<b>33,050</b>
Segment results						9,202
Unallocated expenses						(9)
<b>Operating Profit</b>						<b>9,193</b>
Interest income						471
<b>Profit before tax</b>						<b>9,664</b>
Income tax expense						(2,429)
<b>Profit after tax</b>						<b>7,235</b>

30 June 2010

<u>Business Segments</u>	Trading & Engineering		Other	Total RM'000	Elimination RM'000	Consolidated RM'000
	Manufacturing RM'000	Services RM'000	Operations RM'000			
<b>Revenue:</b>						
External Revenue	25,520	5,066	13	30,599	-	30,599
Intersegment revenue	-	7,813	1,461	9,274	(9,274)	-
<b>Total revenue</b>	<b>25,520</b>	<b>12,879</b>	<b>1,474</b>	<b>39,873</b>	<b>(9,274)</b>	<b>30,599</b>
Segment results						6,865
Unallocated expenses						(17)
<b>Operating Profit</b>						<b>6,848</b>
Interest income						217
<b>Profit before tax</b>						<b>7,065</b>
Income tax expense						(1,829)
<b>Profit after tax</b>						<b>5,236</b>

**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 current quarter that have not been reflected in the financial statements for the current quarter.

**A11. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current quarter.



**OPCOM HOLDINGS BERHAD**

**(Company No : 322661-W)**

**Notes on the Quarterly Interim Financial Report - 30 June 2011**

**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 June 2011 RM'000	As at 31 March 2011 RM'000
Performance and warranty bonds issued	<u>18,355</u>	<u>18,595</u>

**A13. Significant Related Party Transactions**

The significant related party transactions during the current quarter were as follows:-

	Current Quarter 30 June 2011 RM'000	Preceding Year Quarter 30 June 2010 RM'000
A related company in which substantial shareholders of the Company and a Director of a subsidiary have interests:- Purchase of accessories	8,030	6,181
Corporate shareholder of a subsidiary of the Company:- Purchase of materials	2,877	1,620





**OPCOM HOLDINGS BERHAD**

(Company No : 322661-W)

**Notes on the Quarterly Interim Financial Report - 30 June 2011**

**B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS**

**B1. Review of Performance**

The Group registered a revenue of RM33.1 million and profit before tax of RM9.7 million in current quarter as compared to revenue and profit before tax of RM30.6 million and RM7.1 million respectively in the preceding year's corresponding quarter. Higher revenue was recorded in current quarter due to the increase in 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 have resulted in higher profit before tax.

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

In the current quarter, the Group's revenue recorded was RM33.1 million as compared to the immediate preceding quarter of RM34.2 million. The Group registered a profit before tax of RM9.7 million in the current quarter as compared to RM8.9 million in the immediate preceding quarter. The profit before tax in current quarter was higher despite slight drop in revenue of current quarter due to cost saving from improved cost management.

**B3. Prospect**

With the 2-year extension of the existing RM359.6 million FTTH Supply Contract with Telekom Malaysia Berhad on hand, the Board is positive of the Group's performance for the remaining quarters 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**

	Current quarter ended		Financial period ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Tax expense	2,634	1,740	2,634	1,740
Deferred taxation	(205)	89	(205)	89
	<u>2,429</u>	<u>1,829</u>	<u>2,429</u>	<u>1,829</u>

The Group recorded a tax expense of RM2.4 million for the current quarter and current financial period. The Group's effective tax rate for current financial period was slightly higher than the statutory tax rate of 25%. The higher tax expense was mainly due to non-deductible expenses incurred 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 current quarter.

**B7. Purchase and Disposal of Quoted Securities**

There was no purchase or disposal of quoted securities during the current quarter.

**B8. Status of corporate proposals as at 19 July 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 19 July 2011.

**B9. Group borrowings and Debt Securities**

The Group has no borrowings and debt securities as at 30 June 2011.

**B10. Derivative Financial Instruments**

The Group has no derivative financial instruments as at 30 June 2011.

**OPCOM HOLDINGS BERHAD****(Company No : 322661-W)****Notes on the Quarterly Interim Financial Report - 30 June 2011****B11. Material litigation as at 19 July 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 19 July 2011, being the latest practicable date.

**B12. Dividends**

The Company declared an interim dividend of 2.00 sen per ordinary share under single tier system for the current financial year on 1 April 2011 and fully paid the same dividend on 6 May 2011 (30 June 2010 : Interim dividend of 1.50 sen per ordinary share under single tier system).

Total net dividends declared for the current financial year is 2.00 sen per ordinary share (30 June 2010 : 1.50 sen per ordinary share).

**B13. Earnings per share**

	Current quarter ended		Financial period ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Profit and total comprehensive income attributable to owners of the Company (RM'000)	5,435	3,905	5,435	3,905
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
<b>Basic earnings per share (sen)</b>	<b>4.21</b>	<b>3.03</b>	<b>4.21</b>	<b>3.03</b>

Note: Computation of diluted earnings for share is not applicable as there are no outstanding shares to be issued.**B14. Realised and Unrealised Retained Profits**

The breakdown of retained profits of the Group as at end of current financial period and end of preceding financial year, into realised and unrealised profits or losses, in accordance to directive from Bursa Malaysia Securities Berhad ("Bursa Securities") dated 20 December 2010, is as follows:-

	As at	As at
	30 June 2011	31 March 2011
	RM'000	RM'000
Total retained profits		
i) Company and its subsidiaries		
- realised	83,046	80,790
- unrealised	(4,650)	(6,600)
	<u>78,396</u>	<u>74,190</u>
ii) Less : Consolidation adjustments	(19,963)	(18,612)
Group total retained profits as per unaudited consolidated accounts	<u>58,433</u>	<u>55,578</u>

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities ACE Market Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

**B15. Gains/Losses arising from Fair Value Changes in Financial Liabilities**

There were no financial liabilities measured at fair value through profit or loss during the current quarter and current financial period.