



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY REPORT

On consolidated results for the third quarter ended 31 December 2007

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the Third Quarter Ended 31 December 2007

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 31/12/2007 RM'000	Preceding Year Corresponding Quarter 31/12/2006 RM'000	Current Year To Date 31/12/2007 RM'000	Preceding Year Corresponding Period 31/12/2006 RM'000
Revenue		12,035	10,184	36,689	33,456
Cost of sales		(8,163)	(7,038)	(26,715)	(24,473)
Gross profit		3,872	3,146	9,974	8,983
Other income		154	115	458	753
Administrative expenses		(965)	(1,484)	(3,408)	(4,916)
Distribution costs		(513)	(381)	(1,109)	(1,181)
Other expenses		(180)	(163)	(568)	(525)
Finance costs		-	(64)	-	(167)
Profit before tax		2,368	1,169	5,347	2,947
Income tax expense	B5	(621)	(333)	(1,405)	(1,069)
Profit for the period		1,747	836	3,942	1,878
Attributable to:					
Equity holders of the parent		1,202	543	2,764	972
Minority interest		545	293	1,178	906
		<u>1,747</u>	<u>836</u>	<u>3,942</u>	<u>1,878</u>
Earnings per share attributable to equity holders of the parent:					
Basic, for profit for the period (sen)	B13	<u>0.93</u>	<u>0.42</u>	<u>2.14</u>	<u>0.75</u>

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2007.

**OPCOM HOLDINGS BERHAD**

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Unaudited Condensed Consolidated Balance Sheet as at 31 December 2007

	Note	As At End Of Current Quarter 31/12/2007 RM'000	As At Preceding Financial Year End 31/03/2007 RM'000
Non-current assets			
Property, plant and equipment	A9	24,000	24,208
Prepaid lease payments		11,162	11,292
		<u>35,162</u>	<u>35,500</u>
Current assets			
Inventories		11,720	7,209
Trade and other receivables		28,197	31,087
Cash and cash equivalents		23,476	15,958
Tax recoverable		-	511
		<u>63,393</u>	<u>54,765</u>
TOTAL ASSETS		<u>98,555</u>	<u>90,265</u>
EQUITY AND LIABILITIES			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		35,233	32,469
		<u>66,848</u>	<u>64,084</u>
Minority interest		<u>14,716</u>	<u>13,538</u>
Total equity		<u>81,564</u>	<u>77,622</u>
Non-current liabilities			
Deferred tax liabilities		2,716	2,521
		<u>2,716</u>	<u>2,521</u>
Current liabilities			
Trade and other payables		14,212	9,154
Taxation		63	-
Dividend payable		-	968
		<u>14,275</u>	<u>10,122</u>
Total liabilities		<u>16,991</u>	<u>12,643</u>
TOTAL EQUITY AND LIABILITIES		<u>98,555</u>	<u>90,265</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2007.



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Unaudited Condensed Consolidated Statement of Changes in Equity for the third quarter ended 31 December 2007

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 2007	25,800	5,812	3	32,469	13,538	77,622
Net profit for the period	-	-	-	2,764	1,178	3,942
At 31 December 2007	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>35,233</u>	<u>14,716</u>	<u>81,564</u>
At 1 April 2006	25,800	5,812	3	31,294	12,596	75,505
Net profit for the period	-	-	-	972	906	1,878
At 31 December 2006	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>32,266</u>	<u>13,502</u>	<u>77,383</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 2007.

**OPCOM HOLDINGS BERHAD**

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Unaudited Condensed Consolidated Cash Flow Statement for the Third Quarter Ended 31 December 2007

	31/12/2007 RM'000	31/12/2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,347	2,947
Adjustments for:		
Non-cash items	1,958	2,591
Non-operating items	(470)	(750)
Operating profit before working capital changes	<u>6,835</u>	<u>4,788</u>
Changes in working capital:		
Inventories	(4,511)	(10,511)
Trade and other receivables	2,890	(20,653)
Trade and other payables	5,058	7,533
Cash generated from/(used in) operations	<u>10,272</u>	<u>(18,843)</u>
Tax paid	(636)	(1,006)
Net cash generated from/ (used in) operating activities	<u>9,636</u>	<u>(19,849)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,930)	(944)
Proceeds from disposal of property, plant & equipment	310	-
Interest received	470	583
Net cash used in investing activities	<u>(1,150)</u>	<u>(361)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to Directors	-	(6,942)
Interest paid	-	(167)
Dividend paid	(968)	(4,193)
Net cash used in financing activities	<u>(968)</u>	<u>(11,302)</u>
Net increase/(decrease) in cash and cash equivalents	7,518	(31,512)
Cash and cash equivalents at beginning of period	<u>15,958</u>	<u>45,044</u>
Cash and cash equivalents at end of period	<u>23,476</u>	<u>13,532</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 2007.



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Notes on the quarterly report - 31 December 2007

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 Paragraph 9.22 of the 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 2007. 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 2007.

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 2007 except for the adoption of the following new/revised Financial Reporting Standards (FRS) effective for financial period beginning 1 April 2007:-

FRS 117 - Leases

FRS 124 - Related Party Transaction

Amendment to FRS 119₂₀₀₄ Employee Benefit - Actuarial Gain or Losses, Group Plans and Disclosures

With the exception of FRS 117, the adoption of the above FRS does not have significant financial impact on the Group. The principal effects of the change in accounting policies resulting from the adoption of FRS 117 are discussed below.

FRS 117: Leases

Prior to 1 April 2007, leasehold land and buildings held were classified as property, plant and equipment and stated at cost less accumulated depreciation. The adoption of the revised FRS 117 has resulted in the change of accounting policy relating to the classification of leases of land held for own use. Leasehold land is now reclassified as an operating lease and the up-front payments represent prepaid lease payments amortised on a straight-line basis over the lease term.

The Group has applied the above change in accordance with the transitional provisions of FRS 117 whereby the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments. The following comparatives were restated following the adoption of FRS 117:

	As previously reported RM'000	Reclassification/ Adjustment RM'000	As restated RM'000
As at 31 March 2007			
Property, plant and equipment	35,500	(11,292)	24,208
Prepaid lease payments	-	11,292	11,292

A2. Audit Report

There were no audit qualifications on the annual financial statements for the financial year ended 31 March 2007.

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.



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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

No dividends were paid during the quarter under review.

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

<u>Business Segments</u>	Manufacturing RM'000	Trading & Engineering Services RM'000	Other Operations RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Revenue:						
External Revenue	30,354	6,122	213	36,689		36,689
Intersegment revenue			3,305	3,305	(3,305)	-
Total revenue	<u>30,354</u>	<u>6,122</u>	<u>3,518</u>	<u>39,994</u>	<u>(3,305)</u>	<u>36,689</u>
Segment results	4,341	(95)	817	5,063		5,063
Unallocated expenses						(112)
Operating Profit						4,951
Interest income						396
Profit before tax						<u>5,347</u>

No segmental reporting for preceding year's corresponding period is presented as the group activities were principally in the manufacturing and supplying of fiber optic cables and related accessories.

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 2007 RM'000	As at 31 March 2007 RM'000
Performance and warranty bonds issued to customers	<u>5,133</u>	<u>986</u>



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Notes on the quarterly report - 31 December 2007

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 RM12.0m and profit before tax of RM2.4m as compared to revenue and profit before tax of RM10.2m and RM1.2m respectively in the preceding year's corresponding quarter. The revenue in current quarter was higher due to more cable sales. Besides more sales, the lower administrative expenses in current quarter has attributed to the higher profit before tax recorded by the Group.

B2. Variation of results against the immediate preceding quarter

In the quarter ended 31 December 2007, the Group's revenue has decreased to RM12.0m as compared to the immediate preceding quarter of RM14.8m. The Group registered a profit before tax of RM2.4m in the current quarter as compared to RM2.7m in the immediate preceding quarter. The variances were mainly due to lower sales compared to immediate preceding quarter.

B3. Prospect

The Board is positive of the Group's performance for the remaining period of the financial year especially as the Government has announced nationwide high speed broadband initiatives.

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 2007 RM'000	31 Dec 2006 RM'000	31 Dec 2007 RM'000	31 Dec 2006 RM'000
Current tax expense	520	428	1,211	1,116
Deferred taxation	101	(95)	194	(47)
	<u>621</u>	<u>333</u>	<u>1,405</u>	<u>1,069</u>

The Group recorded a tax expense of RM621,000 and RM1,405,000 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 26%. This was mainly due to 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 26 February 2008

(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 26 February 2008.

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 31 December 2007.



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B10. Off Balance Sheet Financial Instruments as at 26 February 2008

(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 26 February 2008, being the latest practicable date.

B11. Material litigation as at 26 February 2008

(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 26 February 2008, being the latest practicable date.

B12. Dividends

No interim dividend has been declared for the financial period ended 31 December 2007 (31 December 2006: Nil)

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Net profit for the period (RM'000)	1,202	543	2,764	972
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings per share (sen)	<u>0.93</u>	<u>0.42</u>	<u>2.14</u>	<u>0.75</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>