

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**QUARTERLY REPORT**

On consolidated results for the third quarter ended 31 December 2008

The Directors are pleased to announce the following:

**Unaudited Condensed Consolidated Income Statement for the Third Quarter Ended 31 December 2008**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2008 RM'000	Preceding Year Corresponding Quarter 31/12/2007 RM'000	Current Year To Date 31/12/2008 RM'000	Preceding Year Corresponding Period 31/12/2007 RM'000
Revenue	17,982	12,035	45,863	36,689
Cost of sales	(12,992)	(8,163)	(32,099)	(26,715)
<b>Gross profit</b>	<b>4,990</b>	<b>3,872</b>	<b>13,764</b>	<b>9,974</b>
Other income	217	154	640	458
Administrative expenses	(1,569)	(965)	(4,560)	(3,408)
Distribution costs	(922)	(513)	(2,649)	(1,109)
Other expenses	(32)	(180)	(75)	(568)
Other gain and losses	-	-	50	-
Finance costs	-	-	-	-
<b>Profit before tax</b>	<b>2,684</b>	<b>2,368</b>	<b>7,170</b>	<b>5,347</b>
Income tax expense	(362)	(621)	(1,631)	(1,405)
<b>Profit for the period</b>	<b>2,322</b>	<b>1,747</b>	<b>5,539</b>	<b>3,942</b>
Attributable to:				
Equity holders of the parent	1,932	1,202	4,187	2,764
Minority interest	390	545	1,352	1,178
	<b>2,322</b>	<b>1,747</b>	<b>5,539</b>	<b>3,942</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, for profit for the period (sen)	<b>1.50</b>	<b>0.93</b>	<b>3.25</b>	<b>2.14</b>

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2008.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Balance Sheet as at 31 December 2008**

	Note	As At End Of Current Quarter 31/12/2008 RM'000	As At Preceding Financial Year End 31/03/2008 RM'000
<b>Non-current assets</b>			
Property, plant and equipment	A9	26,866	25,640
Prepaid lease payments		10,989	11,118
		<u>37,855</u>	<u>36,758</u>
<b>Current assets</b>			
Inventories		10,652	8,292
Trade and other receivables		22,272	18,948
Cash and cash equivalents		34,186	33,895
Tax recoverable		988	436
		<u>68,098</u>	<u>61,570</u>
<b>TOTAL ASSETS</b>		<u>105,953</u>	<u>98,329</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		37,015	34,124
		<u>68,630</u>	<u>65,739</u>
<b>Minority interest</b>		15,811	14,459
<b>Total equity</b>		<u>84,441</u>	<u>80,198</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		3,420	2,863
		<u>3,420</u>	<u>2,863</u>
<b>Current liabilities</b>			
Trade and other payables		18,092	13,654
Taxation		-	-
Dividend payable		-	1,613
		<u>18,092</u>	<u>15,268</u>
<b>Total liabilities</b>		21,512	18,131
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>105,953</u>	<u>98,329</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2008.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Statement of Changes in Equity for the Third Quarter Ended 31 December 2008**

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 2008	25,800	5,812	3	34,124	14,459	80,198
Net profit for the period	-	-	-	4,187	1,352	5,539
Dividends	-	-	-	(1,296)	-	(1,296)
At 31 December 2008	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>37,015</u>	<u>15,811</u>	<u>84,441</u>
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
Dividends	-	-	-	-	-	-
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>

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 2008.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Cash Flow Statement for the Third Quarter Ended 31 December 2008**

	31/12/2008 RM'000	31/12/2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,170	5,347
Adjustments for:		
Non-cash items	1,878	1,958
Non-operating items	(696)	(470)
Operating profit before working capital changes	<u>8,352</u>	<u>6,835</u>
Changes in working capital:		
Inventories	(2,360)	(4,511)
Trade and other receivables	(3,324)	2,890
Trade and other payables	4,438	5,058
Cash generated from/(used in) operations	<u>7,105</u>	<u>10,272</u>
Tax paid	(1,626)	(636)
<b>Net cash generated from/ (used in) operating activities</b>	<u>5,479</u>	<u>9,636</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,975)	(1,930)
Proceeds from disposal of property, plant & equipment	-	310
Interest received	696	470
<b>Net cash used in investing activities</b>	<u>(2,279)</u>	<u>(1,150)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-	-
Dividend paid	(2,909)	(968)
<b>Net cash used in financing activities</b>	<u>(2,909)</u>	<u>(968)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	291	7,518
<b>Cash and cash equivalents at beginning of period</b>	<u>33,895</u>	<u>15,958</u>
<b>Cash and cash equivalents at end of period</b>	<u>34,186</u>	<u>23,476</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 2008.



**OPCOM HOLDINGS BERHAD**

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

**Notes on the quarterly report - 31 December 2008**

**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 2008. 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 2008.

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 2008.

**A2. Audit Report**

There were no audit qualifications on the annual financial statements for the financial year ended 31 March 2008.

**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**

An interim dividend of 1.69 sen per ordinary share less 26% tax for financial year ended 31 March 2008 was fully paid on 2 May 2008. The Company paid its first interim dividend of 1.34 sen per ordinary share less 25% tax for current financial year on 17 October 2008.

**A8. Segmental reporting**

The Group operates wholly in Malaysia.

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

31 December 2008

Business Segments

	Manufacturing RM'000	Trading & Engineering Services RM'000	Other Operations RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue:</b>						
External Revenue	45,308	310	245	45,863		45,863
Intersegment revenue	-	9,163	3,996	13,159	(13,159)	-
Total revenue	45,308	9,473	4,241	59,022	(13,159)	45,863
Segment results	5,400	1,100	1,164	7,664	(1,002)	6,662
Unallocated expenses						(154)
Operating Profit						6,508
Interest income						612
Unallocated income						50
Profit before tax						7,170



**OPCOM HOLDINGS BERHAD**  
(Company No : 322661-W)

**A8. Segmental reporting (cont'd)**

31 December 2007

Business Segments

	Manufacturing RM'000	Trading & Engineering Services RM'000	Other Operations RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue:</b>						
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						<u>(112)</u>
Operating Profit						4,951
Interest income						396
Profit before tax						<u>5,347</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 Dec 2008 RM'000	As at 31 March 2008 RM'000
Performance and warranty bonds issued to customers	<u>6,167</u>	<u>5,189</u>



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(Company No : 322661-W)

**Notes on the quarterly report - 31 December 2008**

**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 RM18.0m and profit before tax of RM2.7m as compared to revenue and profit before tax of RM12.0m and RM2.4m respectively in the preceding year's corresponding quarter. The revenue in current quarter was higher as there was more sales of cable. The margin contribution from cable sales was lower in the current quarter due to lower unit selling price and the impact of foreign exchange.

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

In the quarter ended 31 December 2008, the Group's revenue has increased to RM18.0m as compared to the immediate preceding quarter of RM16.0m. The Group registered a profit before tax of RM2.7m in the current quarter as compared to RM2.6m in the immediate preceding quarter. The variances were mainly due to more sales of cable 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 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
	RM'000	RM'000	RM'000	RM'000
Current tax expense	(567)	520	1,074	1,211
Deferred taxation	929	101	557	194
	<u>362</u>	<u>621</u>	<u>1,631</u>	<u>1,405</u>

The Group recorded a tax expense of RM362,000 and RM1,631,000 for current quarter and year to date respectively. The Group's effective tax rate for the period was below the statutory tax rate of 25%. This was mainly due to the availability of reinvestment allowance in one subsidiary.

**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 20 February 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 20 February 2009.

**B9. Group borrowings and Debt Securities**

The Group has no borrowings and debt securities as at 31 December 2008.



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(Company No : 322661-W)

**Notes on the quarterly report - 31 December 2008**

**B10. Off Balance Sheet Financial Instruments as at 20 February 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 20 February 2009, being the latest practicable date.

**B11. Material litigation as at 20 February 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 20 February 2009, being the latest practicable date.

**B12. Dividends**

No dividend was declared for the current quarter under review (31 December 2007 - Nil).

Total dividend declared for the current financial period was 1.34 sen per ordinary share less tax at 25%.

**B13. Earnings per share**

	Individual quarter ended		Cumulative quarter ended	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
Net profit for the period (RM'000)	1,932	1,202	4,187	2,764
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
<b>Basic earnings per share (sen)</b>	<u>1.50</u>	<u>0.93</u>	<u>3.25</u>	<u>2.14</u>
<b>Fully diluted earnings per share</b>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>