



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY REPORT

On consolidated results for the first quarter ended 30 June 2007

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the first quarter ended 30 June 2007

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/6/2007 RM'000	Preceding Year Corresponding Quarter 30/6/2006 RM'000	Current Year To Date 30/6/2007 RM'000	Preceding Year Corresponding Period 30/6/2006 RM'000
Revenue		9,838	7,033	9,838	7,033
Cost of sales		(8,162)	(5,119)	(8,162)	(5,119)
Gross profit		1,676	1,914	1,676	1,914
Other income		124	303	124	303
Administrative expenses		(1,098)	(1,989)	(1,098)	(1,989)
Distribution costs		(216)	(293)	(216)	(293)
Other expenses		(222)	(185)	(222)	(185)
Finance costs		-	(51)	-	(51)
Profit/(loss) before tax		264	(301)	264	(301)
Income tax expense	B5	(71)	(26)	(71)	(26)
Profit/(loss) for the period		193	(327)	193	(327)
Attributable to:					
Equity holders of the parent		127	(550)	127	(550)
Minority interest		66	223	66	223
		193	(327)	193	(327)
Earnings/(loss) per share attributable to equity holders of the parent:					
Basic, for profit/(loss) for the period (sen)	B13	0.10	(0.43)	0.10	(0.43)

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 30 June 2007

	Note	As At End Of Current Quarter 30/6/2007 RM'000	As At Preceding Financial Year End 31/03/2007 RM'000
Non-current assets			
Property, plant and equipment	A9	23,944	24,207
Prepaid lease payments		11,249	11,292
		<u>35,193</u>	<u>35,499</u>
Current assets			
Inventories		7,742	7,209
Trade and other receivables		23,001	31,089
Cash and cash equivalents		21,644	15,958
Tax recoverable		656	511
		<u>53,043</u>	<u>54,767</u>
TOTAL ASSETS		<u>88,236</u>	<u>90,266</u>
EQUITY AND LIABILITIES			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		32,596	32,469
		<u>64,211</u>	<u>64,084</u>
Minority interest		<u>13,604</u>	<u>13,538</u>
Total equity		<u>77,815</u>	<u>77,622</u>
Non-current liabilities			
Deferred tax liabilities		2,526	2,522
		<u>2,526</u>	<u>2,522</u>
Current liabilities			
Trade and other payables		7,895	9,154
Dividend payable		-	968
		<u>7,895</u>	<u>10,122</u>
Total liabilities		<u>10,421</u>	<u>12,644</u>
TOTAL EQUITY AND LIABILITIES		<u>88,236</u>	<u>90,266</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 first quarter ended 30 June 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	-	-	-	127	66	193
At 30 June 2007	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>32,596</u>	<u>13,604</u>	<u>77,815</u>
At 1 April 2006	25,800	5,812	3	31,294	12,596	75,505
Net profit/(loss) for the period	-	-	-	(550)	223	(327)
At 30 June 2006	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>30,744</u>	<u>12,819</u>	<u>75,178</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 first quarter ended 30 June 2007

	30/6/2007 RM'000	30/6/2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	264	(301)
Adjustments for:		
Non-cash items	656	1,163
Non-operating items	(111)	(263)
Operating profit before working capital changes	<u>809</u>	<u>599</u>
Changes in working capital:		
Inventories	(533)	(5,646)
Trade and other receivables	8,057	1,398
Trade and other payables	(1,259)	4,381
Cash generated from operations	<u>7,074</u>	<u>732</u>
Tax paid	(212)	(484)
Net cash generated from operating activities	<u>6,862</u>	<u>248</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(353)	(55)
Proceeds from disposal of property, plant & equipment	3	-
Interest received	142	95
Net cash (used in)/generated from investing activities	<u>(208)</u>	<u>40</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Dividend paid	(968)	(4,193)
Net cash used in financing activity	<u>(968)</u>	<u>(4,193)</u>
Net increase/(decrease) in cash and cash equivalents	5,686	(3,905)
Cash and cash equivalents at beginning of period	15,958	45,044
Cash and cash equivalents at end of period	<u>21,644</u>	<u>41,139</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 - 30 June 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
Property, plant and equipment	35,499	(11,292)	24,207
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. However, given the Group's long experience in fiber optic cables market, the Group is well positioned to ameliorate any potential adverse impact arising from seasonal fluctuation 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

An interim dividend of 0.75 sen per share tax exempt (2006: 3.25 sen) per share amounting to RM967,500 (2006: RM4,192,500) was paid on 8 May 2007.

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	5,225	4,548	65	9,838		9,838
Intersegment revenue			983	983	(983)	-
Total revenue	<u>5,225</u>	<u>4,548</u>	<u>1,048</u>	<u>10,821</u>	<u>(983)</u>	<u>9,838</u>
Segment results	207	(130)	107	184		184
Unallocated expenses						(29)
Operating Profit						<u>155</u>
Interest income						109
Profit before tax						<u><u>264</u></u>

No segmental reporting for preceding year's corresponding quarter 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 30 June 2007 RM'000	As at 31 March 2007 RM'000
Performance and warranty bonds issued to customers	<u>986</u>	<u>986</u>



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Notes on the quarterly report - 30 June 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 RM9.8m and profit before tax of RM0.3m as compared to revenue and loss before tax of RM7.0m and RM0.3m respectively in the preceding year's corresponding quarter. The higher revenue in current quarter was mainly due to trading of specialty chemicals. 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

During the quarter ended 30 June 2007, the Group's revenue has decreased to RM9.8m as compared to the immediate preceding quarter of RM33.1m. The Group registered a profit before tax of RM0.3m in the current quarter as compared to RM1.6m in the immediate preceding quarter. The variances were mainly due to lower sales from fiber optic cables and engineering services.

B3. Prospect

Barring any unforeseen circumstances, the Board is positive of the Group's performance for the remaining period of the financial year despite stiffer industry competition which may put pressure on the profit margin of the Company.

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	
	30 June 2007 RM'000	30 June 2006 RM'000	30 June 2007 RM'000	30 June 2006 RM'000
Current tax expense	67	209	67	209
Deferred taxation	4	(183)	4	(183)
	<u>71</u>	<u>26</u>	<u>71</u>	<u>26</u>

The Group recorded a tax expense of RM71,000 for the current quarter and year to date. The Group's effective tax rate for the year was slightly higher than the statutory tax rate of 26%. This was mainly due 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 July 2007

(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 July 2007.

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 30 June 2007.



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B10. Off Balance Sheet Financial Instruments as at 26 July 2007

(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 July 2007, being the latest practicable date.

B11. Material litigation as at 26 July 2007

(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 July 2007, being the latest practicable date.

B12. Dividends

No interim dividend has been declared for the financial period ended 30 June 2007 (30 June 2006: Nil)

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	30 June 2007	30 June 2006	30 June 2007	30 June 2006
Net profit/(loss) for the period (RM'000)	127	(550)	127	(550)
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings/(loss) per share (sen)	<u>0.10</u>	<u>(0.43)</u>	<u>0.10</u>	<u>(0.43)</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>