



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY REPORT

On consolidated results for the first quarter ended 30 June 2008

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the First Quarter Ended 30 June 2008

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/06/2008 RM'000	Preceding Year Corresponding Quarter 30/06/2007 RM'000	Current Year To Date 30/06/2008 RM'000	Preceding Year Corresponding Period 30/06/2007 RM'000
Revenue		11,916	9,838	11,916	9,838
Cost of sales		(7,960)	(8,162)	(7,960)	(8,162)
Gross profit		3,956	1,676	3,956	1,676
Other income		214	124	214	124
Administrative expenses		(1,299)	(1,098)	(1,299)	(1,098)
Distribution costs		(937)	(216)	(937)	(216)
Other expenses		(26)	(222)	(26)	(222)
Finance costs		-	-	-	-
Profit before tax		1,908	264	1,908	264
Income tax expense	B5	(531)	(71)	(531)	(71)
Profit for the period		1,377	193	1,377	193
Attributable to:					
Equity holders of the parent		1,000	127	1,000	127
Minority interest		377	66	377	66
		1,377	193	1,377	193
Earnings per share attributable to equity holders of the parent:					
Basic, for profit for the period (sen)	B13	<u>0.78</u>	<u>0.10</u>	<u>0.78</u>	<u>0.10</u>

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 30 June 2008

	Note	As At End Of Current Quarter 30/06/2008 RM'000	As At Preceding Financial Year End 31/03/2008 RM'000
Non-current assets			
Property, plant and equipment	A9	25,311	25,640
Prepaid lease payments		11,075	11,118
		<u>36,386</u>	<u>36,758</u>
Current assets			
Inventories		10,259	8,292
Trade and other receivables		22,158	18,948
Cash and cash equivalents		32,102	33,895
Tax recoverable		-	436
		<u>64,519</u>	<u>61,570</u>
TOTAL ASSETS		<u>100,905</u>	<u>98,329</u>
EQUITY AND LIABILITIES			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		35,124	34,124
		<u>66,739</u>	<u>65,739</u>
Minority interest		<u>14,836</u>	<u>14,459</u>
Total equity		<u>81,575</u>	<u>80,198</u>
Non-current liabilities			
Deferred tax liabilities		2,449	2,863
		<u>2,449</u>	<u>2,863</u>
Current liabilities			
Trade and other payables		16,860	13,654
Taxation		21	-
Dividend payable		-	1,613
		<u>16,881</u>	<u>15,268</u>
Total liabilities		<u>19,330</u>	<u>18,131</u>
TOTAL EQUITY AND LIABILITIES		<u>100,905</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**

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Unaudited Condensed Consolidated Statement of Changes in Equity for the first quarter ended 30 June 2008

Group	Non Distributable			Distributable Retained profits RM'000	Minority interest RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000			
At 1 April 2008	25,800	5,812	3	34,124	14,459	80,198
Net profit for the period	-	-	-	1,000	377	1,377
Dividends	-	-	-	-	-	-
At 30 June 2008	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>35,124</u>	<u>14,836</u>	<u>81,575</u>
At 1 April 2007	25,800	5,812	3	32,469	13,538	77,622
Net profit for the period	-	-	-	127	66	193
Dividends	-	-	-	-	-	-
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>

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**

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Unaudited Condensed Consolidated Cash Flow Statement for the First Quarter Ended 30 June 2008

	30/06/2008 RM'000	30/06/2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,908	264
Adjustments for:		
Non-cash items	604	656
Non-operating items	(200)	(111)
Operating profit before working capital changes	<u>2,312</u>	<u>809</u>
Changes in working capital:		
Inventories	(1,967)	(533)
Trade and other receivables	(3,210)	8,057
Trade and other payables	3,206	(1,259)
Cash generated from/(used in) operations	<u>341</u>	<u>7,074</u>
Tax paid	(488)	(212)
Net cash generated from/ (used in) operating activities	<u>(147)</u>	<u>6,862</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(235)	(353)
Proceeds from disposal of property, plant & equipment	2	3
Interest received	200	142
Net cash used in investing activities	<u>(33)</u>	<u>(208)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	-
Dividend paid	(1,613)	(968)
Net cash used in financing activities	<u>(1,613)</u>	<u>(968)</u>
Net (decrease)/increase in cash and cash equivalents	(1,793)	5,686
Cash and cash equivalents at beginning of period	<u>33,895</u>	<u>15,958</u>
Cash and cash equivalents at end of period	<u>32,102</u>	<u>21,644</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.



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Notes on the quarterly report - 30 June 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 was declared on 28 March 2008 and fully paid on 2 May 2008 (30 June 2007: Nil).

A8. Segmental reporting

The Group operates wholly in Malaysia.

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

30 June 2008

Business Segments

	Manufacturing RM'000	Trading & Engineering Services RM'000	Other Operations RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Revenue:						
External Revenue	11,684	162	70	11,916		11,916
Intersegment revenue	-	-	1,191	1,191	(1,191)	-
Total revenue	11,684	162	1,261	13,107	(1,191)	11,916
Segment results						1,730
Unallocated expenses						(15)
Operating Profit						1,715
Interest income						193
Profit before tax						1,908



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A8. Segmental reporting (cont'd)

30 June 2007

Business Segments

	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	5,225	4,548	1,048	10,821	(983)	9,838
Segment results						184
Unallocated expenses						(44)
Operating Profit						140
Interest income						124
Profit before tax						264

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

The Company has on 27 June 2008 entered into a Share Sales and Purchase Agreement with Lingkaran Senada Sdn Bhd to dispose of its entire equity interest of 100,000 ordinary shares of RM0.20 each in Opcom Network Technologies Sdn Bhd (ONTSB). The disposal of ONTSB was completed on 10 July 2008.

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 2008 RM'000	As at 31 March 2008 RM'000
Performance and warranty bonds issued to customers	5,656	5,189



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Notes on the quarterly report - 30 June 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 RM11.9m and profit before tax of RM1.9m as compared to revenue and profit before tax of RM9.8m and RM0.3m respectively in the preceding year's corresponding quarter. The revenue in current quarter was higher as there was more cable sales in current quarter. The higher sales contribution has resulted in higher profit before tax.

B2. Variation of results against the immediate preceding quarter

In the quarter ended 30 June 2008, the Group's revenue has decreased to RM11.9m as compared to the immediate preceding quarter of RM18.9m. The Group registered a profit before tax of RM1.9m in the current quarter as compared to RM3.2m in the immediate preceding quarter. The variances were mainly due to less cable sales compared to immediate preceding quarter.

B3. Prospect

The Board is positive of the Group's performance for the remaining period of this 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	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	RM'000	RM'000	RM'000	RM'000
Current tax expense	945	67	945	67
Deferred taxation	(414)	4	(414)	4
	<u>531</u>	<u>71</u>	<u>531</u>	<u>71</u>

The Group recorded a tax expense of RM531,000 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 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 21 July 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 21 July 2008.

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 30 June 2008.



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Notes on the quarterly report - 30 June 2008

B10. Off Balance Sheet Financial Instruments as at 21 July 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 21 July 2008, being the latest practicable date.

B11. Material litigation as at 21 July 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 21 July 2008, being the latest practicable date.

B12. Dividends

No interim dividend has been declared for the financial period ended 30 June 2008 (30 June 2007: Nil)

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
Net profit for the period (RM'000)	1,000	127	1,000	127
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
Basic earnings per share (sen)	<u>0.78</u>	<u>0.10</u>	<u>0.78</u>	<u>0.10</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>