



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### QUARTERLY REPORT

On consolidated results for the fourth quarter ended 31 March 2008

The Directors are pleased to announce the following:

#### Unaudited Condensed Consolidated Income Statement for the Fourth Quarter Ended 31 March 2008

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 31/03/2008 RM'000	Preceding Year Corresponding Quarter 31/03/2007 RM'000	Current Year To Date 31/03/2008 RM'000	Preceding Year Corresponding Period 31/03/2007 RM'000
Revenue		18,911	33,053	55,600	66,509
Cost of sales		(10,683)	(28,698)	(37,398)	(53,171)
<b>Gross profit</b>		<b>8,228</b>	<b>4,355</b>	<b>18,202</b>	<b>13,338</b>
Other income		167	124	625	877
Administrative expenses		(4,435)	(2,116)	(7,843)	(7,032)
Distribution costs		(614)	(639)	(1,723)	(1,820)
Other expenses		(157)	(173)	(725)	(698)
Finance costs		-	34	-	(133)
<b>Profit before tax</b>		<b>3,189</b>	<b>1,585</b>	<b>8,536</b>	<b>4,532</b>
Income tax expense	<b>B5</b>	(702)	(78)	(2,107)	(1,147)
<b>Profit for the period</b>		<b>2,487</b>	<b>1,507</b>	<b>6,429</b>	<b>3,385</b>
Attributable to:					
Equity holders of the parent		1,842	1,179	4,606	2,143
Minority interest		645	328	1,823	1,242
		<b>2,487</b>	<b>1,507</b>	<b>6,429</b>	<b>3,385</b>
<b>Earnings per share attributable to equity holders of the parent:</b>					
Basic, for profit for the period (sen)	<b>B13</b>	<u>1.43</u>	<u>0.91</u>	<u>3.57</u>	<u>1.66</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**

(Company No: 322661-W)

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

	Note	As At End Of Current Quarter 31/03/2008 RM'000	As At Preceding Financial Year End 31/03/2007 RM'000
<b>Non-current assets</b>			
Property, plant and equipment	A9	25,641	24,208
Prepaid lease payments		11,118	11,292
		<u>36,759</u>	<u>35,500</u>
<b>Current assets</b>			
Inventories		7,865	7,209
Trade and other receivables		18,404	31,087
Cash and cash equivalents		33,894	15,958
Tax recoverable		384	511
		<u>60,547</u>	<u>54,765</u>
<b>TOTAL ASSETS</b>		<u>97,306</u>	<u>90,265</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		25,800	25,800
Share premium		5,812	5,812
Capital reserve		3	3
Retained earnings		34,173	32,469
		<u>65,788</u>	<u>64,084</u>
<b>Minority interest</b>		<u>14,492</u>	<u>13,538</u>
<b>Total equity</b>		<u>80,280</u>	<u>77,622</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		2,773	2,521
		<u>2,773</u>	<u>2,521</u>
<b>Current liabilities</b>			
Trade and other payables		12,640	9,154
Taxation		-	-
Dividend payable		1,613	968
		<u>14,253</u>	<u>10,122</u>
<b>Total liabilities</b>		<u>17,026</u>	<u>12,643</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>97,306</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.

**OPCOM HOLDINGS BERHAD**

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**Unaudited Condensed Consolidated Statement of Changes in Equity for the fourth quarter ended 31 March 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 2007	25,800	5,812	3	32,469	13,538	77,622
Net profit for the period	-	-	-	4,606	1,823	6,429
Dividends	-	-	-	(2,902)	(869)	(3,771)
At 31 March 2008	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>34,173</u>	<u>14,492</u>	<u>80,280</u>
At 1 April 2006	25,800	5,812	3	31,294	12,596	75,505
Net profit for the period	-	-	-	2,143	1,242	3,385
Dividends	-	-	-	(968)	(300)	(1,268)
At 31 March 2007	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>32,469</u>	<u>13,538</u>	<u>77,622</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 Fourth Quarter Ended 31 March 2008**

	31/03/2008 RM'000	31/03/2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	8,536	4,532
Adjustments for:		
Non-cash items	2,624	2,881
Non-operating items	(524)	(701)
Operating profit before working capital changes	<u>10,636</u>	<u>6,712</u>
Changes in working capital:		
Inventories	(656)	(3,589)
Trade and other receivables	12,683	(17,110)
Trade and other payables	2,619	(8,504)
Cash generated from/(used in) operations	<u>25,282</u>	<u>(22,491)</u>
Tax paid	(1,730)	(1,071)
<b>Net cash generated from/ (used in) operating activities</b>	<u>23,552</u>	<u>(23,562)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,223)	(2,032)
Proceeds from disposal of property, plant & equipment	340	3
Interest received	524	831
<b>Net cash used in investing activities</b>	<u>(3,359)</u>	<u>(1,198)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-	(133)
Dividend paid	(2,257)	(4,193)
<b>Net cash used in financing activities</b>	<u>(2,257)</u>	<u>(4,326)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	17,936	(29,086)
<b>Cash and cash equivalents at beginning of period</b>	15,958	45,044
<b>Cash and cash equivalents at end of period</b>	<u>33,894</u>	<u>15,958</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 March 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 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 119<sup>2004</sup> Employee Benefit - Actuarial Gain or Losses, Group Plans and Disclosures

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**

An interim dividend of 1.35 sen per ordinary share less 26% tax was declared on 11 January 2008 and fully paid on 31 January 2008 (31 March 2007: Nil).

**A8. Segmental reporting**

The Group operates wholly in Malaysia.

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

31 March 2008

<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
<b>Revenue:</b>						
External Revenue	48,882	6,428	290	55,600		55,600
Intersegment revenue	-	446	4,814	5,260	(5,260)	-
<b>Total revenue</b>	<b>48,882</b>	<b>6,874</b>	<b>5,104</b>	<b>60,860</b>	<b>(5,260)</b>	<b>55,600</b>
Segment results	7,430	(408)	1,082	8,104		8,104
Unallocated expenses						(115)
<b>Operating Profit</b>						<b>7,989</b>
Interest income						547
<b>Profit before tax</b>						<b>8,536</b>

31 March 2007

<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
<b>Revenue:</b>						
External Revenue	45,314	20,998	197	66,509		66,509
Intersegment revenue	-	(79)	4,472	4,393	(4,393)	-
<b>Total revenue</b>	<b>45,314</b>	<b>20,919</b>	<b>4,669</b>	<b>70,902</b>	<b>(4,393)</b>	<b>66,509</b>
Segment results	4,892	(994)	254	4,152		4,152
Unallocated expenses						(281)
<b>Operating Profit</b>						<b>3,871</b>
Interest income						794
Interest expense						(133)
<b>Profit before tax</b>						<b>4,532</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 the quarter under review that have not been reflected in the financial statements for the quarter under review.



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

**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 March 2008 RM'000	As at 31 March 2007 RM'000
Performance and warranty bonds issued to customers	<u>5,189</u>	<u>986</u>



**OPCOM HOLDINGS BERHAD**

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**Notes on the quarterly report - 31 March 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 RM18.9m and profit before tax of RM3.2m as compared to revenue and profit before tax of RM33.1m and RM1.6m respectively in the preceding year's corresponding quarter. The revenue in current quarter was lower as there was no contribution from methyl ester trading or engineering services. Notwithstanding the decline in revenue for the current financial year, there was significant increase in the profit before tax of 88% due to cost improvement in certain major raw materials.

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

In the quarter ended 31 March 2008, the Group's revenue has increased to RM18.9m as compared to the immediate preceding quarter of RM12.0m. The Group registered a profit before tax of RM3.2m in the current quarter as compared to RM2.4m in the immediate preceding quarter. The variances were mainly due to more cable sales compared to immediate preceding quarter.

**B3. Prospect**

The Board is positive of the Group's performance for the next 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 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
Current tax expense	645	(522)	1,855	594
Deferred taxation	<u>57</u>	<u>600</u>	<u>252</u>	<u>553</u>
	<u>702</u>	<u>78</u>	<u>2,107</u>	<u>1,147</u>

The Group recorded a tax expense of RM702,000 and RM2,107,000 for the current quarter and year to date respectively. The Group's effective tax rate for the year was slightly lower than the statutory tax rate of 26%. This was mainly due to tax incentive available from capital investment in machinery.

**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 28 May 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 28 May 2008.

**B9. Group borrowings and Debt Securities**

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





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

**B10. Off Balance Sheet Financial Instruments as at 28 May 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 28 May 2008, being the latest practicable date.

**B11. Material litigation as at 28 May 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 28 May 2008, being the latest practicable date.

**B12. Dividends**

During the quarter under review, the Company declared two interim dividends of 1.35 sen per ordinary share less 26% tax and 1.69 sen per ordinary share less 26% tax (31 March 2007: 0.75 sen per ordinary share tax exempt). The related announcements were made on 11 January 2008 and 28 March 2008 respectively. The dividend payments were made on 31 January 2008 and 2 May 2008 respectively. The total net dividends per ordinary share declared to date, for the current financial year ended 31 March 2008 is 2.25 sen per ordinary share.

**B13. Earnings per share**

	Individual quarter ended		Cumulative quarter ended	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Net profit for the period (RM'000)	1,842	1,179	4,606	2,143
Total number of ordinary shares in issue ('000)	129,000	129,000	129,000	129,000
<b>Basic earnings per share (sen)</b>	<u>1.43</u>	<u>0.91</u>	<u>3.57</u>	<u>1.66</u>
<b>Fully diluted earnings per share</b>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>