



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY REPORT

On consolidated results for the fourth quarter ended 31 March 2004

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the fourth quarter ended 31 March 2004

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/03/2004 RM'000	Preceding Year Corresponding Quarter 31/03/2003 RM'000	Current Year To Date 31/03/2004 RM'000	Preceding Year Corresponding Period 31/03/2003 RM'000
Revenue	A8	6,507	-	58,084	-
Cost of sales		(3,517)	-	(31,161)	-
Gross profit		2,990	-	26,923	-
Other operating income		185	-	381	-
Distribution costs		(284)	-	(1,091)	-
Administrative expenses		(847)	-	(8,494)	-
Other operating expenses		(86)	-	(350)	-
Operating profit		1,958	-	17,369	-
Finance costs		-	-	-	-
Profit before taxation	A8	1,958	-	17,369	-
Tax expense	B5	(216)	-	(3,120)	-
Profit after taxation		1,742	-	14,249	-
Minority interest		(273)	-	(3,675)	-
Net profit for the period		1,469	-	10,574	-
Basic earnings per share (sen)	B13	2.19	-	15.77	-

Note :

Comparative figures for the preceding year are not available as this is Opcom Holdings Berhad's second quarterly report to Bursa Malaysia Securities Berhad since its listing on 23 December 2003.

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2003

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

Unaudited Condensed Consolidated Balance Sheet

	Note	As At End Of Current Quarter 31/03/2004 RM'000	As At Preceding Financial Year End 31/3/2003 RM'000
Property, plant and equipment	A9	35,349	27,100
Current assets			
Inventories		9,898	8,905
Trade and other receivables		1,603	1,073
Amount due from affiliated companies		5,897	10,125
Cash and cash equivalents		41,906	15,631
		<u>59,304</u>	<u>35,734</u>
Current liabilities			
Trade and other payables		18,948	10,237
Amount due to affiliated companies		-	455
Amount due to Directors		3,471	17,357
Taxation		581	1,162
Dividend payable		4,389	4,248
		<u>27,389</u>	<u>33,459</u>
Net Current Assets		<u>31,915</u>	<u>2,275</u>
		<u>67,264</u>	<u>29,375</u>
Long term liability			
Amount due to Directors		10,414	-
Deferred taxation		593	1,534
		<u>11,007</u>	<u>1,534</u>
Minority shareholders' interest		10,339	7,720
Capital and reserves			
Share capital		17,200	12,000
Reserves		28,718	8,121
		<u>67,264</u>	<u>29,375</u>
		sen	sen
Net tangible assets per share		<u>53.39</u>	<u>167.68</u>

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2003)



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Changes in Equity for the fourth quarters ended 31 March 2004

Group	Non Distributable			Distributable	Total
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Retained profits RM'000	
At 1 April 2003	12,000	-	3	8,118	20,121
Issue of shares	5,200	15,600	-	-	20,800
Listing expenses	-	(1,188)	-	-	(1,188)
Dividends	-	-	-	(4,389)	(4,389)
Net profit for the year	-	-	-	10,574	10,574
At 31 March 2004	<u>17,200</u>	<u>14,412</u>	<u>3</u>	<u>14,303</u>	<u>45,918</u>

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 March 2003)



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Cash Flow Statement for the fourth quarters ended 31 March 2004

	31/03/2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	17,369
Adjustments for:	
Non-cash items	3,174
Non-operating items	(574)
Operating profit before working capital changes	<u>19,969</u>
Changes in working capital:	
Inventories	(993)
Trade and other receivables	(497)
Amount due from/(to) affiliated companies	3,773
Trade and other payables	(5,751)
Cash generated from operations	<u>16,501</u>
Tax paid	<u>(4,632)</u>
Net cash generated from operating activities	<u>11,869</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(1,489)
Proceeds from disposal of property, plant and equipment	33
Interest received	498
Net cash used in investing activities	<u>(958)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of share capital	20,800
Listing expenses	(1,188)
Dividend paid	(4,248)
Net cash generated from financing activities	<u>15,364</u>
Net increase in cash and cash equivalents	26,275
Cash and cash equivalents at 1 April 2003	<u>15,631</u>
Cash and cash equivalents at 31 March 2004	<u>41,906</u>

(The unaudited Condensed Consolidation Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2003)

OPCOM HOLDINGS BERHAD
(Company No : 322661-W)
Notes on the quarterly report - 31 March 2004

A. EXPLANATORY NOTES AS PER MASB 26

A1. Basis of preparation

The interim unaudited financial statements have been prepared in compliance with the Malaysian Accounting Standards Board ("MASB") Standard No. 26, Interim Financial Reporting and Appendix 7A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the year ended 31 March 2003 except for the adoption of the following:

- (i) MASB 25, Income Taxes;
- (ii) MASB 27, Borrowing Costs;
- (iii) MASB 28, Discontinuing Operations; and
- (iv) MASB 29, Employee Benefits.

A2. Audit Report

There were no audit qualifications on the annual financial statements for the financial year ended 31 March 2003.

A3. Seasonality or cyclicity 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, the Group was less susceptible to the seasonal effect as it had secured a long term contract for the supply of fiber optic cables for use by Telekom Malaysia Berhad. Given its long experience in the fiber optic cables market, the Company is well positioned to ameliorate any potential adverse impact arising from seasonal fluctuation and market demand for its products.

A4. Unusual items

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are 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 and financial year-to-date under review.

A6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities for the quarter under review.

A7. Dividends paid

No dividends were paid during the quarter under review.

A8. Segmental reporting

	<u>Revenue</u>	<u>Profit before</u>
	RM'000	taxation
		RM'000
Investment holding	586	(2,208)
Sale of fiber optic cables	57,498	22,751
	<u>58,084</u>	<u>20,543</u>
Depreciation		<u>(3,174)</u>
		<u><u>17,369</u></u>

OPCOM HOLDINGS BERHAD
(Company No : 322661-W)
Notes on the quarterly report - 31 March 2004

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.

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 and contingent assets as to the date of this report except the following:

	As at 31 Mar 2004 RM'000	As at 31 Mar 2003 RM'000
Performance and warranty bonds issued to customers	457	484
Bank guarantees issued to the local authorities	3	108
Bank guarantee issued to utilities supplier	40	32
	<u>500</u>	<u>624</u>

OPCOM HOLDINGS BERHAD
(Company No : 322661-W)
Notes on the quarterly report - 31 March 2004

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Review of Performance for the Current Quarter and Financial Year-To-Date

For the current quarter, the Group achieved revenue of RM 6.5m and a profit before tax of RM 1.9m.

On the year to date basis, the Group achieved a revenue of RM 58.1m representing a growth of 26% as compared to RM 46.0m in the preceding year. As a result of the higher revenue, the profit before taxation has also increased by 40% to RM 17.4m as compared to the preceding year of RM 12.4m. The growth was mainly due to the increase in demand and economies of scale.

B2. Variation of results against the immediate preceding quarter

There was a decrease of 53% in the Group's revenue i.e. from RM 13.9m to RM 6.5m in the current quarter. The decrease was mainly due to the decrease in demand in the current quarter as compared with the significantly high demand in last quarter.

However, the Group's profit before taxation has only decreased by 34% i.e. from RM 2.9m to RM 1.9m in the current quarter. The steady profit before taxation despite low revenue was mainly due to decrease in administrative expenses.

B3. Prospect

Barring any unforeseen circumstances, the Board is positive of the Group's performance for the forthcoming period.

B4. Profit forecast and profit guarantee

The Company has not issued any profit forecast and profit guarantee.

B5. Taxation

	Individual quarter ended		Cumulative quarters ended	
	31 Mar 2004	31 Mar 2003	31 Mar 2004	31 Mar 2003
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- prior years	(303)		(295)	
- current year	1,046	-	4,356	-
Reversal of deferred tax liability	(527)	-	(941)	-
	<u>216</u>	<u>-</u>	<u>3,120</u>	<u>-</u>

The effective tax rate of the Group for the current quarter was lower than the statutory tax rate of 28%, mainly due to reversal of prior years tax expense and deferred tax liability provided for capital and reinvestment allowances available for capital expenditure invested.

The effective tax rate of the Group was lower than the statutory tax rate of 28% for the financial year-to-date, mainly due to capital and reinvestment allowances available for capital expenditure invested.

B6. Profits/(Losses) on Sale of Unquoted Investments and/or properties

There was no disposal of unquoted investment or properties during the current quarter and financial year-to-date.

B7. Purchase and Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter and financial year-to-date.

B8. (a) Status of corporate proposals as at 26 May 2004

(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 May 2004, being the latest practicable date.

OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the quarterly report - 31 March 2004

(b) Status of Utilisation of Proceeds Raised from Corporate Proposal

The status of utilisation of the proceeds raised from the public issue pursuant to the listing of the Company on Mesdaq Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") amounting to RM 20.8m is as follow :

	As approved by the Securities Commission & Bursa Malaysia RM'000	Utilised as at the date of report RM'000	Balance RM'000
Capital Expenditure	11,554	10,500	1,054
Working Capital	7,746	4,936	2,810
Finance Listing Expenses	1,500	1,188	312
	<u>20,800</u>	<u>16,624</u>	<u>4,176</u>

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 31 March 2004 save for the followings

	RM'000
Amount due to Directors - Short term	3,471
Amount due to Directors - Long term	10,414
	<u>13,885</u>

B10. Off Balance Sheet Financial Instruments as at 26 May 2004

(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 May 2004, being the latest practicable date.

B11. Material litigation as at 26 May 2004

(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 May 2004, being the latest practicable date.

B12. Dividends

The Board had declared the payment of an interim dividend of 3.2 sen less tax per share and an interim tax exempt dividend of 2.8 sen per share in respect of the current financial year ended 31 March 2004. The entitlement date and payment date were 19 April 2004 and 30 April 2004 respectively.

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	31-Mar-04	31-Mar-03	31-Mar-04	31-Mar-03
Basic earnings per share				
Net profit for the period (RM'000)	1,469	-	10,574	-
Weighted average number of ordinary shares in issue ('000)	67,052	-	67,052	-
Basic earnings per share (sen)	<u>2.19</u>	<u>-</u>	<u>15.77</u>	<u>-</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>-</u>	<u>Not applicable</u>	<u>-</u>