



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY REPORT

On consolidated results for the first quarter ended 30 June 2004

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the first quarter ended 30 June 2004

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/06/2004 RM'000	Preceding Year Corresponding Quarter 30/06/2003 RM'000	Current Year To Date 30/06/2004 RM'000	Preceding Year Corresponding Period 30/06/2003 RM'000
Revenue	A8	18,029	-	18,029	-
Operating profit		5,390	-	5,390	-
Finance costs		-	-	-	-
Profit before taxation	A8	5,390	-	5,390	-
Tax expense	B5	(1,322)	-	(1,322)	-
Profit after taxation		4,068	-	4,068	-
Minority interest		(881)	-	(881)	-
Net profit for the period		<u>3,187</u>	<u>-</u>	<u>3,187</u>	<u>-</u>
Basic earnings per share (sen)	B13	<u>3.71</u>	<u>-</u>	<u>3.71</u>	<u>-</u>

Note :

Comparative figures for the preceding year are not available as this is Opcom Holdings Berhad's third 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 2004.



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Unaudited Condensed Consolidated Balance Sheet as at 30 June 2004

	Note	As At End Of Current Quarter 30/06/2004 RM'000	As At Preceding Financial Year End 31/3/2004 RM'000
Property, plant and equipment	A9	34,685	35,349
Current assets			
Inventories		13,053	9,898
Trade and other receivables		14,950	7,500
Cash and cash equivalents		38,952	41,906
		<u>66,955</u>	<u>59,304</u>
Current liabilities			
Trade and other payables		29,972	22,419
Taxation		1,207	581
Dividend payable		-	4,389
		<u>31,179</u>	<u>27,389</u>
Net Current Assets		<u>35,776</u>	<u>31,915</u>
		<u>70,461</u>	<u>67,264</u>
Long term liability			
Amount due to Directors		10,414	10,414
Deferred taxation		(278)	593
		<u>10,136</u>	<u>11,007</u>
Minority shareholders' interest		11,220	10,339
Capital and reserves			
Share capital		17,200	17,200
Reserves		31,905	28,718
		<u>70,461</u>	<u>67,264</u>
		sen	sen
Net tangible assets per share		<u>57.10</u>	<u>53.39</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2004.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Changes in Equity for the first quarter ended 30 June 2004

Group	Share	Non Distributable	Capital	Distributable	Total
	capital	Share	reserve	Retained	
	RM'000	premium	RM'000	profits	RM'000
		RM'000		RM'000	
At 1 April 2004	17,200	14,412	3	14,303	45,918
Net profit for the period	-	-	-	3,187	3,187
At 30 June 2004	<u>17,200</u>	<u>14,412</u>	<u>3</u>	<u>17,490</u>	<u>49,105</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 2004.



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Unaudited Condensed Consolidated Cash Flow Statement for the first quarter ended 30 June 2004

	30/06/2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	5,390
Adjustments for:	
Non-cash items	943
Non-operating items	(123)
Operating profit before working capital changes	<u>6,210</u>
Changes in working capital:	
Inventories	(3,155)
Trade and other receivables	(7,416)
Trade and other payables	7,554
Cash generated from operations	<u>3,193</u>
Tax paid	<u>(1,568)</u>
Net cash generated from operating activities	<u>1,625</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(279)
Interest received	89
Net cash used in investing activities	<u>(190)</u>
CASH FLOWS FROM FINANCING ACTIVITY	
Dividend paid	<u>(4,389)</u>
Net cash generated from financing activity	<u>(4,389)</u>
Net decrease in cash and cash equivalents	(2,954)
Cash and cash equivalents at 1 April 2004	<u>41,906</u>
Cash and cash equivalents at 30 June 2004	<u>38,952</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 2004.



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Notes on the quarterly report - 30 June 2004

A. EXPLANATORY NOTES AS PER MASB 26

A1. Basis of preparation

The interim unaudited financial statements for the quarter under review 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 Securities").

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 2004.

A2. Audit Report

There were no audit qualifications on the annual financial statements for the financial year ended 31 March 2004.

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 Group 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 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

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 financial year ended 31 March 2004 were paid on 30 April 2004.

A8. Segmental reporting

	<u>Revenue</u> RM'000	<u>Profit before taxation</u> RM'000
Investment holding	212	(246)
Sale of fiber optic cables	17,817	6,570
	<u>18,029</u>	<u>6,324</u>
Depreciation		<u>(934)</u>
		<u><u>5,390</u></u>



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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 Jun 2004 RM'000	As at 31 Mar 2004 RM'000
Performance and warranty bonds issued to customers	179	457
Bank guarantees issued to the local authorities	148	3
Bank guarantee issued to utilities supplier	50	40
	<u>377</u>	<u>500</u>



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Notes on the quarterly report - 30 June 2004

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

B1. Review of Performance for the Current Quarter

For the quarter under review, the Group achieved a revenue of RM18.0m representing a growth of 30% as compared to RM13.8m in the preceding quarter. As a result of the higher revenue, the profit before taxation has also increased by 29% to RM5.4m as compared to the preceding quarter of RM4.2m. The growth was mainly due to the increase in demand for fibre optic cables.

B2. Variation of results against the immediate preceding quarter

With the strong growth in demand, the Group's revenue has increased significantly by 177% to RM18.0m as compared to the immediate preceding quarter of RM6.5m.

As such, the Group's profit before taxation has grown by 184% i.e. from RM 1.9m to RM5.4m in the quarter under review. The higher incremental rate in profit before taxation as compared to in revenue was due to economies of scale arisen from the increase in demand for the fiber optic cables.

B3. Prospect

Barring any unforeseen circumstances, the Board is positive of the Group's performance for the current financial year.

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	
	30 Jun 2004 RM'000	30 Jun 2003 RM'000	30 Jun 2004 RM'000	30 Jun 2003 RM'000
Current tax expense	2,192	-	2,192	-
Reversal of deferred tax liability	(870)	-	(870)	-
	<u>1,322</u>	<u>-</u>	<u>1,322</u>	<u>-</u>

The effective tax rate of the Group for the quarter under review was lower than the statutory tax rate of 28%, mainly due to timing differences arisen from elimination of unrealised profits resulting from intragroup transactions.

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 for the quarter under review.

B8. (a) Status of corporate proposals as at 5 August 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 5 August 2004, being the latest practicable date.



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(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 Securities") amounting to RM 20.8m is as follow :

	As approved by the Securities Commission & Bursa Securities RM'000	Utilised as at the date of report RM'000	Balance RM'000
Capital Expenditure	11,554	10,571	983
Working Capital	7,746	4,936	2,810
Finance Estimated Listing Expenses	1,500	1,188	312
	<u>20,800</u>	<u>16,695</u>	<u>4,105</u>

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 30 June 2004 save for the following:

	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 5 August 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 5 August 2004, being the latest practicable date.

B11. Material litigation as at 5 August 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 5 August 2004, being the latest practicable date.

B12. Dividends

No dividend has been recommended for the quarter under review.

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	30-Jun-04	30-Jun-03	30-Jun-04	30-Jun-03
Basic earnings per share				
Net profit for the period (RM'000)	3,187	-	3,187	-
Weighted average number of ordinary shares in issue ('000)	86,000	-	86,000	-
Basic earnings per share (sen)	<u>3.71</u>	<u>-</u>	<u>3.71</u>	<u>-</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>-</u>	<u>Not applicable</u>	<u>-</u>