



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### QUARTERLY REPORT

On consolidated results for the second quarter ended 30 September 2004

The Directors are pleased to announce the following:

#### Unaudited Condensed Consolidated Income Statement for the second quarter ended 30 September 2004

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/09/2004 RM'000	Preceding Year Corresponding Quarter 30/09/2003 RM'000	Current Year To Date 30/09/2004 RM'000	Preceding Year Corresponding Period 30/09/2003 RM'000
Revenue		26,128	-	44,157	-
Operating profit		10,055	-	15,321	-
Interest income		166	-	290	-
Finance costs		-	-	-	-
Profit before taxation		10,221	-	15,611	-
Tax expense	B5	(2,954)	-	(4,276)	-
Profit after taxation		7,267	-	11,335	-
Minority interest		(1,535)	-	(2,416)	-
Net profit for the period		5,732	-	8,919	-
Basic earnings per share (sen)	B13	6.67	-	10.37	-

Note :

Comparative figures for the comparable interim periods (current and year-to-date) of the immediately preceding financial year are not available as this is Opcom Holdings Berhad's forth 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.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

**Unaudited Condensed Consolidated Balance Sheet as at 30 September 2004**

	Note	As At End Of Current Quarter 30/09/2004 RM'000	As At Preceding Financial Year End 31/3/2004 RM'000
<b>Property, plant and equipment</b>	<b>A9</b>	34,740	35,349
<b>Current assets</b>			
Inventories		12,951	9,898
Trade and other receivables		16,126	7,500
Cash and cash equivalents		45,549	41,906
		<u>74,626</u>	<u>59,304</u>
<b>Current liabilities</b>			
Trade and other payables		28,627	22,419
Taxation		3,053	581
Dividend payable		-	4,389
		<u>31,680</u>	<u>27,389</u>
Net Current Assets		<u>42,946</u>	<u>31,915</u>
		<u>77,686</u>	<u>67,264</u>
<b>Long term and deferred liabilities</b>			
Amount due to Directors		10,414	10,414
Deferred taxation		(320)	593
		<u>10,094</u>	<u>11,007</u>
<b>Minority shareholders' interest</b>		12,755	10,339
<b>Capital and reserves</b>			
Share capital		17,200	17,200
Reserves		37,637	28,718
		<u>77,686</u>	<u>67,264</u>
		sen	sen
Net tangible assets per share		<u>63.76</u>	<u>53.39</u>

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



**OPCOM HOLDINGS BERHAD**

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**Unaudited Condensed Consolidated Statement of Changes in Equity for the second quarter ended 30 September 2004**

Group	Share capital	Non Distributable		Distributable	Total
	RM'000	Share premium	Capital reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2004	17,200	14,412	3	14,303	45,918
Net profit for the period	-	-	-	8,919	8,919
At 30 September 2004	<u>17,200</u>	<u>14,412</u>	<u>3</u>	<u>23,222</u>	<u>54,837</u>

Comparative figures for the comparable year-to-date period of the immediately preceding financial year are not available as this is Opcom Holdings Berhad's forth quarterly report to Bursa Malaysia Securities Berhad since its listing on 23 December 2003.

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.



**OPCOM HOLDINGS BERHAD**

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**Unaudited Condensed Consolidated Cash Flow Statement for the second quarter ended 30 September 2004**

	30/09/2004
	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Profit before taxation	15,611
Adjustments for:	
Non-cash items	4,047
Non-operating items	(501)
Operating profit before working capital changes	<u>19,157</u>
Changes in working capital:	
Inventories	(3,053)
Trade and other receivables	(8,623)
Trade and other payables	4,039
Cash generated from operations	<u>11,520</u>
Tax paid	<u>(2,668)</u>
<b>Net cash generated from operating activities</b>	<u>8,852</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment	(1,289)
Interest received	469
<b>Net cash used in investing activities</b>	<u>(820)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>	
Dividend paid	<u>(4,389)</u>
<b>Net cash used in financing activity</b>	<u>(4,389)</u>
<b>Net increase in cash and cash equivalents</b>	3,643
<b>Cash and cash equivalents at 1 April 2004</b>	<u>41,906</u>
<b>Cash and cash equivalents at 30 September 2004</b>	<u>45,549</u>

Comparative figures for the comparable year-to-date period of the immediately preceding financial year are not available as this is Opcom Holdings Berhad's forth quarterly report to Bursa Malaysia Securities Berhad since its listing on 23 December 2003.

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.



**OPCOM HOLDINGS BERHAD**

**(Company No : 322661-W)**

**Notes on the quarterly report - 30 September 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, resale 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**

The Group operates wholly in Malaysia.

The financial information by industry segment is not presented as the Group's activities are 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.



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**A11. Changes in the composition of the Group**

There were no changes in the composition of the Group during the quarter under review except for the acquisition of 100% equity interest in Opcom Shared Services Sdn Bhd on 15 September 2004. The related announcement was made on 15 September 2004.

**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 Sept 2004 RM'000	As at 31 Mar 2004 RM'000
Performance and warranty bonds issued to customers	87	457
Bank guarantees issued to the local authority	3	3
Bank guarantee issued to utilities supplier	50	40
	<u>140</u>	<u>500</u>



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Notes on the quarterly report - 30 September 2004

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

**B1. Review of Performance for the Current Quarter**

For the quarter under review, the Group registered a profit before taxation of RM10.2m at the back of RM26.1m in revenue. The growth in revenue and profit before taxation was attributable to the increase in demand for fiber optic cables.

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

During the quarter ended 30 September 2004, the Group's revenue has increased significantly by approximately 45.0% to RM26.1m as compared to the immediate preceding quarter of RM18.0m.

As such, the Group's profit before taxation grew by approximately 88.9% from RM5.4m to RM10.2m in the quarter under review. Higher rate of profit before tax was attributable to higher production volume and the Company's ability to improve operational efficiency and maintain production overheads.

**B3. Prospect**

Barring any unforeseen circumstances, the Board is positive of the Group's performance for the remaining period to the end of the 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 Sept 2004 RM'000	30 Sept 2003 RM'000	30 Sept 2004 RM'000	30 Sept 2003 RM'000
Current tax expense	2,997	-	5,189	-
Reversal of deferred tax liability	(43)	-	(913)	-
	<u>2,954</u>	<u>-</u>	<u>4,276</u>	<u>-</u>

There was no significant variance between the effective tax rate for the current quarter with the statutory tax rate of 28%.

The effective tax rate of the Group for the financial year-to-date was lower than the statutory tax rate of 28%, mainly due to timing differences from elimination of unrealised profits resulting from intra-group transactions.

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

There was no disposal of unquoted investments or properties during 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 November 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 November 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 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 September 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 26 November 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 November 2004, being the latest practicable date.

**B11. Material litigation as at 26 November 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 November 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-Sep-04	30-Sep-03	30-Sep-04	30-Sep-03
<b>Basic earnings per share</b>				
Net profit for the period (RM'000)	5,732	-	8,919	-
Weighted average number of ordinary shares in issue ('000)	86,000	-	86,000	-
Basic earnings per share (sen)	<u>6.67</u>	<u>-</u>	<u>10.37</u>	<u>-</u>
<b>Fully diluted earnings per share</b>	<u>Not applicable</u>	<u>-</u>	<u>Not applicable</u>	<u>-</u>