



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY REPORT

On consolidated results for the first quarter ended 30 June 2005

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the first quarter ended 30 June 2005

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/06/2005 RM'000	Preceding Year Corresponding Quarter 30/06/2004 RM'000	Current Year To Date 30/06/2005 RM'000	Preceding Year Corresponding Period 30/06/2004 RM'000
Revenue		<u>18,419</u>	<u>18,029</u>	<u>18,419</u>	<u>18,029</u>
Operating profit		5,021	5,267	5,021	5,267
Interest income		175	123	175	123
Finance costs		<u>(78)</u>	<u>-</u>	<u>(78)</u>	<u>-</u>
Profit before taxation		5,118	5,390	5,118	5,390
Tax expense	B5	<u>(1,386)</u>	<u>(1,322)</u>	<u>(1,386)</u>	<u>(1,322)</u>
Profit after taxation		3,732	4,068	3,732	4,068
Minority interest		<u>(1,319)</u>	<u>(881)</u>	<u>(1,319)</u>	<u>(881)</u>
Net profit for the period		<u>2,413</u>	<u>3,187</u>	<u>2,413</u>	<u>3,187</u>
Basic earnings per share (sen)	B13	<u>1.87</u>	<u>3.71</u>	<u>1.87</u>	<u>3.71</u>

Note :

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2005.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

Unaudited Condensed Consolidated Balance Sheet as at 30 June 2005

	Note	As At End Of Current Quarter 30/06/2005 RM'000	As At Preceding Financial Year End 31/03/2005 RM'000
Property, plant and equipment	A9	38,506	38,928
Current assets			
Inventories		15,431	14,322
Trade and other receivables		16,157	5,237
Cash and cash equivalents		36,188	48,365
		<u>67,776</u>	<u>67,924</u>
Current liabilities			
Trade and other payables		21,890	25,516
Amount due to Directors		3,549	3,471
Taxation		1,523	1,021
		<u>26,962</u>	<u>30,008</u>
Net Current Assets		<u>40,814</u>	<u>37,916</u>
		<u>79,320</u>	<u>76,844</u>
Long term and deferred liabilities			
Amount due to Directors		6,943	6,943
Deferred taxation		(87)	1,169
		<u>6,856</u>	<u>8,112</u>
Minority shareholders' interest		13,816	12,497
Capital and reserves			
Share capital		25,800	17,200
Reserves		<u>32,848</u>	<u>39,035</u>
		<u>79,320</u>	<u>76,844</u>
		sen	sen
Net tangible assets per share		<u>45.46</u>	<u>65.39</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statement for the financial year ended 31 March 2005.



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

Unaudited Condensed Consolidated Statement of Changes in Equity for the first quarter ended 30 June 2005

Group	Share capital RM'000	Non Distributable Share premium RM'000	Capital reserve RM'000	Distributable Retained profits RM'000	Total RM'000
At 1 April 2004	17,200	14,412	3	14,303	45,918
Net profit for the period	-	-	-	17,197	17,197
Dividend	-	-	-	(6,880)	(6,880)
At 31 March 2005	17,200	14,412	3	24,620	56,235
Bonus Issue	8,600	(8,600)	-	-	-
Net profit for the period	-	-	-	2,413	2,413
At 30 June 2005	25,800	5,812	3	27,033	58,648

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 2005.

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

Unaudited Condensed Consolidated Cash Flow Statement for the first quarter ended 30 June 2005

	30/06/2005 RM'000	30/06/2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,118	5,390
Adjustments for:		
Non-cash items	1,163	943
Non-operating items	(172)	(123)
Operating profit before working capital changes	6,109	6,210
Changes in working capital:		
Inventories	(1,109)	(3,155)
Trade and other receivables	(10,910)	(7,416)
Trade and other payables	(3,626)	7,554
Cash generated from operations	(9,536)	3,193
Tax paid	(2,141)	(1,568)
Net cash generated from operating activities	(11,677)	1,625
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(743)	(279)
Proceeds from disposal of property, plant & equipment	3	-
Interest received	240	89
Net cash used in investing activities	(500)	(190)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(4,389)
Net cash (used in)/generated from financing activities	-	(4,389)
Net increase in cash and cash equivalents	(12,177)	(2,954)
Cash and cash equivalents at beginning of period	48,365	41,906
Cash and cash equivalents at end of period	36,188	38,952

The unaudited Condensed Consolidation Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2005.



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Notes on the quarterly report - 30 June 2005

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 2005.

A2. Audit Report

There were no audit qualifications on the annual financial statements for the financial year ended 31 March 2005.

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. However, the Group was less susceptible to the seasonal effect as it had a contract in hand for the supply of fiber optic cables for use by Telekom Malaysia Berhad. Given its long experience in 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 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

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.

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 June 2005 RM'000	As at 31 Mar 2005 RM'000
Performance and warranty bonds issued to customers	285	187
Bank guarantees issued to the local authority	113	113
Bank guarantee issued to utilities supplier	50	50
	<u>448</u>	<u>350</u>



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(Company No : 322661-W)

Notes on the quarterly report - 30 June 2005

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 RM18.4m and profit before taxation of RM5.1m as compared to RM18.0m and RM5.4m respectively in the preceding year corresponding quarter. The higher revenue was mainly due to relatively higher sales for fiber optic cables.

B2. Variation of results against the immediate preceding quarter

During the quarter ended 30 June 2005, the Group's revenue has increased by approximately 48.4% to RM18.4m as compared to the immediate preceding quarter of RM12.4m.

Accordingly, the Group's profit before taxation increased by approximately 96.2% from RM2.6m to RM5.1m in the quarter under review. The increase was mainly due to the relatively higher sales of fiber optic cables in the current quarter under review.

B3. Prospect

Barring any unforeseen circumstances, the Board is positive of the Group's performance for the remaining period 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 quarter ended	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Current tax expense	2,642	2,192	2,642	2,192
Deferred taxation	(1,256)	(870)	(1,256)	(870)
	<u>1,386</u>	<u>1,322</u>	<u>1,386</u>	<u>1,322</u>

The effective tax rate of the Group was slightly lower than the statutory tax rate of 28%. This was due to the availability of capital allowances and reinvestment allowances in subsidiary companies.

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.



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(Company No : 322661-W)

B8. (a) Status of corporate proposals as at 29 July 2005
(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 29 July 2005.

(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	Utilised as at the date of report	Balance
	RM'000	RM'000	RM'000
Capital Expenditure	11,554	11,314	240
Working Capital	7,746	6,436	1,310
Finance Listing Expenses	1,500	1,188	312 *
	<u>20,800</u>	<u>18,938</u>	<u>1,862</u>

* The unutilised amount of Finance Listing Expenses shall be used for working capital purposes of the Group.

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 30 June 2005 save for the following:

	RM'000
Amount due to Directors - Short term	3,549
Amount due to Directors - Long term	6,943
	<u>10,492</u>

B10. Off Balance Sheet Financial Instruments as at 29 July 2005
(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 29 July 2005, being the latest practicable date.

B11. Material litigation as at 29 July 2005
(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 29 July 2005, 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 June 2005	30 June 2004	30 June 2005	30 June 2004
Basic earnings per share				
Net profit for the period (RM'000)	2,413	3,187	2,413	3,187
Total number of ordinary shares in issue ('000)	129,000	86,000	129,000	86,000
Basic earnings per share (sen)	<u>1.87</u>	<u>3.71</u>	<u>1.87</u>	<u>3.71</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>