



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### QUARTERLY REPORT

On consolidated results for the third quarter ended 31 December 2003

The Directors are pleased to announce the following:

#### Unaudited Condensed Consolidated Income Statement for the third quarter ended 31 December 2003

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/12/2003 RM'000	Preceding Year Corresponding Quarter 31/12/2002 RM'000	Current Year To Date 31/12/2003 RM'000	Preceding Year Corresponding Period 31/12/2002 RM'000
<b>Revenue</b>	<b>A8</b>	13,946	-	51,577	-
Cost of sales		(6,592)	-	(27,644)	-
<b>Gross profit</b>		7,354	-	23,933	-
Other operating income		71	-	196	-
Distribution costs		(297)	-	(807)	-
Administrative expenses		(4,122)	-	(7,647)	-
Other operating expenses		(119)	-	(264)	-
<b>Operating profit</b>		2,887	-	15,411	-
Finance costs		-	-	-	-
<b>Profit before taxation</b>	<b>A8</b>	2,887	-	15,411	-
Tax income/(expense)	<b>B5</b>	1,594	-	(2,904)	-
<b>Profit after taxation</b>		4,481	-	12,507	-
Minority interest		(1,523)	-	(3,402)	-
<b>Net profit for the period</b>	<b>B13</b>	2,958	-	9,105	-
Basic earnings per share (sen)		13.72	-	42.22	-

Note :

Comparative figures for the preceding year are not available as this is Opcom Holdings Berhad's first quarterly report to Malaysia Securities Exchange 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 31/12/2003 RM'000	As At Preceding Financial Year End 31/3/2003 RM'000
<b>Property, plant and equipment</b>	<b>A9</b>	36,150	27,100
<b>Current assets</b>			
Inventories		7,053	8,905
Trade and other receivables		995	1,073
Amount due from affiliated companies		20,845	10,125
Cash and cash equivalents		38,483	15,631
		<u>67,376</u>	<u>35,734</u>
<b>Current liabilities</b>			
Trade and other payables		22,704	10,237
Amount due to affiliated companies		-	455
Amount due to Directors		3,471	17,357
Taxation		2,368	1,162
Dividend payable		-	4,248
		<u>28,543</u>	<u>33,459</u>
Net Current Assets		<u>38,833</u>	<u>2,275</u>
		<u>74,983</u>	<u>29,375</u>
<b>Long term liability</b>			
Amount Due to Directors		13,886	-
Deferred taxation		1,120	1,534
		<u>15,006</u>	<u>1,534</u>
<b>Minority shareholders' interest</b>		11,122	7,720
<b>Capital and reserves</b>			
Share capital		17,200	12,000
Reserves		31,655	8,121
		<u>74,983</u>	<u>29,375</u>
		sen	sen
Net tangible assets per share		<u>226.56</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 three quarters ended 31 December 2003**

Group	Non Distributable		Capital reserve RM'000	Distributable Retained profits RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000			
At 1 April 2003	12,000	-	3	8,118	20,121
Issue of shares	5,200	15,600	-	-	20,800
Listing expenses	-	(1,171)	-	-	(1,171)
Net profit for the period	-	-	-	9,105	9,105
At 31 December 2003	<u>17,200</u>	<u>14,429</u>	<u>3</u>	<u>17,223</u>	<u>48,855</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 three quarters ended 31 December 2003

	31/12/2003 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Profit before taxation	15,411
Adjustments for:	
Non-cash items	3,484
Non-operating items	(260)
Operating profit before working capital changes	<u>18,635</u>
Changes in working capital:	
Inventories	510
Trade and other receivables	78
Amount due from/(to) affiliated companies	(11,175)
Trade and other payables	12,467
Cash generated from operations	<u>20,515</u>
Tax paid	<u>(2,112)</u>
<b>Net cash generated from operating activities</b>	<u>18,403</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment	(11,192)
Interest received	260
<b>Net cash used in investing activities</b>	<u>(10,932)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issuance of share capital	20,800
Listing expenses	(1,171)
Dividend paid	(4,248)
<b>Net cash generated from financing activities</b>	<u>15,381</u>
<b>Net increase in cash and cash equivalents</b>	22,852
<b>Cash and cash equivalents at beginning of period</b>	<u>15,631</u>
<b>Cash and cash equivalents at end of period</b>	<u>38,483</u>

(The unaudited Condensed Consolidated Cash Flow Statement should 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 December 2003**

**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 Malaysia Securities Exchange Berhad.

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.

**A2. Audit Report**

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

**A3. Seasonality or cyclical of interim operations**

The fiber optic cables industry is cyclical in nature and highly dependent on the economic and business environment. However, the Group was less susceptible to the cyclical effect as it had secured a long term contract for the supply of fiber optic cables for use by Telekom Malaysia Berhad.

**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**

	<u>Revenue</u>	<u>Profit before</u>
	RM'000	taxation
		RM'000
Investment holding	357	(1,684)
Sale of fiber optic cables	51,220	19,237
	<u>51,577</u>	<u>17,553</u>
Depreciation		<u>(2,142)</u>
		<u><u>15,411</u></u>

**OPCOM HOLDINGS BERHAD**  
**(Company No : 322661-W)**  
**Notes on the quarterly report - 31 December 2003**

**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 capital commitments as to the date of this report except the following

	As at 31 Dec 2003 RM'000	As at 31 Mar 2003 RM'000
Performance and warranty bonds issued to customers	112	484
Bank guarantees issued to the local authorities	40	108
Bank guarantee issued to utilities supplier	40	32
	<u>192</u>	<u>624</u>

**OPCOM HOLDINGS BERHAD**  
**(Company No : 322661-W)**  
**Notes on the quarterly report - 31 December 2003**

**B. ADDITIONAL INFORMATION REQUIRED BY THE MALAYSIA SECURITIES EXCHANGE 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 13.9m and a profit before tax of RM 2.9m. On a year to date basis, the Group achieved a revenue of RM 51.6m and a profit before tax of RM 15.4m

The results of the Group have increased during the period due to increased demand for the Company's range of products.

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

Not applicable as this is the first quarterly report for the Group since its listing on Malaysia Securities Exchange Berhad on 23 December 2003.

**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	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- prior year	8		8	
- current year	(1,377)	-	3,310	-
Reversal of deferred tax liability	(225)	-	(414)	-
	<u>(1,594)</u>	<u>-</u>	<u>2,904</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 current year tax expense provided in earlier quarters resulted from capital and reinvestment 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 27 February 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 27 February 2004, being the latest practicable date.

**OPCOM HOLDINGS BERHAD**  
**(Company No : 322661-W)**  
**Notes on the quarterly report - 31 December 2003**

**(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 Malaysia Securities Exchange Berhad (MSEB) amounting to RM 20.8m is as follow :

	As approved by the Securities Commission & MSEB 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		7,746
Finance Estimated Listing Expenses	1,500	1,171	329
	<u>20,800</u>	<u>11,671</u>	<u>9,129</u>

**B9. Group borrowings and Debt Securities**

The Group has no borrowings and debt securities as at 31 December 2003 save for the followings

	RM'000
Amount due to Directors - Short term	3,471
Amount due to Directors - Long term	13,886
Amount due to corporate shareholder - Short term	1,254
	<u>18,611</u>

**B10. Off Balance Sheet Financial Instruments as at 27 February 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 27 February 2004, being the latest practicable date.

**B11. Material litigation as at 27 February 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 27 February 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	
	31-Dec-03	31-Dec-02	31-Dec-03	31-Dec-02
<b>Basic earnings per share</b>				
Net profit for the period (RM'000)	2,958	-	9,105	-
Weighted average number of ordinary shares in issue ('000)	21,564	-	21,564	-
Basic earnings per share (sen)	<u>13.72</u>	<u>-</u>	<u>42.22</u>	<u>-</u>
<b>Fully diluted earnings per share</b>	<u>Not applicable</u>	<u>-</u>	<u>Not applicable</u>	<u>-</u>