



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY REPORT

On consolidated results for the fourth quarter ended 31 March 2005

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the fourth quarter ended 31 March 2005

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 31/03/2005 RM'000	Preceding Year Corresponding Quarter 31/03/2004 RM'000	Current Year To Date 31/03/2005 RM'000	Preceding Year Corresponding Period 31/03/2004 RM'000
Revenue		<u>12,392</u>	<u>6,507</u>	<u>78,291</u>	<u>58,084</u>
Operating profit		2,434	1,805	26,065	17,020
Interest income		201	153	686	349
Finance costs		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit before taxation		2,635	1,958	26,751	17,369
Tax expense	B5	<u>(156)</u>	<u>(216)</u>	<u>(6,482)</u>	<u>(3,120)</u>
Profit after taxation		2,479	1,742	20,269	14,249
Minority interest		<u>497</u>	<u>(273)</u>	<u>(3,058)</u>	<u>(3,675)</u>
Net profit for the period		<u>2,976</u>	<u>1,469</u>	<u>17,211</u>	<u>10,574</u>
Basic earnings per share (sen)	B13	<u>3.46</u>	<u>2.19</u>	<u>20.01</u>	<u>15.77</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 2004.

**OPCOM HOLDINGS BERHAD**

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Unaudited Condensed Consolidated Balance Sheet as at 31 March 2005

	Note	As At End Of Current Quarter 31/03/2005 RM'000	As At Preceding Financial Year End 31/03/2004 RM'000
Property, plant and equipment	A9	38,928	35,349
Current assets			
Inventories		14,322	9,898
Trade and other receivables		5,237	7,500
Cash and cash equivalents		48,364	41,906
		<u>67,923</u>	<u>59,304</u>
Current liabilities			
Trade and other payables		25,516	18,948
Amount due to Directors		3,471	3,471
Taxation		992	581
Dividend payable		-	4,389
		<u>29,979</u>	<u>27,389</u>
Net Current Assets		<u>37,944</u>	<u>31,915</u>
		<u>76,872</u>	<u>67,264</u>
Long term and deferred liabilities			
Amount due to Directors		6,943	10,414
Deferred taxation		1,183	593
		<u>8,126</u>	<u>11,007</u>
Minority shareholders' interest		12,497	10,339
Capital and reserves			
Share capital		17,200	17,200
Reserves		39,049	28,718
		<u>76,872</u>	<u>67,264</u>
		sen	sen
Net tangible assets per share		<u>65.41</u>	<u>53.39</u>

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



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Unaudited Condensed Consolidated Statement of Changes in Equity for the fourth quarter ended 31 March 2005

Group	Share	Non Distributable		Distributable	Total
	capital	Share	Capital	Retained	
	RM'000	premium	reserve	profits	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	-	-	-	17,211	17,211
Dividend	-	-	-	(6,880)	(6,880)
At 31 March 2005	<u>17,200</u>	<u>14,412</u>	<u>3</u>	<u>24,634</u>	<u>56,249</u>

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 2004.

**OPCOM HOLDINGS BERHAD**

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Unaudited Condensed Consolidated Cash Flow Statement for the fourth quarter ended 31 March 2005

	31/03/2005	31/03/2004
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	26,751	17,369
Adjustments for:		
Non-cash items	4,399	3,174
Non-operating items	(1,136)	(574)
Operating profit before working capital changes	<u>30,014</u>	<u>19,969</u>
Changes in working capital:		
Inventories	(4,424)	(993)
Trade and other receivables	2,480	3,276
Trade and other payables	5,668	(2,280)
Cash generated from operations	<u>33,738</u>	<u>19,972</u>
Tax paid	<u>(5,653)</u>	<u>(4,632)</u>
Net cash generated from operating activities	<u>28,085</u>	<u>15,340</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,110)	(1,489)
Proceeds from disposal of property, plant & equipment	132	33
Interest received	<u>1,091</u>	<u>498</u>
Net cash used in investing activities	<u>(6,887)</u>	<u>(958)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	20,800
Listing expenses	-	(1,188)
Repayment to Directors	(3,471)	(3,471)
Dividend paid	<u>(11,269)</u>	<u>(4,248)</u>
Net cash (used in)/generated from financing activities	<u>(14,740)</u>	<u>11,893</u>
Net increase in cash and cash equivalents	6,458	26,275
Cash and cash equivalents at beginning of period	<u>41,906</u>	<u>15,631</u>
Cash and cash equivalents at end of period	<u>48,364</u>	<u>41,906</u>

The unaudited Condensed Consolidation Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2004.



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Notes on the quarterly report - 31 March 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 2004.

A2. Audit Report

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

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 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

During the quarter under review, a total of dividend of RM6.88 million which consisted of an interim dividend of 8.25 sen less tax per share and an interim tax exempt dividend of 2.06 sen per share was paid on 15 January 2005 .

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 except for the acquisition of 100% equity interest in Opcom Network Technologies Sdn Bhd on 16 February 2005. The related announcement was made on 16 February



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2005.

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 31 Mar 2005 RM'000	As at 31 Mar 2004 RM'000
Performance and warranty bonds issued to customers	187	457
Bank guarantees issued to the local authority	113	3
Bank guarantee issued to utilities supplier	50	40
	<u>350</u>	<u>500</u>



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Notes on the quarterly report - 31 March 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 RM12.4m and profit before taxation of RM2.6m as compared to RM6.5m and RM2.0m respectively in the preceding year corresponding quarter. The higher revenue was mainly due to the increase in demand for fiber optic cables.

For the year ended 31 March 2005, the Group recorded a revenue of RM78.3m and profit before taxation of RM26.8m as compared to RM58.1m and RM17.4m respectively in the preceding year corresponding period. As explained in the preceding paragraph, higher revenue was mainly due to the higher demand for fiber optic cables.

B2. Variation of results against the immediate preceding quarter

During the quarter ended 31 March 2005, the Group's revenue has decreased by approximately 42.9% to RM12.4m as compared to the immediate preceding quarter of RM21.7m.

Accordingly, the Group's profit before taxation decreased by approximately 69.4% from RM8.5m to RM2.6m in the quarter under review. The decline was mainly due to the relatively lower 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 following 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	
	31 Mar 2005 RM'000	31 Mar 2004 RM'000	31 Mar 2005 RM'000	31 Mar 2004 RM'000
Current tax expense	(1,315)	743	5,892	4,061
Deferred taxation	<u>1,471</u>	<u>(527)</u>	<u>590</u>	<u>(941)</u>
	<u>156</u>	<u>216</u>	<u>6,482</u>	<u>3,120</u>

The effective tax rate of the Group was lower than the statutory tax rate of 28%. This was mainly 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 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.



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B8. (a) Status of corporate proposals as at 27 May 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 27 May 2005 except for the following:

On 2 March 2005, Bursa Malaysia Securities Berhad has approved-in-principle the listing and quotation of the following:

- i) 43,000,000 new ordinary shares of RM0.20 each in Opcom Holdings Berhad ("Opcom") ("Bonus Shares") to be issued pursuant to the proposed bonus issue on the basis of one (1) Bonus Share for every two (2) existing ordinary shares of RM0.20 each in Opcom held on an entitlement date to be determined and announced later; and
- ii) such number of new ordinary shares that may be issued pursuant to the exercise of options granted under the proposed employee share option scheme, representing up to 10.0% of the issued and paid-up capital of Opcom at any point in time.

The above proposals have obtained the shareholders' approval at Extraordinary General Meeting held on 14 April 2005 and the related announcement was made on 14 April 2005.

The Board further made an announcement on the notice of book closure with regard to the Bonus Shares on 19 April 2005. The entitlement date of the Bonus Shares was 10 May 2005.

The Bonus Shares were listed on the Mesdaq Market of Bursa Malaysia Securities Berhad with effect from 24 May 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	10,571	983
Working Capital	7,746	4,936	2,810
Finance Listing Expenses	<u>1,500</u>	<u>1,188</u>	<u>312</u>
	<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 31 March 2005 save for the following:

	RM'000
Amount due to Directors - Short term	3,471
Amount due to Directors - Long term	<u>6,943</u>
	<u>10,414</u>

B10. Off Balance Sheet Financial Instruments as at 27 May 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 27 May 2005, being the latest practicable date.

B11. Material litigation as at 27 May 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 27 May 2005, being the latest practicable date.



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B12. Dividends

No dividend has been recommended for the quarter under review.

The total net dividend per share declared to date, for the current financial year ended 31 March 2005 is 8.00 sen which consisted of an interim dividend of 8.25 sen less tax per share and an interim tax exempt dividend of 2.06 sen per share.

B13. Earnings per share

	Individual quarter ended		Cumulative quarter ended	
	31 Mar 2005	31 Mar 2004	31 Mar 2005	31 Mar 2004
Basic earnings per share				
Net profit for the period (RM'000)	2,976	1,469	17,211	10,574
Weighted average number of ordinary shares in issue ('000)	86,000	67,052	86,000	67,052
Basic earnings per share (sen)	<u>3.46</u>	<u>2.19</u>	<u>20.01</u>	<u>15.77</u>
Fully diluted earnings per share	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>