



## OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

### QUARTERLY REPORT

On consolidated results for the second quarter ended 30 Sept 2005

The Directors are pleased to announce the following:

#### Unaudited Condensed Consolidated Income Statement for the second quarter ended 30 September 2005

	Individual Quarter		Cumulative Quarter		
	Note	Current Year Quarter 30/09/2005 RM'000	Preceding Year Corresponding Quarter 30/09/2004 RM'000	Current Year To Date 30/09/2005 RM'000	Preceding Year Corresponding Period 30/09/2004 RM'000
Revenue		<u>27,260</u>	<u>26,128</u>	<u>45,679</u>	<u>44,157</u>
Operating profit		8,262	10,055	13,283	15,321
Interest income		157	166	332	290
Finance costs		<u>(78)</u>	<u>-</u>	<u>(156)</u>	<u>-</u>
Profit before taxation		8,341	10,221	13,459	15,611
Tax expense	B5	<u>(2,410)</u>	<u>(2,954)</u>	<u>(3,796)</u>	<u>(4,276)</u>
Profit after taxation		5,931	7,267	9,663	11,335
Minority interest		<u>(479)</u>	<u>(1,535)</u>	<u>(1,798)</u>	<u>(2,416)</u>
Net profit for the period		<u>5,452</u>	<u>5,732</u>	<u>7,865</u>	<u>8,919</u>
Basic earnings per share (sen)	B13	<u>4.23</u>	<u>6.67</u>	<u>6.10</u>	<u>10.37</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 September 2005**

	Note	As At End Of Current Quarter 30/09/2005 RM'000	As At Preceding Financial Year End 31/03/2005 RM'000
<b>Property, plant and equipment</b>	<b>A9</b>	37,907	38,928
<b>Current assets</b>			
Inventories		12,478	14,322
Trade and other receivables		19,509	5,237
Cash and cash equivalents		42,720	48,365
		<u>74,707</u>	<u>67,924</u>
<b>Current liabilities</b>			
Trade and other payables		21,142	25,516
Amount due to Directors		3,627	3,471
Taxation		2,006	1,021
		<u>26,775</u>	<u>30,008</u>
Net Current Assets		<u>47,932</u>	<u>37,916</u>
		<u>85,839</u>	<u>76,844</u>
<b>Long term and deferred liabilities</b>			
Amount due to Directors		6,943	6,943
Deferred taxation		501	1,169
		<u>7,444</u>	<u>8,112</u>
<b>Minority shareholders' interest</b>		14,295	12,497
<b>Capital and reserves</b>			
Share capital		25,800	17,200
Reserves		38,300	39,035
		<u>85,839</u>	<u>76,844</u>
		sen	sen
Net tangible assets per share		<u>49.69</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 second quarter ended 30 September 2005**

Group	Non Distributable			Distributable	Total
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Retained profits RM'000	
At 1 April 2005	17,200	14,412	3	24,620	56,235
Bonus Issue	8,600	(8,600)	-	-	-
Net profit for the period	-	-	-	7,865	7,865
At 30 September 2005	<u>25,800</u>	<u>5,812</u>	<u>3</u>	<u>32,485</u>	<u>64,100</u>
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>

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 second quarter ended 30 September 2005**

	30/09/2005 RM'000	30/09/2004 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	13,459	15,611
Adjustments for:		
Non-cash items	2,646	4,047
Non-operating items	(328)	(501)
Operating profit before working capital changes	<u>15,777</u>	<u>19,157</u>
Changes in working capital:		
Inventories	1,540	(3,053)
Trade and other receivables	(14,244)	(8,623)
Trade and other payables	(4,374)	4,039
Cash generated from operations	<u>(1,301)</u>	<u>11,520</u>
Tax paid	<u>(3,479)</u>	<u>(2,668)</u>
<b>Net cash generated from operating activities</b>	<u>(4,780)</u>	<u>8,852</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,329)	(1,289)
Proceeds from disposal of property, plant & equipment	8	-
Interest received	456	469
<b>Net cash used in investing activities</b>	<u>(865)</u>	<u>(820)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(4,389)
<b>Net cash (used in)/generated from financing activities</b>	<u>-</u>	<u>(4,389)</u>
<b>Net increase in cash and cash equivalents</b>	(5,645)	3,643
<b>Cash and cash equivalents at beginning of period</b>	48,365	41,906
<b>Cash and cash equivalents at end of period</b>	<u>42,720</u>	<u>45,549</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 2005.



**OPCOM HOLDINGS BERHAD**

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

**Notes on the quarterly report - 30 September 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 has 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 Sept 2005 RM'000	As at 31 Mar 2005 RM'000
Performance and warranty bonds issued to customers	77	187
Bank guarantees issued to the local authority	113	113
Bank guarantee issued to utilities supplier	50	50
	<u>240</u>	<u>350</u>



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Notes on the quarterly report - 30 September 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 RM27.3m and profit before taxation of RM8.3m as compared to RM26.1m and RM10.2m respectively in the preceding year's corresponding quarter. Despite the higher revenue which was mainly due to higher sales of fiber optic cables, the Group recorded a lower profit before taxation in the current quarter due to start-up losses incurred by one of its subsidiaries which commenced operation in the current year as well as higher raw material costs compared to the preceding year's corresponding quarter.

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

During the quarter ended 30 September 2005, the Group's revenue has increased by approximately 48.4% to RM27.3m as compared to the immediate preceding quarter of RM18.4m.

Accordingly, the Group's profit before taxation increased by approximately 62.7% from RM5.1m to RM8.3m 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 Sept 2005 RM'000	30 Sept 2004 RM'000	30 Sept 2005 RM'000	30 Sept 2004 RM'000
Current tax expense	1,822	2,997	4,464	5,189
Deferred taxation	588	(43)	(668)	(913)
	<u>2,410</u>	<u>2,954</u>	<u>3,796</u>	<u>4,276</u>

The effective tax rate of the Group is at statutory tax rate of 28%.

**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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**B8. (a) Status of corporate proposals as at 24 November 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 24 November 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	11,554	-
Working Capital	7,746	7,746	-
Finance Listing Expenses	1,500	1,188	312 *
	<u>20,800</u>	<u>20,488</u>	<u>312</u>

\* The unutilised amount of Finance Listing Expenses had been fully utilised for working capital purposes of the Group.

**B9. Group borrowings and Debt Securities**

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

	RM'000
Amount due to Directors - Short term	3,627
Amount due to Directors - Long term	6,943
	<u>10,570</u>

**B10. Off Balance Sheet Financial Instruments as at 24 November 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 24 November 2005, being the latest practicable date.

**B11. Material litigation as at 24 November 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 24 November 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 Sept 2005	30 Sept 2004	30 Sept 2005	30 Sept 2004
<b>Basic earnings per share</b>				
Net profit for the period (RM'000)	5,452	5,732	7,865	8,919
Total number of ordinary shares in issue ('000)	129,000	86,000	129,000	86,000
Basic earnings per share (sen)	<u>4.23</u>	<u>6.67</u>	<u>6.10</u>	<u>10.37</u>
<b>Fully diluted earnings per share</b>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>