



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY REPORT

On consolidated results for the fourth quarter ended 31 March 2004

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the fourth quarter ended 31 March 2004

| | Note | Individual Quarter | | Cumulative Quarter | |
|----------------------------------|------------|---|--|---|---|
| | | Current Year Quarter 31/03/2004 RM'000 | Preceding Year Corresponding Quarter 31/03/2003 RM'000 | Current Year To Date 31/03/2004 RM'000 | Preceding Year Corresponding Period 31/03/2003 RM'000 |
| Revenue | A8 | 6,507 | - | 58,084 | - |
| Cost of sales | | (3,517) | - | (31,161) | - |
| Gross profit | | 2,990 | - | 26,923 | - |
| Other operating income | | 185 | - | 381 | - |
| Distribution costs | | (284) | - | (1,091) | - |
| Administrative expenses | | (847) | - | (8,494) | - |
| Other operating expenses | | (86) | - | (350) | - |
| Operating profit | | 1,958 | - | 17,369 | - |
| Finance costs | | - | - | - | - |
| Profit before taxation | A8 | 1,958 | - | 17,369 | - |
| Tax expense | B5 | (216) | - | (3,120) | - |
| Profit after taxation | | 1,742 | - | 14,249 | - |
| Minority interest | | (273) | - | (3,675) | - |
| Net profit for the period | | 1,469 | - | 10,574 | - |
| | | | | | |
| Basic earnings per share (sen) | B13 | 2.19 | - | 15.77 | - |

Note :

Comparative figures for the preceding year are not available as this is Opcom Holdings Berhad's second 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 2003

**OPCOM HOLDINGS BERHAD**

(Company No: 322661-W)

Unaudited Condensed Consolidated Balance Sheet

| | Note | As At End Of Current Quarter 31/03/2004 RM'000 | As At Preceding Financial Year End 31/3/2003 RM'000 |
|--|-----------|---|--|
| Property, plant and equipment | A9 | 35,349 | 27,100 |
| Current assets | | | |
| Inventories | | 9,898 | 8,905 |
| Trade and other receivables | | 1,603 | 1,073 |
| Amount due from affiliated companies | | 5,897 | 10,125 |
| Cash and cash equivalents | | 41,906 | 15,631 |
| | | <u>59,304</u> | <u>35,734</u> |
| Current liabilities | | | |
| Trade and other payables | | 18,948 | 10,237 |
| Amount due to affiliated companies | | - | 455 |
| Amount due to Directors | | 3,471 | 17,357 |
| Taxation | | 581 | 1,162 |
| Dividend payable | | 4,389 | 4,248 |
| | | <u>27,389</u> | <u>33,459</u> |
| Net Current Assets | | <u>31,915</u> | <u>2,275</u> |
| | | <u>67,264</u> | <u>29,375</u> |
| Long term liability | | | |
| Amount due to Directors | | 10,414 | - |
| Deferred taxation | | 593 | 1,534 |
| | | <u>11,007</u> | <u>1,534</u> |
| Minority shareholders' interest | | 10,339 | 7,720 |
| Capital and reserves | | | |
| Share capital | | 17,200 | 12,000 |
| Reserves | | 28,718 | 8,121 |
| | | <u>67,264</u> | <u>29,375</u> |
| | | sen | sen |
| Net tangible assets per share | | <u>53.39</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 fourth quarters ended 31 March 2004

| Group | Non Distributable | | | Distributable | Total |
|-------------------------|-------------------------|-------------------------|---------------------------|----------------------------|---------------|
| | Share capital RM'000 | Share premium RM'000 | Capital reserve RM'000 | Retained profits RM'000 | |
| At 1 April 2003 | 12,000 | - | 3 | 8,118 | 20,121 |
| Issue of shares | 5,200 | 15,600 | - | - | 20,800 |
| Listing expenses | - | (1,188) | - | - | (1,188) |
| Dividends | - | - | - | (4,389) | (4,389) |
| Net profit for the year | - | - | - | 10,574 | 10,574 |
| At 31 March 2004 | <u>17,200</u> | <u>14,412</u> | <u>3</u> | <u>14,303</u> | <u>45,918</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 fourth quarters ended 31 March 2004

| | 31/03/2004 RM'000 |
|---|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Profit before taxation | 17,369 |
| Adjustments for: | |
| Non-cash items | 3,174 |
| Non-operating items | (574) |
| Operating profit before working capital changes | <u>19,969</u> |
| Changes in working capital: | |
| Inventories | (993) |
| Trade and other receivables | (497) |
| Amount due from/(to) affiliated companies | 3,773 |
| Trade and other payables | (5,751) |
| Cash generated from operations | <u>16,501</u> |
| Tax paid | <u>(4,632)</u> |
| Net cash generated from operating activities | <u>11,869</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchase of property, plant and equipment | (1,489) |
| Proceeds from disposal of property, plant and equipment | 33 |
| Interest received | 498 |
| Net cash used in investing activities | <u>(958)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Proceeds from issuance of share capital | 20,800 |
| Listing expenses | (1,188) |
| Dividend paid | (4,248) |
| Net cash generated from financing activities | <u>15,364</u> |
| Net increase in cash and cash equivalents | 26,275 |
| Cash and cash equivalents at 1 April 2003 | <u>15,631</u> |
| Cash and cash equivalents at 31 March 2004 | <u>41,906</u> |

(The unaudited Condensed Consolidation Cash Flow 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)
Notes on the quarterly report - 31 March 2004

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 Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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 except for the adoption of the following:

- (i) MASB 25, Income Taxes;
- (ii) MASB 27, Borrowing Costs;
- (iii) MASB 28, Discontinuing Operations; and
- (iv) MASB 29, Employee Benefits.

A2. Audit Report

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

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 Company 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 and financial year-to-date under review.

A6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resales 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 | 586 | (2,208) |
| Sale of fiber optic cables | 57,498 | 22,751 |
| | <u>58,084</u> | <u>20,543</u> |
| Depreciation | | <u>(3,174)</u> |
| | | <u><u>17,369</u></u> |

OPCOM HOLDINGS BERHAD
(Company No : 322661-W)
Notes on the quarterly report - 31 March 2004

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 contingent assets as to the date of this report except the following:

| | As at 31 Mar 2004 RM'000 | As at 31 Mar 2003 RM'000 |
|--|--------------------------------|--------------------------------|
| Performance and warranty bonds issued to customers | 457 | 484 |
| Bank guarantees issued to the local authorities | 3 | 108 |
| Bank guarantee issued to utilities supplier | 40 | 32 |
| | <u>500</u> | <u>624</u> |

OPCOM HOLDINGS BERHAD
(Company No : 322661-W)
Notes on the quarterly report - 31 March 2004

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES 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 6.5m and a profit before tax of RM 1.9m.

On the year to date basis, the Group achieved a revenue of RM 58.1m representing a growth of 26% as compared to RM 46.0m in the preceding year. As a result of the higher revenue, the profit before taxation has also increased by 40% to RM 17.4m as compared to the preceding year of RM 12.4m. The growth was mainly due to the increase in demand and economies of scale.

B2. Variation of results against the immediate preceding quarter

There was a decrease of 53% in the Group's revenue i.e. from RM 13.9m to RM 6.5m in the current quarter. The decrease was mainly due to the decrease in demand in the current quarter as compared with the significantly high demand in last quarter.

However, the Group's profit before taxation has only decreased by 34% i.e. from RM 2.9m to RM 1.9m in the current quarter. The steady profit before taxation despite low revenue was mainly due to decrease in administrative expenses.

B3. Prospect

Barring any unforeseen circumstances, the Board is positive of the Group's performance for the forthcoming period.

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 Mar 2004 | 31 Mar 2003 | 31 Mar 2004 | 31 Mar 2003 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax expense | | | | |
| - prior years | (303) | | (295) | |
| - current year | 1,046 | - | 4,356 | - |
| Reversal of deferred tax liability | (527) | - | (941) | - |
| | <u>216</u> | <u>-</u> | <u>3,120</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 prior years tax expense and deferred tax liability provided for capital and reinvestment allowances 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 26 May 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 May 2004, being the latest practicable date.

OPCOM HOLDINGS BERHAD

(Company No : 322661-W)

Notes on the quarterly report - 31 March 2004

(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 Malaysia") amounting to RM 20.8m is as follow :

| | As approved by the Securities Commission & Bursa Malaysia 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 | 4,936 | 2,810 |
| Finance Listing Expenses | 1,500 | 1,188 | 312 |
| | <u>20,800</u> | <u>16,624</u> | <u>4,176</u> |

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 31 March 2004 save for the followings

| | 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 May 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 May 2004, being the latest practicable date.

B11. Material litigation as at 26 May 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 May 2004, being the latest practicable date.

B12. Dividends

The Board had declared the payment of an interim dividend of 3.2 sen less tax per share and an interim tax exempt dividend of 2.8 sen per share in respect of the current financial year ended 31 March 2004. The entitlement date and payment date were 19 April 2004 and 30 April 2004 respectively.

B13. Earnings per share

| | Individual quarter ended | | Cumulative quarter ended | |
|--|--------------------------|-----------|--------------------------|-----------|
| | 31-Mar-04 | 31-Mar-03 | 31-Mar-04 | 31-Mar-03 |
| Basic earnings per share | | | | |
| Net profit for the period (RM'000) | 1,469 | - | 10,574 | - |
| Weighted average number of ordinary shares in issue ('000) | 67,052 | - | 67,052 | - |
| Basic earnings per share (sen) | <u>2.19</u> | <u>-</u> | <u>15.77</u> | <u>-</u> |
| Fully diluted earnings per share | <u>Not applicable</u> | <u>-</u> | <u>Not applicable</u> | <u>-</u> |