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Opcom expands into broadband business

By ZURINNA RAJA ADAM

FIBRE-optic cable manufacturer Opcom Holdings Bhd is giving itself three years to turn into a full provider of broadband-based services.

Its chairman, Datuk Mukhriz Mahathir, said the company must transform to benefit from the country's fast adaptation to broadband facilities.

As it expands into the new business, Opcom will gradually reduce its dependence on the fibre-optic cable manufacturing business.

"We are at the early stage in becoming a pioneer in broadband infrastructure provider, but are well on way right now, since the group has been working on this for the past two years," Mukhriz told Business Times in a recent interview.

Opcom's business transformation plan is strongly influenced by Telekom Malaysia Bhd's and other telecommunication companies' shift into becoming full providers of broadband facilities in high-density areas.

The telecommunication companies are also planning to wire up schools with Internet using higher speed broadband connections.

Opcom is looking into providing a full range of broadband infrastructure products, such as software development, applications, wired and wireless equipment, network design work, security network provider, consultancy and engineering services.

The group is in its initial stages of developing its own technology while talking to local and foreign companies to explore and exchange technologies.

"Basically, we plan to achieve the goal through a fast-track way by merging and acquiring other technology companies," Mukhriz said.

No investment figure was quoted but Mukhriz said Opcom, being a listed entity, has the option of turning to the capital market for funding of its expansion programme.

"I guess it depends on the opportunity that comes, sometimes it could be seen maybe as an expansive endeavour, but if we proceed and the shareholders value can be greatly enhanced by the move, then we'll do it," Mukhriz said.

He is optimistic that the move will benefit the company. Opcom, he said, has a track record of being a provider of fibre-optic cables to Telekom.

"Opcom is well-placed to fulfil any need of the customers as (the) relationship is there. It is easy for us to add in equipment and do other things for the customers," Mukhriz said.

The had been awarded a RM170 million contract by Telekom to supply slotted cables.

Opcom, which produces slotted core and loose tubes, has an annual capacity of 12,000km and 3,000km respectively. It has so far supplied 30,000km cables around the country.

This year, Opcom is working to secure contracts from regional and West Asian countries.

Established in 1994, it formed a 70:30 joint venture with Sweden-based Ericsson Cables AB to be one of the first manufacturers of fibre-optic cables in the country.

It was listed on the Mesdaq Market of Bursa Malaysia Bhd on December 23 2003 and made an impressive debut when its shares closed 31 sen above its offer price of 80 sen apiece. The stock closed 6 sen down to RM2.10 yesterday.

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