



OPCOM HOLDINGS BERHAD

(Company No: 322661-W)

QUARTERLY REPORT

On consolidated results for the fourth quarter ended 31 March 2006

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Income Statement for the fourth quarter ended 31 March 2006

| | Note | Individual Quarter | | Cumulative Quarter | |
|----------------------------------|------------|--|---|--|--|
| | | Current Year Quarter 31/3/2006 RM'000 | Preceding Year Corresponding Quarter 31/3/2005 RM'000 | Current Year To Date 31/3/2006 RM'000 | Preceding Year Corresponding Period 31/3/2005 RM'000 |
| Revenue | | <u>6,763</u> | <u>12,392</u> | <u>67,795</u> | <u>78,291</u> |
| Operating profit | | 1,074 | 2,434 | 17,789 | 26,065 |
| Interest income | | 200 | 201 | 746 | 686 |
| Finance costs | | <u>(76)</u> | - | <u>(313)</u> | - |
| Profit before taxation | | 1,198 | 2,635 | 18,222 | 26,751 |
| Tax expense | B5 | <u>(519)</u> | <u>(156)</u> | <u>(5,457)</u> | <u>(6,496)</u> |
| Profit after taxation | | 679 | 2,479 | 12,765 | 20,255 |
| Minority interest | | <u>(396)</u> | 497 | <u>(1,899)</u> | <u>(3,058)</u> |
| Net profit for the period | | <u>283</u> | <u>2,976</u> | <u>10,866</u> | <u>17,197</u> |
| | | | | | |
| Basic earnings per share (sen) | B13 | <u>0.22</u> | <u>2.31</u> | <u>8.42</u> | <u>13.33</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 31 March 2006

| | Note | As At End Of Current Quarter 31/3/2006 RM'000 | As At Preceding Financial Year End 31/03/2005 RM'000 |
|---|-----------|--|---|
| Property, plant and equipment | A9 | 36,349 | 38,928 |
| Current assets | | | |
| Inventories | | 3,620 | 14,322 |
| Trade and other receivables | | 13,977 | 5,019 |
| Cash and cash equivalents | | 45,044 | 48,365 |
| Tax recoverable | | 143 | 218 |
| | | <u>62,784</u> | <u>67,924</u> |
| Current liabilities | | | |
| Trade and other payables | | 13,887 | 28,987 |
| Taxation | | 109 | 1,021 |
| Dividend payable | | 4,193 | - |
| | | <u>18,189</u> | <u>30,008</u> |
| Net Current Assets | | <u>44,595</u> | <u>37,916</u> |
| | | <u>80,944</u> | <u>76,844</u> |
| Long term and deferred liabilities | | | |
| Amount due to Directors | | 3,471 | 6,943 |
| Deferred taxation | | 1,968 | 1,169 |
| | | <u>5,439</u> | <u>8,112</u> |
| Minority shareholders' interest | | 12,596 | 12,497 |
| Capital and reserves | | | |
| Share capital | | 25,800 | 17,200 |
| Reserves | | 37,109 | 39,035 |
| | | <u>80,944</u> | <u>76,844</u> |
| | | sen | sen |
| Net assets per share | | <u>58.53</u> | <u>53.28</u> |

The unaudited Condensed Consolidated Balance Sheet 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 Statement of Changes in Equity for the fourth quarter ended 31 March 2006

| Group | Share | Non Distributable | Capital | Distributable | Total |
|---------------------------|---------------|-------------------|----------|---------------|---------------|
| | capital | Share | reserve | Retained | |
| | RM'000 | premium | RM'000 | profits | RM'000 |
| | | RM'000 | | 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 | - | - | - | 10,866 | 10,866 |
| Dividend | - | - | - | (4,193) | (4,193) |
| At 31 March 2006 | <u>25,800</u> | <u>5,812</u> | <u>3</u> | <u>31,294</u> | <u>62,909</u> |
| At 1 April 2004 | 17,200 | 14,412 | 3 | 14,303 | 45,918 |
| Net profit for the period | - | - | - | 17,197 | 17,197 |
| Dividend | - | - | - | (6,880) | (6,880) |
| At 31 March 2005 | <u>17,200</u> | <u>14,412</u> | <u>3</u> | <u>24,620</u> | <u>56,235</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 fourth quarter ended 31 March 2006

| | 31/3/2006 RM'000 | 31/3/2005 RM'000 |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 18,222 | 26,751 |
| Adjustments for: | | |
| Non-cash items | 4,417 | 4,415 |
| Non-operating items | (719) | (1,152) |
| Operating profit before working capital changes | <u>21,920</u> | <u>30,014</u> |
| Changes in working capital: | | |
| Inventories | 10,702 | (4,424) |
| Trade and other receivables | (8,944) | 2,480 |
| Trade and other payables | (20,372) | 2,197 |
| Cash generated from operations | <u>3,306</u> | <u>30,267</u> |
| Tax paid | (5,495) | (5,652) |
| Net cash (used in)/generated from operating activities | <u>(2,189)</u> | <u>24,615</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (1,883) | (8,110) |
| Proceeds from disposal of property, plant & equipment | 28 | 132 |
| Interest received | 723 | 1,091 |
| Net cash used in investing activities | <u>(1,132)</u> | <u>(6,887)</u> |
| CASH FLOWS FROM FINANCING ACTIVITY | | |
| Dividend paid | - | (11,269) |
| Net cash (used in)/generated from financing activity | <u>-</u> | <u>(11,269)</u> |
| Net (decrease)/increase in cash and cash equivalents | (3,321) | 6,459 |
| Cash and cash equivalents at beginning of period | <u>48,365</u> | <u>41,906</u> |
| Cash and cash equivalents at end of period | <u>45,044</u> | <u>48,365</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.



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Notes on the quarterly report - 31 March 2006

A. EXPLANATORY NOTES AS PER FINANCIAL REPORTING STANDARD ("FRS") 134₂₀₀₄, INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim unaudited financial statements for the quarter under review have been prepared in compliance with the Financial Reporting Standards FRS 134₂₀₀₄, 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, given the Group's long experience in fiber optic cables market, the Group is well positioned to ameliorate any potential adverse impact arising from seasonal fluctuation 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.



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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 31Mar 2006 RM'000 | As at 31 Mar 2005 RM'000 |
|--|-------------------------------|--------------------------------|
| Performance and warranty bonds issued to customers | 973 | 187 |
| Bank guarantees issued to the local authority | 3 | 113 |
| Bank guarantee issued to utilities supplier | 50 | 50 |
| | <u>1,026</u> | <u>350</u> |

**OPCOM HOLDINGS BERHAD****(Company No : 322661-W)****Notes on the quarterly report - 31 March 2006****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 RM6.8m and profit before taxation of RM1.2m as compared to RM12.4m and RM2.6m respectively in the preceding year's corresponding quarter. The lower revenue and profit before taxation recorded by the Group were mainly due to lower sales of fiber optic cables compared to the preceding year's corresponding quarter.

B2. Variation of results against the immediate preceding quarter

During the quarter ended 31 March 2006, the Group's revenue was lower at RM6.8m as compared to the immediate preceding quarter of RM15.4m.

Accordingly, the Group's profit before taxation decreased from RM3.6m to RM1.2m in the quarter under review. The decline was mainly due to 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 2006 | 31 Mar 2005 | 31 Mar 2006 | 31 Mar 2005 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax expense | (155) | (1,315) | 4,658 | 5,921 |
| Deferred taxation | 674 | 1,471 | 799 | 575 |
| | <u>519</u> | <u>156</u> | <u>5,457</u> | <u>6,496</u> |

The Group's effective tax rate for the current quarter and year to date were higher than the statutory tax rate of 28%, mainly due to non-recognition of deferred tax assets at one of its subsidiaries and non-deductibility of certain expenditure for tax purposes.

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.

B8. Status of corporate proposals as at 24 May 2006

(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 May 2006.

B9. Group borrowings and Debt Securities

The Group has no borrowings and debt securities as at 31 March 2006 save for the following:

| | RM'000 |
|--------------------------------------|--------------|
| Amount due to Directors - Short term | 3,473 |
| Amount due to Directors - Long term | <u>3,471</u> |
| | <u>6,944</u> |



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B10. Off Balance Sheet Financial Instruments as at 24 May 2006

(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 May 2006, being the latest practicable date.

B11. Material litigation as at 24 May 2006

(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 May 2006, being the latest practicable date.

B12. Dividends

During the quarter under review, the Company declared an interim tax exempt dividend of 3.25 sen per share. The related announcement was made on 28 March 2006. The dividend payment was made on 8 May 2006.

The total net dividend per share declared to date, for the current financial year ended 31 March 2006 is 3.25 sen per share.

B13. Earnings per share

| | Individual quarter ended | | Cumulative quarter ended | |
|---|--------------------------|-----------------------|--------------------------|-----------------------|
| | 31 Mar 2006 | 31 Mar 2005 | 31 Mar 2006 | 31 Mar 2005 |
| Basic earnings per share | | | | |
| Net profit for the period (RM'000) | 283 | 2,976 | 10,866 | 17,197 |
| Total number of ordinary shares in issue ('000)* | 129,000 | 129,000 | 129,000 | 129,000 |
| Basic earnings per share (sen) | <u>0.22</u> | <u>2.31</u> | <u>8.42</u> | <u>13.33</u> |
| Fully diluted earnings per share | <u>Not applicable</u> | <u>Not applicable</u> | <u>Not applicable</u> | <u>Not applicable</u> |

* Since the bonus issue is an issue without consideration, the issue is treated as if it has occurred at the beginning of the quarter ended 31 March 2005.