



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**

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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.



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Unaudited Condensed Consolidated Statement of Changes in Equity for the fourth quarter ended 31 March 2006

Group	Non Distributable		Capital reserve RM'000	Distributable Retained profits RM'000	Total RM'000
	Share capital RM'000	Share premium 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**

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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>



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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.