

8. OTHER INFORMATION CONCERNING THE CORPORATION / GROUP**8.1 INFORMATION ON LAND AND BUILDINGS**

A summary of the land and buildings owned by the Group is as follows: -

No	Name of Registered Owner / Postal Address / Title Identification	Approximate Age of Building / Tenure / Date of Expiry of Lease	Description and existing Use	Land area / Built up area	Restriction in Interest / Encumbrances	Audited Net Book Value @ 30.9.2003 RM('000)
1.	Opcom No. HSD 167493, Mukim Damansara, District of Petaling and State of Selangor being land bearing the address of No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan	<ul style="list-style-type: none"> ▪ Age of Manufacturing block : approximately 7 ½ years ▪ Age of other buildings / structures : more than 20 years ▪ Tenure : 99-year leasehold expiring on 8.08.2068 	<ul style="list-style-type: none"> ▪ Guard House, Substation Building and Pump House ▪ Office Buildings ▪ Warehouses ▪ Manufacturing Block 	Land area: 28,327.068 sq meters Built-up area: 9,310 sq meters	None	Land : 11,435 (For both items no. 1 & 2) Building : 8,122 ^(e)
2.	No. HSD 172516, Mukim Damansara, District of Petaling and State of Selangor being land bearing the address of No. 11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan	Not applicable	Vacant land	Land area: 14,005.127 sq meters	None	Land : 11,435 (For both items no. 1 & 2)

Notes:-

- (1) The abovementioned Shah Alam land ("the Land") is partly leased to TNB for a period of 30 years commencing from 27 February 2001 to 26 February 2031.
- (2) The Land and buildings are free from encumbrances.
- (3) Opcom has not instructed any independent professional valuers to carry out valuation on the Land and buildings. No revaluation was carried out for the purpose for incorporation of revaluation surplus in the Group's account in the past or for the purpose of the listing on the Mesdaq Market.
- (4) The Land and building (save for the manufacturing block) was purchased from Pacific Chemicals Berhad in January 1995. The manufacturing block was subsequently erected.
- (5) Certificate of Fitness for Occupation ("CFO") for all the buildings on the Land have been obtained.
- (6) Excluding renovation, furniture and fittings, and plant and machinery.

8. OTHER INFORMATION CONCERNING THE CORPORATION / GROUP (Cont'd)

8.2 ACQUISITIONS OF PROPERTIES DURING TWO (2) YEARS PRECEDING THE VALUATION

None of the properties as set out in the table of Section 8.1 above, were acquired during the two (2) years preceding the valuation.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

9. FINANCIAL INFORMATION

9.1 HISTORICAL FINANCIAL INFORMATION

This consolidated results has been extracted from the Accountants' Report set out in Section 10 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

The following table sets out a summary of the consolidated results of the Group for the past five (5) financial years ended 31 March 2003 and six (6) months ended 30 September 2003

	←-----Year ended 31 March-----→					6 month period ended 30 September 2003
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	RM'000
Revenue	28,549	31,964	31,544	39,802	46,042	37,631
EBIDTA before R&D	6,409	6,465	6,145	9,252	14,984	13,852
R&D Expenses	(101)	(190)	(112)	(165)	(74)	(41)
EBIDTA	6,308	6,275	6,033	9,087	14,910	13,811
Depreciation	(2,019)	(2,107)	(2,012)	(2,324)	(2,530)	(1,287)
Interest expense	(604)	(155)	(43)	(44)	(4)	-
Operating profit	3,685	4,013	3,978	6,719	12,376	12,524
Exceptional item	-	-	-	-	-	-
Profit before taxation	3,685	4,013	3,978	6,719	12,376	12,524
Taxation	(115)	(832)	(808)	(823)	(3,531)	(4,498)
Profit after taxation	3,570	3,181	3,170	5,896	8,845	8,026
Minority interest	(6)	(303)	(410)	(1,438)	(2,015)	(1,879)
Profit after taxation and minority interest	3,564	2,878	2,760	4,458	6,830	6,147
Number of ordinary shares of RM1.00 each in issue ('000)	12,000	12,000	12,000	12,000	12,000	12,000
Earnings per share (sen)						
- Gross	30.66	30.92	29.73	44.01	86.34	177.42*
- Net	29.70	23.98	23.00	37.15	56.92	102.45*

* Annualised figure

Notes:

- (1) The increase in the Group revenue in 2000 of approximately RM3.4 million was mainly due to increase in sales to OSB for the OFSAS project and the securing of a new customer, Sapura Transmission Sdn Bhd
- (2) Revenue increase in 2002 was mainly due to higher demand from OSB and supply of cables to a new customer, Perspec Prime (M) Sdn Bhd, worth approximately RM3.5 million
- (3) Revenue for 2003 increased from 2002 was attributed to higher demand from OSB
- (4) The interest expense for 2003 was comparatively lower as compared to other previous financial years due to less utilisation of the existing trade facilities during the financial year ended 2003
- (5) The effective tax rate of the Group in 2003 was slightly higher than the statutory tax rate due to certain expenses being disallowed for tax purposes
- (6) The Group tax charge was low for the financial year ended 31 March 1999 as business income was not subject to tax in view of the tax waiver year for 1999. Taxation provided in 1999 was in respect of interest income received from 1 April 1998 to 31 December 1998.

The effective tax rates of the Group for the financial years ended 31 March 2000, 2001 and 2002 were lower than the statutory tax rate due to utilisation of investment tax allowances by a subsidiary.

The effective tax rates of the Group for the financial year ended 31 March 2003 and the period ended 30 September 2003 were higher than the statutory tax rate due to certain expenses being disallowed for tax purposes.

- (7) There were no exceptional or extraordinary items during the financial years/period under review

9. FINANCIAL INFORMATION (Cont'd)

9.2 ANALYSIS OF HISTORICAL FINANCIAL INFORMATION

9.2.1 Segmental Analysis of Revenue and EBIDTA

Analysis of Revenue by Corporations: -

Financial Year Ended	31.3.1999 (RM'000)	31.3.2000 (RM'000)	31.3.2001 (RM'000)	31.3.2002 (RM'000)	31.3.2003 (RM'000)	Six(6) Months Ended 30.9.2003 (RM'000)
Opcom	2,466	4,331	2,904	3,924	7,093	1,059
OCSB	13,634	25,220	26,298	36,851	35,696	27,032
ONSB	26,890	29,486	22,084	31,005	39,918	36,976
Consolidated adjustments	(14,441)	(27,073)	(19,742)	(31,978)	(36,665)	(27,436)
Consolidated Revenue	28,549	31,964	31,544	39,802	46,042	37,631

Analysis of EBIDTA by Corporations: -

Financial Year Ended	31.3.1999 (RM'000)	31.3.2000 (RM'000)	31.3.2001 (RM'000)	31.3.2002 (RM'000)	31.3.2003 (RM'000)	Six(6) Months Ended 30.9.2003 (RM'000)
Opcom	1,849	3,515	2,092	3,044	5,989	369
OCSB	2,266	2,815	3,019	6,518	11,109	10,983
ONSB	2,187	2,279	944	1,295	3,154	3,133
Consolidated adjustments	6	(2,334)	(22)	(1,770)	(5,342)	(674)
Consolidated EBIDTA	6,308	6,275	6,033	9,087	14,910	13,811

9.2.2 OVERVIEW OF REVENUE AND EBIDTA

REVENUE

The Group commenced business in 1995 and commercial production of its fiber optic cables only in January 1996. For the past five(5) financial years, the Group has recorded incremental trend in its revenue save for the financial year ended 2001.

Opcom

The higher revenue in 2000 compared to 1999 was mainly attributed to a one off credit note issued of approximately RM1.5 million in 1999 to OCSB as mentioned above. However, revenue in 2001 had decreased due to dividend declared by ONSB in 2001 was not recognised as dividend due to the adoption of Malaysian Accounting Standard Board ("MASB") 19: Revenue.

2002's revenue saw a 35.1% increase due to receipt of dividend income amounting to RM1.1 million from ONSB.

The revenue increase in 2003 was mainly due to dividend income amounting to RM3.9 million and RM1.6 million receivable from OCSB and ONSB respectively.

9. FINANCIAL INFORMATION (Cont'd)

The decrease in revenue for the six (6) months period ended 30 September 2003 on an annualised basis was mainly due to no dividend income received during the period.

OCSB

Revenue of OCSB comprises revenue from the sale of fiber optic cables. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer. The sales of fiber optic cables are made to order as per each customers' specifications. OCSB sells mainly to ONSB. Sales to ONSB would then be sold to its affiliated company, Opcom Sdn Bhd ("OSB") whom would then sell to Telekom.

The increase in revenue in 2000 by 85% was mainly due increase in sales to ONSB by approximately RM11.1 million as a direct result of higher demand from the OFSAS project. The increase was also attributable to OCSB securing a new customer, Sapura Transmission Sdn Bhd, which contributed to RM0.7 million of the total revenue.

The increase in revenue in 2001 was mainly attributable to a new contract with TNB was secured by OCSB in August 2000 to supply fiber optic cables.

The significant increase in revenue of 40.1% in 2002 was mainly attributable to increase in sales to ONSB by approximately RM11.2 million as a result of higher demand from the OFSAS project.

The decrease in revenue by 3.1% in 2003 was mainly due to decrease in sales to third parties.

The increase in revenue for the six (6) months period ended 30 September 2003 on an annualised basis was mainly due to higher sales to ONSB as a direct result of higher demand from the OFSAS Project.

ONSB

Revenue increased in 2002 was mainly due to higher demand from OFSAS project and supply of cables to a new customer, Perspec Prime (M) Sdn Bhd, worth approximately RM3.5 million.

Revenue for the year ended 31 March 2003 increased from RM31.0 million in 2002 to RM39.9 million i.e. a 28.7% increase was attributed to higher demand from OFSAS project.

The increase in revenue for the six (6) months period ended 30 September 2003 on an annualised basis was attributed to higher demand from OFSAS Project.

9. FINANCIAL INFORMATION (Cont'd)

EBIDTA

The Group's EBIDTA for the financial years ended 2000 and 2001 hovered around RM6 million each year. However, the Group's EBIDTA improved significantly for the financial years ended 2002 and 2003.

Opcom

The movements in the EBIDTA for 2000 to 2003 were consistent with the movements in the revenue.

The decrease in EBIDTA for the six (6) months period ended 30 September 2003 on an annualised basis was mainly due to decrease in revenue for the period.

OCSB

The movements in the EBIDTA for 2000 to 2003 were consistent with the movements in the revenue.

The increase in EBIDTA in 2002 was due to a decrease in cost of raw materials purchased during the financial year under review. This was mainly due to management securing from another supplier who was able to offer the Company more competitive prices.

The increase in EBIDTA in 2003 was mainly due to decrease in lower rental charged by Opcom during the first half of the financial year and lower cost of purchase of raw materials during the financial year under review.

The increase in EBIDTA for the six (6) months period ended 30 September 2003 on an annualised basis was mainly due to the decrease in the costs of raw materials during the period.

ONSB

The movements in the EBIDTA for 2000 to 2003 were consistent with the movements in the revenue.

EBIDTA decreased in 2001 due to higher administrative expense.

The increase in EBIDTA in 2003 was mainly due to higher gross profit margin for the period under review.

The increase in EBIDTA for the six (6) months period ended 30 September 2003 on an annualised basis was in line with the increase in revenue.

9. FINANCIAL INFORMATION (Cont'd)

9.2.3 IMPACT OF FOREIGN EXCHANGE / INTEREST RATES / COMMODITY PRICES ON OPERATING PROFITS

There was no material impact of foreign exchange, interest rates or commodity prices on the Group's historical operating profits for the past five (5) financial years.

9.2.4 TAXATION

The Group tax charge was low for the financial year ended 31 March 1999 as business income was not subject to tax in view of the tax waiver year for 1999. Taxation provided in 1999 was in respect of interest income received from 1 April 1998 to 31 December 1998.

The effective tax rates of the Group in 2000, 2001 and 2002 were lower than the statutory tax rate due to utilisation of investment tax allowances and unabsorbed business losses by a subsidiary.

The effective tax rates of the Group for the financial year ended 31 March 2003 and the period ended 30 September 2003 were higher than the statutory tax rate due to certain expenses being disallowed for tax purposes.

9.2.5 EXCEPTIONAL AND EXTRAORDINARY ITEMS

There were no exceptional and extraordinary items for the past five (5) financial years.

9.3 FINANCIAL PERFORMANCE, POSITION AND OPERATIONS

Save as disclosed in Section 9 of this Prospectus, the Directors are of the view that the financial performance, position and operations of the Group are not affected by any of the following: -

- (i) Any known trends, demands, commitments, events or uncertainties that have had, or that the corporation reasonably expects to have, a material favourable or unfavourable impact on financial performance, position and operations of the corporation/group;
- (ii) Any material capital expenditure commitments, the purpose of such commitments and the anticipated source of funds;
- (iii) Any unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the corporation/group; and the extent to which the financial performance, position and operations of the corporation/group was so affected;
- (iv) Where there has been a substantial increase in revenue, state the extent to which such increase is attributable to prices, volume of goods/services being sold, the introduction of new products/services or any other factors; and
- (v) Any known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

9. FINANCIAL INFORMATION (Cont'd)**9.4 WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENT AND LITIGATION****(i) Working Capital**

The Directors of Opcom are of the opinion that, after taking into account the cashflow forecast and projections, the banking facilities available and the net proceeds from the IPO, the Group will have adequate working capital for a period not less than twelve (12) months from the date of issue of this Prospectus.

(ii) Bank Borrowings

As at 30 September 2003 (being the last practicable date prior to the printing of this Prospectus) the Group does not have any domestic or foreign bank borrowings.

(iii) Advances

As at 30 September 2003 (being the last practicable date prior to the printing of this Prospectus) the Group does not have any outstanding advances save for the followings:-

	RM'000
Amount due to Directors *	17,357
Amount due to corporate shareholder (RTSB) *	1,254
Total	18,611

* non-interest bearing

(iv) Contingent Liabilities

The Directors of Opcom declare that, as at 31 October 2003, being the last practicable date prior to the printing of this Prospectus, the Group has total contingent liabilities of approximately RM0.15 million. Details of the contingent liabilities, including the financial impact on the performance and position of the Group upon becoming enforceable are as follows:

Contingent Liabilities	In Favour Of	Nature of Guarantees	Amount (RM'000)
Guarantees given by a financial institution			
Bank Guarantee	Kementerian Kesihatan Malaysia	In respect of hospital and medical charges on admissions to government hospitals in Malaysia	2.5
Bank Guarantee	TNB	For the supply of electricity and rental of equipment to Opcom	40.0
Performance Bond	TNB	For the supply of fiber optic cables	76.7
Bank Guarantee	Fiberail Sdn Bhd	Tender for supply and delivery of overhead cable for the installation of aerial cable on poles	35.0
Total			154.2

9. FINANCIAL INFORMATION (Cont'd)

As at 30 September 2003, being the last practicable date prior to the printing of this Prospectus, OCSB has been granted various trade facilities comprising revolving credit, overdraft, letter of credit, trust receipt, shipping guarantee, bankers acceptance and bank guarantee which amount to RM18 million ("Trade Facilities"). The Trade Facilities are secured by a proportionate corporate guarantee from Opcom (70%) and Ericsson (30%) and a negative pledge.

(v) Material Capital Commitment

As at 31 October 2003 (being the latest practicable date prior to the printing of Prospectus) there are no material commitments for capital expenditure by the Group, which may have a substantial impact on the financial position of the Group.

(vi) Material Litigation/Arbitration

As at 31 October 2003, being the latest practicable date to the printing of the Prospectus, neither the Company nor its subsidiary corporations are engaged in any material litigation and arbitration, either as plaintiff or defendant, which has a material effect on the financial position of Opcom or its subsidiary corporations and the Directors do not know of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of Opcom or its subsidiary corporations.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

9. FINANCIAL INFORMATION (Cont'd)**9.5 PROFORMA CONSOLIDATED BALANCE SHEETS OF OPCOM GROUP AS AT 30 SEPTEMBER 2003**

The Proforma Consolidated Balance Sheets as at 30 September 2003 are set out below has been prepared for illustrative purposes only to show the effects on the audited balance sheet of the Group, had the Listing Scheme been effected on that date.

	Audited as at 30 September 2003 RM'000	⁽¹⁾ Proforma 1 RM'000	⁽²⁾ Proforma 2 RM'000
PROPERTY, PLANT AND EQUIPMENT	26,174	26,174	37,728
CURRENT ASSETS			
Inventories	4,696	4,696	4,696
Trade and receivables	1,347	1,347	1,347
Amount due from affiliated companies	23,200	23,200	23,200
Deposits with licensed banks	13,440	13,440	13,440
Cash and bank balance	2,492	2,492	10,238
	45,175	45,175	52,921
CURRENT LIABILITIES			
Trade and other payables	11,796	11,796	11,796
Amount due to Directors	17,357	17,357	17,357
Taxation	4,983	4,983	4,983
	34,136	34,136	34,136
NET CURRENT ASSETS	11,039	11,039	18,785
	37,213	37,213	56,513
REPRESENTED BY:			
SHARE CAPITAL	12,000	12,000	17,200
SHARE PREMIUM	-	-	14,100
RESERVES	14,269	14,269	14,269
SHAREHOLDERS' FUNDS	26,269	26,269	45,569
MINORITY INTEREST	9,599	9,599	9,599
DEFERRED TAXATION	1,345	1,345	1,345
	37,213	37,213	56,513
NTA	26,269	26,269	45,569
No. of Shares ('000)	12,000	60,000	86,000
NTA per Share (RM)	2.19	0.44	0.53

Notes: -

Proforma 1 – After the Sub-division of par value of RM1.00 into RM0.20 per ordinary share

Proforma 2 – Incorporates Proforma 1 and the Public Issue of 26,000,000 Shares at an issue price of RM0.80 per share after adjusting for estimated listing expenses of RM1.5 million against the Share Premium Account.

9. FINANCIAL INFORMATION (Cont'd)**9.6 MOVEMENTS IN THE SHARE CAPITAL AND SHARE PREMIUM**

The movements in the share capital and share premium account of the Company are as follows: -

	Share capital RM'000	Share premium RM'000	Capital Reserves RM'000	Revenue Reserves RM'000	Total RM'000
As at 30 September 2003	12,000	-	3	14,266	26,269
Proforma 1: Sub-division	-	-	-	-	-
Proforma 2 : Public Issue	5,200	15,600	-	-	20,800
Listing expenses:	-	(1,500)	-	-	(1,500)
	17,200	14,100	3	14,266	45,569

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

9. FINANCIAL INFORMATION (Cont'd)

9.7 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2003
(Prepared for inclusion in the Prospectus)



KPMG (Firm No. AF 0758)
Chartered Accountants
Wisma KPMG
Jalan Dungun, Damansara Heights
50490 Kuala Lumpur, Malaysia

P.O. Box 1001/
50702 Kuala Lumpur
Malaysia

Tel + (603) 2095 3388
Fax + (603) 2095 0971
Email: info@kpmg.com.my

www.kpmg.com.my

The Board of Directors
Opcom Holdings Berhad
11, Jalan Utas 15/7
40200 Shah Alam
Selangor Darul Ehsan

21 November 2003

Dear Sirs,

REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS OF OPCOM HOLDINGS BERHAD AND ITS SUBSIDIARY COMPANIES

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of Opcom Holdings Berhad ("Opcom") and its subsidiary companies ("Opcom Group") as at 30 September 2003, which have been prepared for illustrative purposes only, for which the Directors are solely responsible, together with the notes set out in Appendix I, for inclusion in the Prospectus to be dated 3 December 2003 in connection with the following proposals and should not be relied on for any other purposes:

- i. Sub-division of 12,000,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Opcom into 60,000,000 ordinary shares of RM0.20 each.
- ii. Proposed public issue of 26,000,000 new ordinary shares of RM0.20 each at an issue price of RM0.80 per ordinary shares comprising of 1,000,000 new ordinary shares of RM0.20 each available for application by the Malaysian public, 17,000,000 new ordinary shares of RM0.20 each for private placement and 8,000,000 new ordinary shares of RM0.20 each available for application by eligible directors and employees and business associates of Opcom and its subsidiary companies.
- iii. Proposed listing of and quotation for its entire issued and paid-up share capital of Opcom comprising 86,000,000 ordinary shares of RM0.20 each on the KLSE MESDAQ Market.



KPMG, a partnership consisting of the member firms of the KPMG network, is a member of KPMG International, a Swiss association.



9. FINANCIAL INFORMATION (Cont'd)



In our opinion,

- i. the proforma consolidated balance sheets has been properly compiled on the basis of preparation stated;
- ii. such basis is consistent with the accounting policies of Opcom Group; and
- iii. the adjustments are appropriate for the purposes of the proforma consolidated balance sheets.

Yours faithfully

A handwritten signature of the KPMG firm, written in black ink.

KPMG
Firm No. AF 0758
Chartered Accountants

A large, stylized handwritten signature in black ink, overlapping the printed name.

Mohamed Raslan Abdul Rahman

Partner

Approval Number: 1825/05/05(J/PH)

9. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-1

**OPCOM HOLDINGS BERHAD
AND ITS SUBSIDIARY COMPANIES
PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2003**

	<i>Note</i>	<i>Audited consolidated balance sheet at 30.9.2003 RM'000</i>	<i>Proforma consolidated balance sheet after stage 1 RM'000</i>	<i>Proforma consolidated balance sheet after stage 2 RM'000</i>
Property, plant and equipment	3	26,174	26,174	37,728
Current Assets				
Inventories		4,696	4,696	4,696
Trade and other receivables		1,347	1,347	1,347
Amount due from affiliated companies		23,200	23,200	23,200
Deposits placed with a licensed banks		13,440	13,440	13,440
Cash and bank balances	4	2,492	2,492	10,238
		----- 45,175	----- 45,175	----- 52,921
Current Liabilities				
Trade and other payables		11,796	11,796	11,796
Amount due to Directors		17,357	17,357	17,357
Taxation		4,983	4,983	4,983
		----- 34,136	----- 34,136	----- 34,136
Net Current Assets		----- 11,039	----- 11,039	----- 18,785
		----- 37,213	----- 37,213	----- 56,513
		=====	=====	=====

9. FINANCIAL INFORMATION (Cont'd)**APPENDIX I-2**

	<i>Note</i>	<i>Audited consolidated balance sheet at 30.9.2003 RM'000</i>	<i>Proforma consolidated balance sheet after stage 1 RM'000</i>	<i>Proforma consolidated balance sheet after stage 2 RM'000</i>
Financed by:				
Share capital	5	12,000	12,000	17,200
Share premium	6	-	-	14,100
Reserves		14,269	14,269	14,269
Shareholders' Funds		<u>26,269</u>	<u>26,269</u>	<u>45,569</u>
Minority interest		9,599	9,599	9,599
Deferred Taxation		1,345	1,345	1,345
		<u>37,213</u>	<u>37,213</u>	<u>56,513</u>
Net Tangible Assets per share (RM)		<u>2.19</u>	<u>0.44</u>	<u>0.53</u>

9. FINANCIAL INFORMATION (Cont'd)**APPENDIX I-3**

**OPCOM HOLDINGS BERHAD
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2003**

1. The Proforma Consolidated Balance Sheets of the Group have been prepared using accounting principles and bases consistent with those previously adopted in the preparation of audited financial statements.
2. The Proforma Consolidated Balance Sheets are for illustrative purposes only to incorporate the following transactions as though they were effected on 30 September 2003.

Stage 1

- Sub-division of 12,000,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Opcom into 60,000,000 ordinary shares of RM0.20 each.

Stage 2

- Proposed public issue of 26,000,000 new ordinary shares of RM0.20 each at an issue price of RM0.80 per ordinary shares comprising of 1,000,000 new ordinary shares of RM0.20 each available for application by the Malaysian public, 17,000,000 new ordinary shares of RM0.20 each for private placement and 8,000,000 new ordinary shares of RM0.20 each available for application by eligible directors and employees and business associates of Opcom and its subsidiary companies.
- Proposed listing of and quotation for the entire issued and paid-up share capital of Opcom comprising 86,000,000 ordinary shares of RM0.20 each on the Kuala Lumpur Stock Exchange ("KLSE") MESDAQ Market.

3. Movement in property, plant and equipment: -	<i>RM'000</i>
Balance at 30 September 2003	26,174
Add : Proposed utilisation of listing proceeds - Capital expenditure	11,554
Balance after stage 2	37,728

9. FINANCIAL INFORMATION (Cont'd)

**APPENDIX I-4**

4. Movement in cash and bank balances: -	<i>RM'000</i>
Balance at 30 September 2003	2,492
Proceeds from proposed public issue - stage 2	20,800
Less : Proposed utilisation of listing proceeds	
- Capital expenditure	(11,554)
- Listing expenses	(1,500)
Balance after stage 2	<u>10,238</u>
5. Movement in share capital account: -	<i>RM'000</i>
Balance at 30 September 2003	12,000
Proposed public issue - stage 2	5,200
Balance after stage 2	<u>17,200</u>
6. Movement in share premium account:-	<i>RM'000</i>
Balance at 30 September 2003	-
Proposed public issue - stage 2	15,600
Less : Listing expenses	(1,500)
Balance after stage 2	<u>14,100</u>