

Information on UCHL

1. History and Business

UCHL was incorporated in the Republic of Singapore under the Companies Act, Cap 50 of Singapore on 27 December 2002 as a private limited company under the name of Unified Communications Holdings Pte Ltd. The authorised share capital of UCHL is SGD1,000,000 comprising 1,000,000 ordinary shares of SGD1.00 each whilst its issued and paid-up share capital is SGD2.00 comprising 2 ordinary shares of SGD1.00 each as at 30 September 2003. The authorised share capital will be increased to SGD50,000,000 comprising 50,000,000 ordinary shares of SGD1.00 each upon obtaining the approvals for the Proposed Listing from the SGX and MAS.

UCHL is principally an investment holding company and is currently dormant. It was incorporated to facilitate the Proposed Listing.

Upon completion of the Proposed Listing, the Proposed UCHL Group will be a provider of telecommunication products and customised solutions that enable its customers to:

- (i) take advantage of cost benefits by enhancing their network and product efficiency, availability and reliability; and
- (ii) provide resources and capability for new products beyond basic telephony that enable its customers to gain and maintain a competitive edge.

The Proposed UCHL Group's future business activities after the Proposed Listing could be categorised into two (2) segments as follows:

- (i) providing telecommunication products and customised solutions using their proprietary platforms, UniLink and MExLink, and third party technology to address specific communications requirements of their customers (Proprietary Solutions); and
- (ii) distribution of third party telecommunication products and components (Distribution).

The Proprietary Solutions business can be categorised into voice-related products, mobile data products and interactive services. The voice-related products are based on the proprietary platform, UniLink, which allows mobile and fixed-line telecommunication companies and service providers to enhance their network and product efficiency and deliver enhanced voice-based telecommunication switching services to their customers. In addition to the voice-related products, the Proposed UCHL Group will offer a range of mobile data related products based on the proprietary platform, MExLink, which is specially developed to allow mobile telecommunication companies and service providers to deliver mobile data applications. In addition to the voice-related and mobile data products, the Proposed UCHL Group also builds interactive dial-in applications for fixed line and mobile telecommunication companies, service providers and enterprises.

2. Share Capital

2.1 Authorised and Issued and Paid-up Share Capital

The authorised and issued and paid-up share capital of UCHL as at 30 September 2003 were as follows:

	No. of shares	Total SGD
Authorised	1,000,000	1,000,000
Issued and fully paid-up	2	2

2.2 Changes in the Issued and Paid-up Share Capital

The changes in the issued and paid-up share capital of UCHL since its incorporation are as follows:

Date of allotment	No. of shares	Consideration	Total issued and paid-up capital SGD
27.12.2002	2	Subscribers' shares	2

3. Substantial Shareholders

The substantial shareholders of UCHL and their respective shareholdings as at 30 September 2003 were as follows:

Name	Direct		Indirect		Nationality
	No. of shares	%	No. of shares	%	
WTL	1	50	-	-	Malaysian
Ho Ting Sai	1	50	-	-	Singaporean

4. Directors

The Board of Directors and their respective shareholdings in UCHL as at 30 September 2003 were as follows:

Name	Direct		Indirect		Nationality
	No. of shares	%	No. of shares	%	
WTL	1	50	-	-	Malaysian
Ho Ting Sai	1	50	-	-	Singaporean

5. Subsidiary and Associated Companies

Upon completion of the restructuring exercise in conjunction with the Proposed Listing, the immediate subsidiary companies of UCHL will be as follows:

Subsidiaries	Date and Place of Incorporation	Issued and paid-up share capital	Effective Equity Interest %	Principal Activities
UCSB	24.03.1998 Malaysia	RM1,000,200	100	Research and development, software engineering, system integration, project management and maintenance and support for telecommunication industry
UCPL	28.05.1998 Singapore	SGD1,000,000	100	Distribution of telecommunication products, design and development of telecommunication solutions, project management and maintenance and support services for telecommunication industry

UCHL did not have any associated companies as at 30 September 2003. However, UCHL is in the process of setting up an operation in Thailand.

6. Profit and Dividend Record

UChL was only incorporated on 27 December 2002. The audited financial statements of UChL for the financial period ended 31 December 2002 and the auditors' report thereon are reproduced below:

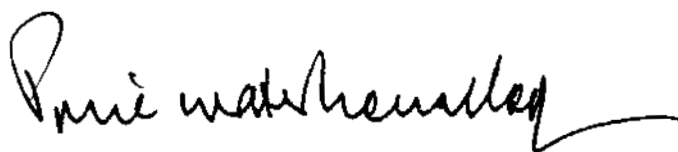
AUDITORS' REPORT TO THE MEMBERS OF UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

We have audited the financial statements of Unified Communications Holdings Pte. Ltd. for the financial period from 27 December 2002 (date of incorporation) to 31 December 2002 set out on pages 7 to 11. These financial statements are the responsibility of the directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
 - (i) the state of affairs of the Company at 31 December 2002 and its loss and changes in equity for the financial period ended on that date; and
 - (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements; and
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



PricewaterhouseCoopers
Certified Public Accountants

Singapore, - 7 MAY 2003

UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

INCOME STATEMENT

*For the financial period from 27 December 2002 (date of incorporation)
to 31 December 2002*

	Note	\$
Revenue		-
Administrative expenses		<u>630</u>
Loss before tax	3	<u>630</u>

*The accompanying notes form an integral part of these financial statements.
Auditors' Report – Page 6.*

UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

BALANCE SHEET

As at 31 December 2002

	Note	\$
Current asset		
Cash balance		<u>2</u>
Current liability		
Amount due to a related party	4	<u>630</u>
Net liabilities		<u>(628)</u>
Shareholders' equity		
Share capital		2
Accumulated loss		<u>(630)</u>
		<u>(628)</u>

The accompanying notes form an integral part of these financial statements.
Auditors' Report – Page 6.

UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

*For the financial period from 27 December 2002 (date of incorporation)
to 31 December 2002*

	Note	Share capital \$	Accumulated loss \$	Total \$
Balance at 27 December 2002 (date of incorporation)		-	-	-
Issue of ordinary shares	5	2	-	2
Loss for the financial period - total recognised losses for the financial period		-	(630)	(630)
Balance at 31 December 2002		<u>2</u>	<u>(630)</u>	<u>(628)</u>

*The accompanying notes form an integral part of these financial statements.
Auditors' Report – Page 6.*

UNIFIED COMMUNICATIONS HOLDING PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

*For the financial period from 27 December 2002 (date of incorporation)
to 31 December 2002*

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

The Company is domiciled and incorporated in Singapore. The address of the Company's registered office is 390 Havelock Road, #04-06 King's Centre, Singapore 169662.

The intended principal activity of the Company is that of an investment holding company. However, since the date of incorporation, the Company has not commenced its activity.

2. Significant accounting policies

(a) Basis of accounting

The financial statements are prepared in accordance with and comply with Singapore Statements of Accounting Standards. The financial statements are prepared under the historical cost convention. The financial statements are expressed in Singapore dollars.

(b) Taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3. Loss before tax

Auditor's remuneration of \$500 is borne by a related party.

4. Amount due to a related party

The amount due to a related party is unsecured, interest-free and has no fixed terms of repayment.

UNIFIED COMMUNICATIONS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

*For the financial period from 27 December 2002 (date of incorporation)
to 31 December 2002*

4. Amount due to a related party (continued)

Related party refers to a company with common director/shareholder.

5. Share capital

Authorised and issued ordinary share capital

The authorised number of ordinary shares is 1,000,000 ordinary shares with a par value of \$1 per share.

On incorporation, the Company issued 2 ordinary shares with a par value of \$1 per share for cash.

The issued ordinary share capital at 31 December 2002 is \$2 representing 2 ordinary shares with a par value of \$1 per share.

6. Financial risk management

The Company is currently dormant and is not exposed to any financial risk other than liquidity risk. The Company's shareholder/director has undertaken to bear all of Company's expenses as and when they arise till the Company commences operations.

7. Fair Value

The Company is dormant and therefore has no financial assets and financial liabilities other than cash amounting to \$2.

8. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on - 7 MAY 2003

Information on UCSB

1. History and Business

UCSB was incorporated as a private limited company in Malaysia on 24 March 1998 under the Act. It has an authorised share capital of RM5,000,000 comprising 5,000,000 UCSB Shares, of which RM1,000,200 comprising 1,000,200 UCSB Shares had been issued and were fully paid-up as at 30 September 2003.

UCSB is principally involved in research and development, software engineering, system integration, project management and maintenance and support for telecommunication industry. UCSB currently employs a total of 43 software engineers in the software and systems developments.

On 21 December 2000, UCSB was awarded multimedia super corridor status by the Multimedia Development Corporation. In June 2001, UCSB established a representative office in Manila to provide better service to its customers in the Philippines. On 20 June 2002, the representative office was converted into a branch office of UCSB.

Its customer base comprises telecommunication companies, service providers and enterprises in the Association of South East Asian Nations countries, the Middle East, Greater China, the United States of America, West Asia and Indochina. Service providers refer to licensed service providers who provide particular services such as voice services, data services, content-based services, electronic commerce and other transmission services to end users whilst enterprises refers to non-telecommunication companies that purchase telecommunication products or services.

The breakdown of revenues derived from its foreign and domestic markets for the financial year ended 31 December 2002 is as follows:

	% of total revenue for the financial year ended 31 December 2002
Domestic	45.5%
Foreign	54.5%
Total	<u>100.0%</u>

Major customers that contributed more than 5% of its total sales in the financial year ended 31 December 2002 were as follows:

	Major Customers	% of total sales	Country of Origin
1.	Vocom International Telecommunications Inc	23.5	United States of America
2.	PLDT Global Corporations	11.5	Philippines
3.	Tribal Drum Communications Sdn Bhd	6.4	Brunei
4.	Radius-Ed Sdn Bhd	5.5	Malaysia
5.	DiGi Telecommunications Sdn Bhd	5.3	Malaysia
6.	Next Telecommunication Sdn Bhd	5.3	Malaysia
7.	PT Hiltenet Nusantara	5.2	Indonesia

2. Share Capital

2.1 Authorised and Issued and Paid-up Share Capital

The authorised and issued and paid-up share capital of UCSB as at 30 September 2003 were as follows:

	No. of shares	Total RM
Authorised	5,000,000	5,000,000
Issued and fully paid-up	1,000,200	1,000,200

2.2 Changes in the Issued and Paid-up Share Capital

The changes in the issued and paid-up share capital of UCSB since its incorporation are as follows:

Date of allotment	No. of shares	Consideration	Total issued and paid-up capital RM
24.03.1998	2	Subscribers' shares	2
16.09.1998	10,000	Cash	10,002
20.11.2000	990,198	Bonus issue of 99 new UCSB Shares for every 1 UCSB Share held	1,000,200

3. Substantial Shareholders

The substantial shareholders of UCSB and their respective shareholdings as at 30 September 2003 were as follows:

Name	Direct		Indirect		Place of incorporation/ Nationality
	No. of shares	%	No. of shares	%	
WMSB	700,140	70	-	-	Malaysia
Primeace	250,050	25	-	-	Malaysia
WTL	50,010	5	-	-	Malaysian
ASB	-	-	700,140 ¹	70	Malaysia
LCB	-	-	250,050 ²	25	Malaysia
Cytech Strategic Sdn Bhd	-	-	250,050 ³	25	Malaysia
Lum Weng Loy	-	-	250,050 ⁴	25	Malaysian
Chin Kuet Lee	-	-	250,050 ⁴	25	Malaysian

Notes:

1. Deemed interested by virtue of its 100% shareholding in WMSB pursuant to Section 6A of the Act
2. Deemed interested by virtue of its 100% shareholding in Primeace pursuant to Section 6A of the Act
3. Deemed interested by virtue of its substantial shareholding in LCB pursuant to Section 6A of the Act
4. Deemed interested by virtue of their substantial shareholdings in Cytech Strategic Sdn Bhd pursuant to Section 6A of the Act

4. Directors

The Board of Directors and their respective shareholdings in UCSB as at 30 September 2003 were as follows:

Name	Direct		Indirect		Nationality
	No. of shares	%	No. of shares	%	
Dato' Ahmad Sebi Bakar	-	-	-	-	Malaysian
WTL	50,010	5	-	-	Malaysian
Lum Weng Loy	-	-	250,050 ¹	25	Malaysian
Lee Su Nie	-	-	-	-	Malaysian

Note:

1. Deemed interested by virtue of his substantial shareholding in Cytech Strategic Sdn Bhd pursuant to Section 6A of the Act

5. Subsidiary and Associated Companies

The subsidiary company of UCSB as at 30 September 2003 were as follows:

Subsidiary Company	Date and Place of Incorporation	Issued and paid-up share capital RM	Effective Equity Interest %	Principal Activities
AttrixTech Sdn Bhd	06.03.2002 Malaysia	2	100	Distribution of telecommunication products

UCSB did not have any associated companies as at 30 September 2003.

6. Profit and Dividend Record

The profit and dividend record of the UCSB Group based on the audited financial statements for the past five (5) financial period/years ended 31 December 2002 and the unaudited results for the six (6)-month period ended 30 June 2003 are as follows:

	<-----Audited----->					Unaudited Six (6)-month period ended 30 June
	<-----Financial Year Ended 31 December----->					
	24.3.1998 to 31.12.1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
Turnover	382	4,211 ³	6,799 ⁴	24,833 ⁵	31,026 ⁶	14,576
Profit/(Loss) before taxation	(23)	1,633	1,174	13,759	15,533	7,028
Exceptional item ¹³	-	-	-	-	-	-
Profit/(Loss) before taxation but after exceptional item	(23)	1,633	1,174	13,759	15,533	7,028
Taxation	-	-	(431)	(280)	(281)	(281)
Profit/(Loss) after taxation	(23)	1,633	743	13,479	15,252	6,747
Extraordinary item	-	-	-	-	-	-
Minority interest (MI)	-	-	-	-	-	-
Profit/(Loss) after taxation and MI	(23) ²	1,633 ⁷	743 ⁸	13,479 ⁹	15,252 ¹⁰	6,747
Issued and paid-up capital (RM)	10,002	10,002	1,000,200 ¹¹	1,000,200	1,000,200	1,000,200
Shareholders' funds/(deficit)	(13)	1,620	2,363	15,842	31,094	37,697
NTA/(net liabilities) per share (RM)	(1.34)	161.95	2.36	15.84	31.09	37.70
Net EPS/(loss per share) (sen)	(3.07) ¹	163.32	0.74	13.48	15.25	6.75
Gross dividend (%)	-	-	-	-	.12	-

Notes:

1. Annualised.
2. The loss recorded for the financial period of 1998 was attributable to initial start up losses as UCSB was only incorporated on 24 March 1998 and the company commenced operations on 24 March 1998.
3. The higher turnover for the financial year 1999 was due to greater acceptability and demand for UCSB's products.
4. The higher turnover for the financial year 2000 was due to increase in number of projects undertaken and expansion of customer base, especially in respect of UCSB's Proprietary Solutions business.

5. The higher turnover for the financial year 2001 was due to growth in the Proprietary Solutions business, increase in new orders from existing customers as well as new customers especially from the United States of America and People's Republic of China.
6. The higher turnover for the financial year 2002 was due to the continued growth in the Proprietary Solutions business, increase in orders from both existing and new customers and introduction of new products, MExLink, during the second half of the financial year.
7. The PAT recorded for the financial year 1999 was supported by UCSB's higher level of sales and higher operating margin.
8. The lower PAT recorded for financial year 2000 despite its higher turnover was due to higher cost of sales and operating expenses.
9. The PAT for the financial year 2001 was significantly higher as a result of the marked increase in the volume of sales and better operating margin. This was backed by greater acceptability and demand for UCSB's products and lower taxation charge as UCSB has been granted a multimedia super corridor (MSC) status company under the Promotion of Investment Act 1986 for a period of five (5) years beginning from 21 December 2000 to 20 December 2005. As an MSC status company, UCSB enjoys certain benefits, including five years' pioneer status tax exemption on profit generated from MSC-qualifying activities for the same period.
10. The further increase in PAT for the financial year 2002 was supported by UCSB's stability of business operations evidenced by continued uptrend in its turnover and operating profit margin.
11. The higher issued and paid-up capital for the financial year 2000 was due to a bonus issue of 990,198 new UCSB shares capitalised from retained earnings.
12. UCSB has proposed a gross dividend of RM200,040 or 20% for the financial year 2002 which will be paid in the financial year 2003.
13. There were no exceptional items for the financial periods/years under review.

7. Audited Financial Statements

The audited consolidated financial statements of UCSB for the financial year ended 31 December 2002 and the auditors' report thereon are reproduced below:

Unified Communications Sdn Bhd (459754-P)

(Incorporated in Malaysia)

Income statements for the financial year ended 31 December 2002

	Note	Group 2002 RM	Company 2002 RM	2001 RM
Revenue	3	31,026,023	30,903,407	24,833,584
Cost of sales		(9,691,294)	(9,691,294)	(7,413,582)
Gross profit		21,334,729	21,212,113	17,420,002
Technical support and development costs		(2,833,137)	(2,790,860)	(1,678,681)
Distribution expenses		(1,524,096)	(1,445,837)	(595,273)
Administrative expenses		(1,469,273)	(1,468,746)	(1,386,374)
Other operating expenses		(80,947)	(80,947)	0
Other operating income		151,962	149,586	0
Profit from operations	4	15,579,238	15,575,309	13,759,674
Finance cost	5	(45,856)	(45,856)	(474)
Profit before taxation		15,533,382	15,529,453	13,759,200
Taxation	6	(281,500)	(280,000)	(280,000)
Profit after taxation		15,251,882	15,249,453	13,479,200
Dividend per ordinary share (sen)	7	20	20	0

The above income statements are to be read in conjunction with the notes to the financial statements on pages 10 to 26.

Unified Communications Sdn Bhd (459754-P)

(Incorporated in Malaysia)

Balance sheets as at 31 December 2002

		Group	Company	
	Note	2002	2002	2001
		RM	RM	RM
Non current assets				
Property, plant and equipment	8	3,280,095	3,278,508	1,806,958
Investment in a subsidiary company	9	0	2	0
		<u>3,280,095</u>	<u>3,278,510</u>	<u>1,806,958</u>
Current assets				
Inventories	10	5,744,520	5,744,520	2,057,864
Trade receivables	11	23,436,209	23,395,620	13,703,117
Other receivables, deposits and prepayments	12	422,561	512,435	240,286
Deposit placement with a licensed bank	13	1,700,000	1,700,000	0
Cash and bank balances		2,504,222	2,437,033	424,379
		<u>33,807,512</u>	<u>33,789,608</u>	<u>16,425,646</u>
Less: Current liabilities				
Trade payables	14	2,681,677	2,681,677	304,160
Other payables and accrued liabilities	15	1,381,128	1,365,568	594,269
Amount owing to a Director	16	942,825	942,825	785,673
Taxation		332,475	330,975	373,445
Term loan (secured)	17	154,299	154,299	0
Bank overdraft (secured)	18	7,969	7,969	199,736
		<u>5,500,373</u>	<u>5,483,313</u>	<u>2,257,283</u>
Net current assets		28,307,139	28,306,295	14,168,363
Less: Non current liabilities				
Term loan (secured)	17	360,031	360,031	0
Deferred taxation	19	133,000	133,000	133,000
		<u>31,094,203</u>	<u>31,091,774</u>	<u>15,842,321</u>
Capital and reserves				
Share capital	20	1,000,200	1,000,200	1,000,200
Retained earnings		<u>30,094,003</u>	<u>30,091,574</u>	<u>14,842,121</u>
		<u>31,094,203</u>	<u>31,091,774</u>	<u>15,842,321</u>

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages 10 to 26.

Unified Communications Sdn Bhd (459754-P)

(Incorporated in Malaysia)

**Statements of changes in equity
for the financial year ended 31 December 2002**

	Issued and fully paid ordinary shares		<u>Distributable</u> <u>Retained</u> <u>earnings</u> RM	<u>Total</u> RM
	<u>Number of</u> <u>shares</u>	<u>Nominal</u> <u>value</u> RM		
Group				
At 1 January 2002	1,000,200	1,000,200	14,842,121	15,842,321
Profit after taxation	0	0	15,251,882	15,251,882
At 31 December 2002	<u>1,000,200</u>	<u>1,000,200</u>	<u>30,094,003</u>	<u>31,094,203</u>
Company				
At 1 January 2002	1,000,200	1,000,200	14,842,121	15,842,321
Profit after taxation	0	0	15,249,453	15,249,453
At 31 December 2002	<u>1,000,200</u>	<u>1,000,200</u>	<u>30,091,574</u>	<u>31,091,774</u>
At 1 January 2001	10,002	10,002	1,362,921	1,372,923
Bonus issue (99:1)	990,198	990,198	0	990,198
Profit after taxation	0	0	13,479,200	13,479,200
At 31 December 2001	<u>1,000,200</u>	<u>1,000,200</u>	<u>14,842,121</u>	<u>15,842,321</u>

The above statements of changes in equity are to be read in conjunction with the notes to the financial statements on pages 10 to 26.

Cash flow statements for the financial year ended 31 December 2002

	Note	Group 2002 RM	Company 2002 RM	2001 RM
Cash flows from operating activities				
Profit after taxation		15,251,882	15,249,453	13,479,200
Adjustments for:				
Depreciation		653,667	653,554	317,264
Gain on disposal of property, plant and equipment		(3,785)	(3,785)	893
Property, plant and equipment written off		46,960	46,960	0
Interest income		(5,824)	(5,824)	0
Interest expense		45,856	45,856	474
Taxation		281,500	280,000	280,000
		<u>16,270,256</u>	<u>16,266,214</u>	<u>14,077,831</u>
Changes in working capital				
Inventories		(3,779,893)	(3,779,893)	(610,703)
Receivables		(9,915,367)	(9,964,652)	(12,484,924)
Payables		3,164,376	3,148,816	658,165
Cash generated from operations		<u>5,739,372</u>	<u>5,670,485</u>	<u>1,640,369</u>
Interest received		5,824	5,824	0
Interest paid		(45,856)	(45,856)	(474)
Taxation paid		(322,470)	(322,470)	(204,255)
Net cash from operating activities		<u>5,376,870</u>	<u>5,307,983</u>	<u>1,435,640</u>
Cash flows from investing activities				
Acquisition of a subsidiary company		0	(2)	0
Proceeds from disposal of property, plant and equipment		125,978	125,978	2,000
Purchase of property, plant and equipment		(2,202,720)	(2,201,020)	(1,342,059)
Net cash used in investing activities		<u>(2,076,742)</u>	<u>(2,075,044)</u>	<u>(1,340,059)</u>
Cash flows from financing activities				
Deposit placement with a licensed bank	13	(1,700,000)	(1,700,000)	0
Proceeds from term loan		540,000	540,000	0
Repayments of term loan		(25,670)	(25,670)	0
Advances from/(repayment to) a Director		157,152	157,152	(269,960)
Net cash used in financing activities		<u>(1,028,518)</u>	<u>(1,028,518)</u>	<u>(269,960)</u>
Net increase/(decrease) in cash and cash equivalents during the financial year		2,271,610	2,204,421	(174,379)
Cash and cash equivalents at beginning of the financial year		<u>224,643</u>	<u>224,643</u>	<u>399,022</u>
Cash and cash equivalents at end of the financial year	21	<u>2,496,253</u>	<u>2,429,064</u>	<u>224,643</u>

The above cash flow statements are to be read in conjunction with the notes to the financial statements on pages 10 to 26.

Summary of significant accounting policies for the financial year ended 31 December 2002

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements unless otherwise indicated.

A Basis of preparation

The financial statements of the Group and Company have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Comparatives are not disclosed upon first application of MASB Standard 24 as the Group has taken advantage of the exemption provided by the Standard for prospective application.

The preparation of financial statements in conformity with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

B Basis of consolidation

The Group financial statements include the financial statements of the Company and its subsidiary company made up to the end of the financial year. The subsidiary company is consolidated using the acquisition method of accounting. Under this method, the results of the subsidiary company acquired or disposed during the financial year are included in the consolidated income statement from the date of acquisition or up to the date of its disposal. Where necessary adjustments are made to the financial statements of subsidiary companies to ensure consistency with Group's accounting policy.

The difference between the consideration paid for the shares in the subsidiary company and the fair value of the net separable assets acquired is treated as goodwill or reserve on consolidation as appropriate. Goodwill and reserve on consolidation are taken to the balance sheet.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless cost cannot be recovered.

Unified Communications Sdn Bhd (459754-P)

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Summary of significant accounting policies for the financial year ended 31 December 2002 (continued)

C Goodwill

Goodwill represents the excess of the cost of acquisition of the subsidiary companies over the fair value of the Group's share of their identifiable net assets at the date of acquisition. Goodwill is written off to reserves in the year of acquisition.

D Investment in a subsidiary company

A subsidiary company is a company in which the holding company controls the composition of its Board of Directors and/or more than half of the voting power and/or holds more than half of its issued ordinary share capital.

Investment in a subsidiary company is stated at cost unless the Directors are of the opinion that there has been a permanent diminution in value of the investment, in which case, allowance is made for the diminution in value.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

E Receivables

Trade receivables are carried at anticipated realisable value. Bad debts are written off in the year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end.

F Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property, plant and equipment comprises their purchase cost and any incidental costs of acquisition.

Depreciation of property, plant and equipment is calculated so as to write off their cost on a straight line basis over the expected useful lives of the assets concerned. The annual rates are:

	%
Telecommunication equipment	20
Research and development equipment	20
Furniture, fittings and renovation	20
Office equipment	20
Motor vehicle	20

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

**Summary of significant accounting policies
for the financial year ended 31 December 2002 (continued)**

F Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations.

G Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and includes all direct purchase and incidental costs required to bring the inventories to their present location and condition. Allowance is made where necessary for obsolete, slow moving and defective inventories. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

H Operating lease

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on the straight line basis over the lease period.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

I Deferred taxation

Provision is made using the liability method for taxation deferred in respect of all timing differences except where it is considered reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax assets are not recognised unless there is a reasonable expectations of their realisation.

J Revenue recognition

Revenue is recognised upon delivery of products and customer acceptance, or performance of services, net of sales returns and discounts.

Revenue and profit from contracts are recognised on an individual contract basis using the percentage of completion method, when the stage of contract completion can be reliably determined, costs to date can be clearly identified, and the total contract revenue to be received and costs to complete can be reliably estimated.

The percentage of completion is estimated by the Company's management with reference to the stage of completion of the work as accepted by the customer.

Unified Communications Sdn Bhd (459754-P)

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Summary of significant accounting policies for the financial year ended 31 December 2002 (continued)

J Revenue recognition (continued)

Where it is probable that a loss will arise from a contract, the excess of total estimated costs over revenue is recognized as an expense immediately.

Revenue from maintenance contracts is recognised on a straight line basis over the period of the respective contracts.

K Foreign currency translation

(a) Foreign operations

Financial statements of foreign operations that are integral to the operations of the Company are translated using procedures in the following paragraph as if the transactions of the foreign operations had been those of the Company.

(b) Foreign currency translation

Foreign currency monetary assets and liabilities are translated to Ringgit Malaysia at rates of exchange ruling on the balance sheet date and foreign currency transactions during the financial year, are converted at rates of exchange ruling on the transaction dates. Differences on exchange are included in the income statement.

The principal closing rates used in translation of foreign currency amounts are as follows:

Foreign currency	31.12.2002	3.12.2001
1 US Dollar	RM3.800	RM3.800
1 Australian Dollar	RM2.149	RM1.939
100 Philippines Peso	RM7.146	RM7.364
1 Singapore Dollar	RM2.212	RM2.077
1 Brunei Dollar	RM2.212	RM2.077

L Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Summary of significant accounting policies
for the financial year ended 31 December 2002 (continued)**

L Share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new ordinary shares are shown as a deduction, net of tax, in equity from the proceeds. Dividends on ordinary shares are recognised as liabilities when declared.

M Financial instruments

The particular recognition method adopted for financial instruments recognized on the balance sheet are disclosed in the individual policy statements associated with each item.

The carrying values for financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values.

Notes to the financial statements

for the financial year ended 31 December 2002

1 General information

The principal activities of the Company are research and development, software engineering, system integration, project management, and maintenance and support for telecommunication industry. The principal activity of the subsidiary company is described in Note 9 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

The number of employees in the Group and Company at the end of the financial year was 106 and 102 (2001: 61) employees.

The immediate holding company of the Group is Worldwide Matrix Sdn Bhd and the ultimate holding company of the Group is Advance Synergy Berhad, both of which are incorporated in Malaysia.

The Company is a private limited company, incorporated and domiciled in Malaysia.

The address of the registered office of the Company is as follows:

Level 3A, Tower Block, Menara Milenium
8, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

The address of the principal place of business of the Company is as follows:

Level 3A, Annexe Block, Menara Milenium
8, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

2 Financial risk management objectives and policies

The Group's activities are exposed to a variety of financial risks, including foreign currency exchange risk.

The foreign currency exchange risk arises mainly from the Group's transactions with foreign trade debtors and creditors. The Group monitors the movement in foreign currency exchange rates closely to ensure their exposure are minimised.

The Group's business is not exposed to any significant concentration of credit risk.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group maintains sufficient cash.

Unified Communications Sdn Bhd (459754-P)

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Notes to the financial statements

for the financial year ended 31 December 2002 (continued)

3 Revenue

	Group 2002 RM	Company 2002 RM	2001 RM
Distribution of telecommunication products	3,078,408	2,955,792	4,158,586
Solution provisioning	<u>27,947,615</u>	<u>27,947,615</u>	<u>20,674,998</u>
	<u>31,026,023</u>	<u>30,903,407</u>	<u>24,833,584</u>

4 Profit from operations

	Group 2002 RM	Company 2002 RM	2001 RM
Profit from operations is stated after charging/(crediting):			
Auditors' remuneration			
- current	20,000	18,000	15,000
- under provision in respect of prior year	0	0	3,000
Property, plant and equipment			
- depreciation	653,667	653,554	317,264
- gain on disposals	(3,785)	(3,785)	893
- write-off	46,960	46,960	0
Staff cost	4,542,700	4,466,153	2,589,424
Rental of premises	404,089	404,089	181,483
Lease rental	24,160	24,160	0
Net exchange losses			
- realised	24,544	24,544	6,649
Allowance for doubtful debts	48,500	48,500	97,787
Interest income	<u>(5,824)</u>	<u>(5,824)</u>	<u>0</u>

5 Finance cost

	Group 2002 RM	Company 2002 RM	2001 RM
Interest expense on:			
Bank overdraft	15,287	15,287	474
Term loan	<u>30,569</u>	<u>30,569</u>	<u>0</u>
	<u>45,856</u>	<u>45,856</u>	<u>474</u>

Unified Communications Sdn Bhd (459754-P)

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Notes to the financial statements

for the financial year ended 31 December 2002 (continued)

6 Taxation

	Group 2002 RM	Company 2002 RM	2001 RM
Taxation based on the results for the financial year:			
Malaysian income tax	<u>281,500</u>	<u>280,000</u>	<u>280,000</u>

The effective tax rate of the Company for the year was lower than the statutory rate prevailing in Malaysia because the Company has been granted pioneer status incentive as a Multimedia Super Corridor status company under the Promotion of Investment Act, 1986 for a period of five years beginning from 21 December 2000 to 20 December 2005.

The Company has sufficient tax credit under section 108 of the Income Tax Act, 1967 and tax exempt income, which subject to agreement with the Inland Revenue Board, are available to frank the payment of net dividends out of all its unappropriated profits at 31 December 2002.

7 Dividend

At the forthcoming Annual General Meeting, a final gross dividend in respect of the financial year ended 31 December 2002 of 20 sen per share (2001: Nil), less income tax, amounting to RM144,029 (2001: Nil) will be proposed for shareholders' approval. These financial statements do not reflect this final dividend, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2003.

8 Property, plant and equipment

The details of property, plant and equipment are as follows:

	Telecom- munication equipment RM	Research and development equipment RM	Furniture, fittings and renovation RM	Office equipment RM	Motor vehicle RM	Total RM
Group:						
2002						
Cost						
At 1 January	280,947	1,336,231	313,545	504,744	0	2,435,467
Additions	125,016	1,001,243	120,747	901,714	54,000	2,202,720
Reclassification	261,355	(261,355)	0	0	0	0
Transfer from inventories	96,452	0	0	0	0	96,452
Write-off	0	0	(77,291)	0	0	(77,291)
Disposals	(136,901)	(15,082)	(83,590)	0	0	(235,573)
At 31 December	<u>626,869</u>	<u>2,061,037</u>	<u>273,411</u>	<u>1,406,458</u>	<u>54,000</u>	<u>4,421,775</u>

Unified Communications Sdn Bhd (459754-P)

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Notes to the financial statements for the financial year ended 31 December 2002 (continued)

8 Property, plant and equipment (continued)

The details of property, plant and equipment are as follows:

	Telecom- munication equipment RM	Research and development equipment RM	Furniture, fittings and renovation RM	Office equipment RM	Motor vehicle RM	Total RM
Accumulated depreciation						
At 1 January	123,655	307,779	65,350	131,725	0	628,509
Charge for the financial year	54,431	341,505	74,774	178,457	4,500	653,667
Reclassification	21,780	(21,780)	0	0	0	0
Transfer from inventories	3,215	0	0	0	0	3,215
Write-off	0	0	(30,331)	0	0	(30,331)
Disposals	(71,638)	(8,902)	(32,840)	0	0	(113,380)
At 31 December	131,443	618,602	76,953	310,182	4,500	1,141,680
Net book value						
At 31 December 2002	495,426	1,442,435	196,458	1,096,276	49,500	3,280,095
Company:						
2002						
Cost						
At 1 January	280,947	1,336,231	313,545	504,744	0	2,435,467
Additions	125,016	1,001,243	120,747	900,014	54,000	2,201,020
Reclassification	261,355	(261,355)	0	0	0	0
Transfer from inventories	96,452	0	0	0	0	96,452
Write-off	0	0	(77,291)	0	0	(77,291)
Disposals	(136,901)	(15,082)	(83,590)	0	0	(235,573)
At 31 December	626,869	2,061,037	273,411	1,404,758	54,000	4,420,075
Accumulated depreciation						
At 1 January	123,655	307,779	65,350	131,725	0	628,509
Charge for the financial year	54,431	341,505	74,774	178,344	4,500	653,554
Reclassification	21,780	(21,780)	0	0	0	0
Transfer from inventories	3,215	0	0	0	0	3,215
Write-off	0	0	(30,331)	0	0	(30,331)
Disposals	(71,638)	(8,902)	(32,840)	0	0	(113,380)
At 31 December	131,443	618,602	76,953	310,069	4,500	1,141,567
Net book value						
At 31 December 2002	495,426	1,442,435	196,458	1,094,689	49,500	3,278,508

Unified Communications Sdn Bhd (459754-P)

(Incorporated in Malaysia)

Notes to the financial statements

for the financial year ended 31 December 2002 (continued)

8 Property, plant and equipment (continued)

The details of property, plant and equipment are as follows:

	Telecom- munication equipment RM	Research and development equipment RM	Furniture, fittings and renovation RM	Office equipment RM	Motor vehicle RM	Total RM
2001						
Cost						
At 1 January	237,587	583,933	60,934	216,938	0	1,099,392
Additions	43,360	758,283	252,611	287,806	0	1,342,060
Disposals	0	(5,985)	0	0	0	(5,985)
At 31 December	280,947	1,336,231	313,545	504,744	0	2,435,467
Accumulated depreciation						
At 1 January	77,707	172,966	6,093	57,571	0	314,337
Charge for the financial year	45,948	137,905	59,257	74,154	0	317,264
Disposals	0	(3,092)	0	0	0	(3,092)
At 31 December	123,655	307,779	65,350	131,725	0	628,509
Net book value						
At 31 December 2001	157,292	1,028,452	248,195	373,019	0	1,806,958

9 Investment in a subsidiary company

	Company	
	2002 RM	2001 RM
Unquoted shares, at cost	2	0

On 3 July 2002, the Company paid RM2 in cash to subscribe for 100% equity interest in AttrixTech Sdn Bhd, a newly incorporated company. AttrixTech Sdn Bhd is a limited liability company, incorporated and domiciled in Malaysia.

Information on the subsidiary company is as follows:

<u>Name</u>	<u>Percentage of shareholding 31.12.2002</u>	<u>Country of incorporation</u>	<u>Principal activity</u>	<u>Audited by</u>
AttrixTech Sdn Bhd	100%	Malaysia	Distribution of telecommunication products	PricewaterhouseCoopers, Malaysia

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Notes to the financial statements

for the financial year ended 31 December 2002 (continued)

10 Inventories

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Finished goods, at cost	<u>5,744,520</u>	<u>5,744,520</u>	<u>2,057,864</u>

11 Trade receivables

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Trade receivables	23,631,414	23,590,825	13,849,822
Less: Allowance for doubtful debts	(195,205)	(195,205)	(146,705)
	<u>23,436,209</u>	<u>23,395,620</u>	<u>13,703,117</u>

The currency exposure profile of trade receivables is as follows:

- Ringgit Malaysia	2,896,637	2,856,048	2,449,896
- US Dollar	20,415,515	20,415,515	11,159,733
- Singapore Dollar	-	-	4,146
- Brunei Dollar	319,262	319,262	236,047
	<u>23,631,414</u>	<u>23,590,825</u>	<u>13,849,822</u>

Credit terms of trade receivables range from payment in advance to 90 days.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are internationally dispersed. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Included in the trade receivables are the following:

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Amount owing by ultimate holding company	9,950	9,950	0
Amount owing by subsidiary company	0	14,297	0
Amount owing by a related company	9,781,686	9,781,686	9,068,721

Notes to the financial statements
for the financial year ended 31 December 2002 (continued)

11 Trade receivables (continued)

The amounts owing by ultimate holding company, subsidiary company and a related company are unsecured and interest-free.

12 Other receivables, deposits and prepayments

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Other receivables	513,400	616,954	283,168
Less: Allowance for doubtful debts	<u>(217,603)</u>	<u>(217,603)</u>	<u>(217,603)</u>
	295,797	399,351	65,565
Deposits	54,280	54,280	167,538
Prepayments	<u>72,484</u>	<u>58,804</u>	<u>7,183</u>
	<u><u>422,561</u></u>	<u><u>512,435</u></u>	<u><u>240,286</u></u>

Included in the other receivables are the following:

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Amount owing by subsidiary company	0	103,554	0
Amount owing by a related company	173,924	173,924	2,488

The amounts owing by subsidiary company and a related company are unsecured and interest-free.

13 Deposit placement with a licensed bank

This deposit placement with licensed bank is excluded from the cash and cash equivalent balance for cash flow statement purposes as this balance is placed under lien for a term loan and other banking facilities obtained by the Company during the financial year. The interest rate ranged between 7.90% to 8.15% (2001: 7.9%) per annum.

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Notes to the financial statements

for the financial year ended 31 December 2002 (continued)

14 Trade payables

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Trade payables	<u>2,681,677</u>	<u>2,681,677</u>	<u>304,160</u>
The currency exposure profile of trade payables is as follows:			
- Ringgit Malaysia	257,591	257,591	193,821
- US Dollar	2,404,785	2,404,785	110,339
- Australia Dollar	19,301	19,301	0
	<u>2,681,677</u>	<u>2,681,677</u>	<u>304,160</u>

Credit terms of trade payables granted to the Group vary from no credit to 30 days.

Included in the trade payables is the following:

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Amount owing to a related company	<u>210,157</u>	<u>210,157</u>	<u>0</u>

The amount owing to a related company is unsecured and interest-free.

15 Other payables and accrued liabilities

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Other payables	296,539	280,979	78,875
Deposit payables	17,178	17,178	3,770
Accrued expenses	<u>1,067,411</u>	<u>1,067,411</u>	<u>511,624</u>
	<u>1,381,128</u>	<u>1,365,568</u>	<u>594,269</u>

16 Amount owing to a Director

Amount owing to a Director is unsecured, interest-free and has no fixed terms of repayment.

Notes to the financial statements
for the financial year ended 31 December 2002 (continued)

17 Term loan (secured)

	Group 2002 RM	Company 2002 RM	2001 RM
Current:			
Repayable within 12 months	154,299	154,299	0
Non current:			
Repayable after 12 months:			
- between 1 and 2 years	154,299	154,299	0
- between 2 and 5 years	205,732	205,732	0
	360,031	360,031	0
	<u>514,330</u>	<u>514,330</u>	<u>0</u>

This term loan is repayable in 42 monthly installments of RM 16,468 each commencing November 2002

This term loan is secured by way of:

- (i) memorandum of deposit for RM300,000 which represents 50% fixed deposit under lien for the first loan disbursement of RM600,000.
- (ii) debenture charge created for total term loan approved of RM2,400,000 on the Company's present and future fixed and floating assets.
- (iii) jointly and severally guarantee by the Company's directors for RM2,400,000.
- (iv) proportionate guarantee by a shareholder of the Company up to RM600,000.

The interest rate for the financial year was 8.15% (2001: Nil) per annum for the Group and the Company.

18 Bank overdraft (secured)

The interest charged during the year was 8.15% (2001: 7.9% to 8.3%) per annum. The bank overdraft is one of the facilities secured by way of:

- (i) memorandum of deposit for fixed deposit of RM500,000;
- (ii) debenture charge for RM3,300,000 on the Company's present and future fixed and floating assets;
- (iii) jointly and severally guarantee by the Company's Directors for RM3,300,000; and
- (iv) proportionate guarantee by a shareholder of the Company up to RM825,000.

Unified Communications Sdn Bhd (459754-P)

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Notes to the financial statements

for the financial year ended 31 December 2002 (continued)

19 Deferred taxation

	Group	Company	
	2002	2002	2001
	RM	RM	RM
At 1 January/31 December	<u>133,000</u>	<u>133,000</u>	<u>133,000</u>

Deferred taxation has been provided for all timing differences.

The timing differences giving rise to the deferred tax liabilities is analysed as follows:

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Excess of capital allowance over depreciation	<u>133,000</u>	<u>133,000</u>	<u>133,000</u>

20 Share capital

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Authorised ordinary shares of RM1 each:			
At 1 January	5,000,000	5,000,000	100,000
Created during the financial year	0	0	4,900,000
At 31 December	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>

21 Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following:

	Group	Company	
	2002	2002	2001
	RM	RM	RM
Cash and bank balances	2,504,222	2,437,033	424,379
Bank overdraft (Note 19)	<u>(7,969)</u>	<u>(7,969)</u>	<u>(199,736)</u>
	<u>2,496,253</u>	<u>2,429,064</u>	<u>224,643</u>

The currency exposure profile of cash and bank balance is as follows:

- Ringgit Malaysia	2,371,511	2,304,322	100,674
- Philippines Pesos	<u>124,742</u>	<u>124,742</u>	<u>123,969</u>
	<u>2,496,253</u>	<u>2,429,064</u>	<u>224,643</u>

Unified Communications Sdn Bhd (459754-P)

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Notes to the financial statements

for the financial year ended 31 December 2002 (continued)

22 Capital commitments

(a) Capital expenditure in respect of renovation work:

	Group	Company	
	2002 RM	2002 RM	2001 RM
Authorised and contracted for	0	0	69,878

(b) Non-cancellable lease commitments

	Group	Company	
	2002 RM	2002 RM	2001 RM
Within one year	425,709	425,709	350,955
More than one year and not more than 5 years	327,567	327,567	380,716
	<u>753,276</u>	<u>753,276</u>	<u>731,671</u>

23 Significant related party disclosures

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties.

The immediate holding company of the Group is Worldwide Matrix Sdn Bhd, a company incorporated in Malaysia. The ultimate holding company of the Group is Advance Synergy Berhad, a company incorporated in Malaysia.

	Group	Company	
	2002 RM	2002 RM	2001 RM
Sale of software systems to a related company	7,052,315	7,052,315	10,688,270
Purchase of research and development equipment from related companies	1,264,505	1,264,505	687,124
Purchase of telecommunication products from related companies	<u>4,958,273</u>	<u>4,958,273</u>	<u>5,882,003</u>

The terms of the above transactions are established by negotiation between the parties.

Notes to the financial statements
for the financial year ended 31 December 2002 (continued)

24 Comparative figures

The comparative figures for revenue have been restated to reflect the main segments within the Group's principal activities.

	As previously reported	Effect of reclassification	As restated
2001	RM	RM	RM
Company			
Sale of equipment	10,677,298	(10,677,298)	0
Sale of software systems	12,575,741	(12,575,741)	0
Revenue sharing income	1,580,545	(1,580,545)	0
Solution provisioning	0	20,674,998	20,674,998
Distribution of telecommunication products	0	4,158,586	4,158,586
	<u>24,833,584</u>	<u>0</u>	<u>24,833,584</u>

Revenue generated from solution provisioning is from the development and supply of proprietary telecommunications solutions. It comprises sale of equipment, software systems and revenue sharing income.

Revenue generated from distribution of telecommunication products comprises sale from distribution of third party telecommunications products and components.

**Report of the Auditors to the Members of
Unified Communications Sdn Bhd** (4599754-P)
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 6 to 26. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and Company as at 31 December 2002 and of the results and cash flows of the Group and Company for the financial year ended on that date;

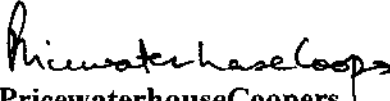
and


- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes

**Report of the Auditors to the Members of
Unified Communications Sdn Bhd (continued) (4599754-P)**
(Incorporated in Malaysia)

Our auditors' report on the financial statements of the subsidiary were not subject to any qualification and did not include any comment made under subsection 3 of section 174 of the Act.


PricewaterhouseCoopers
(AF: 1146)
Chartered Accountants


Shirley Goh
(1778/08/04 (J))
Partner

Kuala Lumpur
18 April 2003