



# FINANCIAL STATEMENTS

## REPORT OF THE DIRECTORS

### REPORT OF THE DIRECTORS

The directors present their report to the members together with the audited financial statements of the Company and of the Group for the year ended 31 December 1999.

### DIRECTORS

The name of the directors of the Company in office at the date of this report are:

Bernard Chen Tien Lap – Chairman  
Han Meng Siew – Managing Director  
Tan Eng Bock  
Tan Keng Boon  
Wong Lin Hong  
Tan Puay Chuan  
Bobby Cheng Hoo Wah  
Anthony Mallek

### PRINCIPAL ACTIVITIES

The principal activities of the Company are to carry on business as system integrator and specialised distributor of telecommunication and datacommunication products. The principal activities of its subsidiaries are set out in Note 7(c) to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### RESULTS FOR THE FINANCIAL YEAR

	The Group \$'000	The Company \$'000
Profit after taxation for the year	1,112	1,534
Minority Interest	(22)	–
Profit after taxation & minority interest	1,090	1,534
Proposed dividend, less tax	(596)	(596)
	<u>494</u>	<u>938</u>

### UNUSUAL ITEMS

In the opinion of the directors, the results of the operations of the Company and the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

### MOVEMENTS IN RESERVES AND PROVISIONS

The following amounts have been credited to:

	1999	
	The Group \$'000	The Company \$'000
Exchange translation reserve:		
Exchange differences arising from translation of		
– foreign subsidiaries	2	–
– foreign associated companies	(64)	–

Apart from the above, there were no material movements in reserves and provisions except for normal amounts set aside for items such as amortisation/depreciation of deferred expenditure/fixed assets as disclosed in the financial statements.

## REPORT OF THE DIRECTORS

### ISSUE OF SHARES AND DEBENTURES

(a) There were no shares or debentures issued by the Company during the financial year.

(b) During the financial year, certain subsidiaries issued shares at par to the Company as follows:

Name of subsidiary	No. of ordinary shares issued and fully paid	Purpose of issue
Plexus Technology Pte Ltd	1,200,000 at S\$1 each	Partial settlement of amount owed
Telebit (Singapore) Pte Ltd	1,200,000 at S\$1 each	Partial settlement of amount owed and for working capital requirements
TD-Services (S) Pte Ltd	499,994 at S\$1 each	Partial settlement of amount owed

### ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the year, Davotek Sdn Bhd, the Company's wholly owned subsidiary, acquired a subsidiary as follows:

Name of subsidiary	Interest acquired	Net tangible assets on date of acquisition	Consideration
Goodway Technology Sdn Bhd	80%	RM8,989	RM10,800

The Company's 51% owned subsidiary, Teledata International Pte Ltd, incorporated the following subsidiaries :

Name of subsidiaries	Country of incorporation and place of operation	Interest held
Cybertel Limited	Hong Kong	100%
Teledatacom (India) Private Limited	India	100%
Teledata Sdn Bhd	Brunei	100%

Other than as disclosed, there were no acquisitions or disposal of subsidiaries during the financial year.

### ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits through the acquisition of shares in, or debentures of the Company, the Company's holding company, Intraco Limited, or any other body corporate, other than the options that may be granted under the Intraco Limited Executives Share Option Scheme which was established in May 1989 and the Teledata Share Option Scheme established in August 1999.

## REPORT OF THE DIRECTORS

### DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register required to be kept under Section 164 of the Companies Act, Cap. 50, the following directors who held office at the end of the financial year had interests in the shares of the Company's holding company and the Company as detailed below:

Name of directors	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 1-1-1999	At 31-12-1999	At 1-1-1999	At 31-12-1999
<b>Intraco Limited</b>				
<i>Ordinary shares of \$1.00 each</i>				
Bernard Chen Tien Lap	225,000	225,000	—	—
Tan Puay Chuan	150,000	150,000	—	—
<i>Share options to subscribe for ordinary shares of \$1.00 each</i>				
Bernard Chen Tien Lap	160,000	110,000	—	—
Tan Puay Chuan	93,000	63,000	—	—
<b>Teledata (Singapore) Limited</b>				
<i>Ordinary Shares of \$0.10 each</i>				
Bernard Chen Tien Lap	105,000	105,000	—	—
Han Meng Siew	2,259,404	2,731,404	840,000	—
Tan Eng Bock	100,000	—	—	—
Tan Keng Boon	193,576	93,576	—	—
<i>Warrants to subscribe for ordinary shares of \$0.10 each</i>				
Han Meng Siew	—	—	479,910	29,910
Tan Eng Bock	15,000	—	—	—
Tan Keng Boon	30,000	15,000	—	—
<i>Share option to subscribe for ordinary shares of \$0.10 each</i>				
Tan Keng Boon	—	80,000	—	—
Wong Lin Hong	—	80,000	—	—
Tan Eng Bock	—	80,000	—	—
Han Meng Siew	—	130,000	—	—

(b) There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2000 (being the 21st day after the end of the financial year).

Other than as disclosed above, no director who held office at the end of the financial year had an interest in any shares or debentures of the Company, the holding company or any of the subsidiaries of the Company's holding company.

Since the end of the previous financial year, no director has received or has become entitled to receive benefits under contracts required to be disclosed by Section 201(8) of the Companies Act, Cap. 50. except for directors' remuneration as disclosed in Note 23 to the financial statements.

## REPORT OF THE DIRECTORS

### DIVIDENDS

No dividend has been paid in respect of the previous year. The directors proposed a first and final dividend of 5%, less tax at 25.5%, amounting to S\$596,000 to be paid in respect of the financial year under review.

### ASSET VALUES

Before the profit and loss account and balance sheet of the Company were made out, the directors took reasonable steps to ascertain that:

- (a) action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values or adequate provision had been made for the difference between those values.

At the date of this report, the directors are not aware of any circumstances which would render:

- (a) any amount written off for bad debts or the amount of the provision for doubtful debts in the Group inadequate to any substantial extent; and
- (b) the values attributed to current assets in the consolidated financial statements misleading.

### CHARGES AND CONTINGENT LIABILITIES

Since the end of the financial year, no charge on the assets of the Company or any company in the Group has arisen which secures the liabilities of any other person.

Since the end of the financial year, no contingent liability of the Company or any company in the Group has arisen.

No contingent liability or other liability of the Company or any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company and of the Group to meet their obligations as and when they fall due.

### OTHER CIRCUMSTANCES AFFECTING THE ACCOUNTS

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the consolidated financial statements which would render any amount stated in the financial statements of the Company and the consolidated financial statements misleading.

### UNUSUAL ITEMS AFTER THE FINANCIAL YEAR

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company or of the Group for the financial year in which this report is made.

## REPORT OF THE DIRECTORS

### SHARE OPTIONS OF THE COMPANY

On 27 August 1999, the Company approved the Teledata Share Option Scheme to allow the issuance of Options which when added to the number of shares issued and issuable in respect of all Options granted under the scheme shall not exceed 15% of the issued capital of the Company on the date immediately preceding the offer date of the Option.

The life of the scheme is 5 years and Options shall only be exercisable after the first anniversary of the offer date of the Options (in the case of an Option for exercise price at no discount) or after the second anniversary (in the case of an Option for exercise price at a discount), provided always that Options shall be exercised before the tenth anniversary of the relevant Offer Date or such other shorter period as determined by a committee of directors of the Company duly authorised to administer the Scheme.

During the financial year, Options were granted to take up unissued ordinary shares of the Company.

As at year end, Options for unissued ordinary shares of \$0.10 each granted under the Teledata Share Option Scheme were as follows:

Option Date	Subscription Price	Options granted for unissued ordinary shares	
		1999	1998
28-10-1999	\$0.416 per share	<b>3,307,000</b>	—

The subscription price of the Option was determined at 20% discount of the average of the last dealt prices for the Share, as determined by reference to the daily official list published by the Singapore Exchange Limited (SGX) or the three (3) consecutive Trading Days immediately preceding the date of the grant of the Option. The Option may be exercised at any time after the second anniversary of the date of grant and before the fifth anniversary of the date of grant.

(a) The members of the Committee administering the scheme are:

Mr Bernard Chen Tien Lap  
Mr Wong Lin Hong  
Mr Anthony Mallek

(b) Options granted to directors of the Company

Name of Director	Options granted in 1999	Aggregate Options granted since commencement of Scheme to 31-12-99	Aggregate Options exercised since commencement of Scheme to 31-12-99	Aggregate Options outstanding as at 31-12-99
Tan Keng Boon	80,000	80,000	—	80,000
Wong Lin Hong	80,000	80,000	—	80,000
Tan Eng Bock	80,000	80,000	—	80,000
Han Meng Siew	130,000	130,000	—	130,000

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares under option at 31 December 1999 in respect of the Company.

### WARRANTS OF THE COMPANY

As at balance sheet date, the number of warrants issued and outstanding was 24,000,000 (1998 : 24,000,000). These warrants, expiring on 3 June 2002, entitle the warrant holders to subscribe for 24,000,000 new ordinary shares of S\$0.10 each at S\$0.56 per share.

No shares have been issued during the financial year by virtue of the exercise of warrants to take up unissued shares of the Company.

## REPORT OF THE DIRECTORS

### CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance within the Group. Good corporate governance establishes and maintains a legal and ethical environment in the Group which strives to preserve the interests of all stakeholders.

### BOARD OF DIRECTORS

The Board oversees the business affairs of the Group, approves the financial objectives and the strategies to be implemented by management and monitors standards of performance and issues of policy, both directly and through its committees.

The Board holds at least 4 meetings each year. The Board approves the Group's strategic plans, key business initiatives, major investments and funding decisions; it reviews the Group's financial performance and evaluates the performance and determines the compensation of senior management. These functions are carried out by the Board directly or through committee of the Board which have been set up to support its work.

### AUDIT COMMITTEE

The Audit Committee comprises 4 board members, all of whom are independent non-executive directors. The members of the Audit Committee at the date of this report are:

Tan Eng Bock – Chairman  
Tan Keng Boon  
Wong Lin Hong  
Anthony Mallek

The Committee holds quarterly meetings and discharges the following delegated functions:

- (1) Review with the external auditor the audit plan;
- (2) Review with the auditor their evaluation of internal controls together with management's response;
- (3) Review the assistance given by the Company's officers to the external and internal auditors;
- (4) Review the scope and results of internal audit procedures;
- (5) Review the financial statements of the Company and the Group before their submission to the Board, together with the external auditor's report thereon;
- (6) Nomination of an external auditor; and
- (7) Review of interested person transactions.

In the opinion of the directors, the Company complies with the Best Practices Guide, with respect to audit committees.

The Committee has full access to and co-operation by the Company's management and the internal auditors and has full discretion to invite any director or executive officer to attend its meetings. The Financial Controller attend meetings of the Committee. The auditors have unrestricted access to the Audit Committee. The Audit Committee has reasonable resources to enable it to discharge its functions properly.

The Audit Committee may examine whatever aspects it deems appropriate of the Group's financial affairs, its internal and external audits and its exposure to risks of a regulatory or legal nature. It keeps under review the effectiveness of the Company's system of accounting and internal financial controls, for which the directors are responsible. It also keeps under review the Company's programme to monitor compliance with its legal, regulatory and contractual obligations.

The Committee has recommended to the Board of directors the nomination of Ernst & Young for reappointment as auditors of the Company at the forthcoming Annual General Meeting.

## REPORT OF THE DIRECTORS

### *SECURITIES TRANSACTIONS*

The Group has issued a Policy on Share Dealings to all employees of the Group, setting out the implications of insider trading and the recommendations of the Best Practices Guide issued by the Singapore Exchange Limited. The Group has adopted a code of conduct to provide guidance to its officers with regard to dealing in the Company's shares.

### *YEAR 2000 ISSUES*

The Group has crossed into Year 2000 successfully and any significant adverse effects of Year 2000 on our systems and operations are not anticipated in the future.

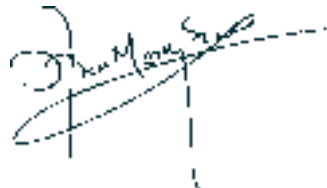
### AUDITORS

The auditors, Ernst & Young, Certified Public Accountants have expressed their willingness to accept re-appointment.

On behalf of the Board of directors



**BERNARD CHEN TIEN LAP**  
Chairman



**HAN MENG SIEW**  
Managing Director

Singapore, 17 March 2000

## STATEMENT BY DIRECTORS

Pursuant to Section 201(15)

We, **Bernard Chen Tien Lap** and **Han Meng Siew**, being two of the directors of **Teledata (Singapore) Limited**, do hereby state that, in the opinion of the directors:

- (i) the balance sheets, profit and loss accounts and consolidated cash flow statement together with the notes thereto, set out on pages 26 to 48, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 1999, the results of the Company and the Group and the cash flows of the Group for the year ended 31 December 1999; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of directors



**BERNARD CHEN TIEN LAP**  
Chairman



**HAN MENG SIEW**  
Managing Director

Singapore, 17 March 2000

## AUDITOR'S REPORT

To the Members of Teledata (Singapore) Limited

We have audited the financial statements of Teledata (Singapore) Limited set out on pages 26 to 48. These financial statements comprise the balance sheets of the Company and the Group as at 31 December 1999, the profit and loss accounts of the Company and the Group and the cash flow statement of the Group for the year then ended. 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 Singapore Standards on Auditing. 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 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 financial statements are properly drawn up in accordance with the provisions of the Companies Act and Statements of Accounting Standard and so as to give a true and fair view of:
  - (i) the state of affairs of the Company and of the Group as at 31 December 1999, the results of the Company and of the Group and the cash flows of the Group for the year then ended; and
  - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all subsidiaries of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of the subsidiaries audited by member firms of Ernst and Young International and those audited by other firm are stated in Note 7 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company 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 as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act.



**ERNST & YOUNG**

Certified Public Accountants

Singapore, 17 March 2000

## PROFIT AND LOSS ACCOUNTS

For the Year Ended 31 December 1999

	Note	The Group		The Company	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
<b>TURNOVER</b>	22	<b>62,296</b>	80,861	<b>46,837</b>	69,160
<b>OPERATING PROFIT/(LOSS)</b>	23	<b>1,846</b>	(607)	<b>1,910</b>	(692)
<b>INTEREST INCOME</b>	24	<b>206</b>	330	<b>454</b>	715
<b>INTEREST EXPENSE</b>	25	<b>(370)</b>	(862)	<b>(361)</b>	(854)
<b>NET INTEREST (EXPENSE)/INCOME</b>		<b>(164)</b>	(532)	<b>93</b>	(139)
		<b>1,682</b>	(1,139)	<b>2,003</b>	(831)
<b>SHARE OF PROFITS LESS (LOSSES) OF ASSOCIATED COMPANIES</b>		<b>(83)</b>	44	–	–
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>1,599</b>	(1,095)	<b>2,003</b>	(831)
<b>TAXATION</b>	26	<b>(487)</b>	(53)	<b>(469)</b>	–
<b>PROFIT/(LOSS) AFTER TAXATION FOR THE YEAR</b>		<b>1,112</b>	(1,148)	<b>1,534</b>	(831)
<b>MINORITY INTEREST</b>		<b>(22)</b>	(125)	–	–
<b>PROFIT/(LOSS) AFTER TAXATION AND MINORITY INTEREST</b>		<b>1,090</b>	(1,273)	<b>1,534</b>	(831)
<b>EXTRAORDINARY ITEMS</b>	27	–	(3,016)	–	(5,879)
<b>PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>		<b>1,090</b>	(4,289)	<b>1,534</b>	(6,710)
<b>DIVIDENDS</b>	28	<b>(596)</b>	–	<b>(596)</b>	–
<b>RETAINED PROFIT/(ACCUMULATED LOSS) FOR THE YEAR</b>		<b>494</b>	(4,289)	<b>938</b>	6,710
<b>BASIC EARNINGS/(LOSS) PER ORDINARY SHARE OF \$0.10 EACH (CENTS) BEFORE EXTRAORDINARY ITEMS (CENTS)</b>	29	<b>0.68</b>	(0.80)	–	–
<b>BASIC EARNINGS/(LOSS) PER ORDINARY SHARE OF \$0.10 EACH AFTER EXTRAORDINARY ITEMS (CENTS)</b>		<b>0.68</b>	(2.68)	–	–
<b>DILUTED EARNINGS/(LOSS) PER ORDINARY SHARE OF \$0.10 EACH BEFORE EXTRAORDINARY ITEMS (CENTS)</b>		<b>0.68</b>	(0.80)	–	–
<b>DILUTED EARNINGS/(LOSS) PER ORDINARY SHARE OF \$0.10 EACH AFTER EXTRAORDINARY ITEMS (CENTS)</b>		<b>0.68</b>	(2.68)	–	–

The accompanying notes form part of these financial statements

## BALANCE SHEETS

as at 31 December 1999

	Note	The Group		The Company	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
<b>NON-CURRENT ASSETS</b>					
Fixed assets	3	13,051	9,099	2,435	2,883
Intangible Asset	4	1,974	1,172	–	–
Deferred expenditure	5	280	365	243	343
Subsidiaries	7	–	–	6,481	3,581
Associated companies	8	1,539	984	1,278	543
Other investment	9	765	–	765	–
<b>CURRENT ASSETS</b>					
Inventories	10	19,691	26,662	13,921	19,610
Trade debtors	11	25,044	33,786	16,698	27,955
Due by holding company	6	159	7	159	7
Due by subsidiaries	7	–	–	19,428	19,176
Due by associated companies	8	4,151	3,791	411	170
Due by related companies	12	83	36	39	35
Other debtors	13	795	1,015	398	713
Fixed deposits		1,543	3,962	1,541	3,804
Bank and cash balances		5,273	2,856	3,922	1,438
		<b>56,739</b>	<b>72,115</b>	<b>56,517</b>	<b>72,908</b>
Less					
<b>CURRENT LIABILITIES</b>					
Trade creditors and bills payable	14	15,147	22,507	10,735	16,666
Due to holding company	6	3,928	3,750	–	–
Due to subsidiaries	7	–	–	3,316	7,853
Due to associated companies	8	139	108	116	108
Due to related companies	12	16	10	16	10
Obligations under hire purchase	15	70	52	8	14
Other creditors	16	2,123	1,640	1,578	1,425
Amounts due to bankers	17	–	4,228	–	4,228
Provision for taxation		500	63	480	10
Proposed dividends		596	–	596	–
		<b>22,519</b>	<b>32,358</b>	<b>16,845</b>	<b>30,314</b>
<b>NET CURRENT ASSETS</b>					
		<b>34,220</b>	<b>39,757</b>	<b>39,672</b>	<b>42,594</b>
<b>NON-CURRENT LIABILITIES</b>					
Obligations under hire purchase	15	(115)	(122)	(5)	(13)
Deferred taxation	18	(653)	(653)	(625)	(625)
Long term loans	19	(30,000)	(30,000)	(30,000)	(30,000)
		<b>(30,768)</b>	<b>(30,775)</b>	<b>30,630</b>	<b>(30,638)</b>
<b>CAPITAL AND RESERVES</b>					
Share capital	20	16,000	16,000	16,000	16,000
Reserves	21	3,253	2,818	4,244	3,306
		<b>19,253</b>	<b>18,818</b>	<b>20,244</b>	<b>19,306</b>
<b>MINORITY INTEREST</b>					
		<b>1,808</b>	<b>1,784</b>	<b>–</b>	<b>–</b>
		<b>21,061</b>	<b>20,602</b>	<b>20,244</b>	<b>19,306</b>

The accompanying notes form part of these financial statement.

## CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 31 December 1999

	1999 \$'000	1998 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating profit/(loss) before interest and taxation	1,846	(607)
Adjustments for:		
Depreciation of fixed assets	955	880
Loss on disposal of fixed assets	3	12
Amortisation of deferred expenditure	100	101
Loss on currency alignment	2	29
Operating profit before reinvestment in working capital	2,906	415
Decrease in trade and other debtors	8,962	7,016
Decrease in net amounts due by associated companies – trade	116	2,804
Increase in net amounts due by holding company – trade	(153)	(27)
Increase in net amounts due by related companies – trade	(47)	(116)
Decrease in inventories	6,971	2,179
Decrease in trade and other creditors	(6,877)	(7,822)
Cash used in operating activities	11,878	4,449
Interest paid	(370)	(862)
Income tax paid	(50)	(1,048)
<b>Net cash provided by operations</b>	<b>11,458</b>	<b>2,539</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend from associated company	33	–
Purchase of fixed assets	(4,929)	(3,454)
Capitalised software development costs	(802)	(1,172)
Proceeds from disposal of fixed assets	8	–
Interest received	206	330
Investment in associated companies	(735)	(1,140)
Investment in quoted securities	(765)	–
Loan to associated company	(90)	–
Proceeds from sale of the name of a subsidiary	–	50
<b>Net cash used in investing activities</b>	<b>(7,074)</b>	<b>(5,386)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	–	(710)
Capital contribution by minority shareholder of a subsidiary	–	1,470
(Increase)/Decrease in net amounts due by associated companies		
– Non-trade	(355)	101
Increase in net amounts due to holding company – Non-trade	179	3,588
Increase in net amounts due to related companies – Non-trade	7	13
Increase/(Decrease) in obligations under hire purchase	11	(58)
(Decrease)/Increase in short-term bank loans	(3,000)	3,000
<b>Net cash (used in)/provided by financing activities</b>	<b>(3,158)</b>	<b>7,404</b>
Net increase in cash and cash equivalents	1,226	4,557
Cash and cash equivalents at the beginning of year (Note 30)	5,590	1,033
Cash and cash equivalents at the end of year (Note 30)	6,816	5,590

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

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

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial statements of the Company and the Group, which are expressed in Singapore dollars, are prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

#### (b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries for the year ended 31 December 1999. The accounting year of the Company and all its subsidiaries ends on 31 December except for Teledatacom (India) Private Limited ("TIPL") which has an accounting year ending 31 March as required by the laws of its country of incorporation. The consolidated financial statements incorporate the audited financial statements of TIPL as of 31 March and the unaudited management accounts from 1 April to 31 December. TIPL does not contribute materially to the Group's results. The results of subsidiaries acquired or disposed of during the year are included in or excluded from the consolidated profit and loss account from the date of their acquisition or disposal. Inter-company balances and transactions and resulting unrealised profits are eliminated in full on consolidation. Unrealised losses resulting from inter-company transactions are also eliminated unless cost cannot be recovered.

When subsidiaries are acquired, any excess or shortfall of the consideration over the fair values of net identifiable assets at date of acquisition is included in goodwill or premium on consolidation and written against Group reserves in the year in which it arises.

#### (c) Foreign Currencies

Transactions in foreign currencies during the year are converted to Singapore dollars at the rates of exchange prevailing on the transaction dates. Foreign currency monetary assets and liabilities are translated to Singapore dollars at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by forward exchange contracts. Exchange differences arising from conversion are taken to the profit and loss account.

For inclusion in the consolidated financial statements, all assets and liabilities of foreign subsidiaries and associated companies are translated into Singapore dollars at the exchange rates ruling at the balance sheet date and the results of foreign subsidiaries and associated companies are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date. Exchange differences due to such currency translations are taken to the exchange translation reserve.

#### (d) Revenue Recognition

Revenue from the sale of products is recognised upon passage of title to the customer which generally coincides with their delivery and acceptance. Revenue from projects is recognised in the financial statements using the percentage of completion method by reference to physical progress of each project.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

**(e) Associated Companies**

The Group treats as associated companies those companies in which long term equity interests of between 20 and 50 percent are held and over whose financial and operating policy decisions it has significant influence.

The Group's share of the results of associated companies is included in the consolidated profit and loss account. The Group's share of the post-acquisition reserves of associated companies is included in the investments in the consolidated balance sheet. Where the audited accounts are not co-terminous with those of the Group, the share of results is arrived at from the last audited accounts available and unaudited management accounts to the end of the accounting period.

When associated companies are acquired, any excess or shortfall of the consideration over the share of the fair values of net identifiable assets at the date of acquisition is included in goodwill or premium on consolidation and written off against Group reserves in the year in which it arises.

**(f) Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Such cost include borrowing cost. The capitalisation rate is based on the actual borrowing rate on amounts directly attributable to the acquisition and installation of the related fixed assets. Expenditure for additions, improvements and renewals is capitalised and expenditure for maintenance and repairs is charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the profit and loss account.

**(g) Depreciation**

Depreciation is calculated so as to write off the cost of fixed assets and equipment on rental on a straight-line basis over the expected useful lives of the assets concerned. Depreciation of equipment on rental under development commences when the equipment is available for rental. The annual rates used for this purpose are:

	<u>No. of Years</u>
Motor vehicles	3 – 6
Office equipment	4 – 10
Workshop equipment	8 – 10
Furniture and fittings	10
Renovations	6
Equipment on rental	3 – 20

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

**(h) Investments**

Long-term investments, including investments in subsidiaries and associated companies in the financial statements of the Company, are stated at cost. Provision is made for any diminution in value, other than temporary, of the investment determined on an individual basis.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### (i) Inventories

Inventories, are stated at the lower of cost and net realisable value. In general, cost is determined on a weighted-average basis and includes all costs in bringing the inventories to their present location and condition.

Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made where necessary for obsolete, slow-moving and defective inventories.

Projects in progress comprise direct expenditure and an appropriate portion of overhead, less progress billings. Percentage of completion method is used for accounting for long term projects. Provision, in full, is made for all losses expected to arise on completion of projects regardless of stages of completion at the balance sheet date.

### (j) Debtors

Bad debts are written off and specific provisions are made for those debts considered to be doubtful.

### (k) Taxation

Tax expenses for the period is determined on the basis of tax effect accounting using the liability method. Deferred taxation is provided on significant timing differences arising from the different treatments in accounting and taxation of relevant items except where it can be demonstrated with reasonable probability that the tax deferral will continue for the foreseeable future. In accounting for timing differences, deferred tax debits are not accounted for unless there is reasonable expectation of their realisation.

### (l) Deferred expenditure

Deferred expenditure comprises of issue expenses of the unsecured bonds cum warrants which is amortised on a straight line basis over a five year period. It also includes pre-operation and preliminary expenses of certain subsidiaries which will be written off to the profit and loss account on a straight line basis over a five year period commencing from date of commercial operation.

### (m) Software development costs

Software development costs are accounted for in accordance with Statement of Accounting Standard 9 (Revised 1996), Research and Development Costs. Costs incurred with the planning and designing phase of software development after technological feasibility has been determined, as well as additional costs incurred in further development, including product quality assurance, are capitalised. The capitalised costs include borrowing cost. The capitalisation rate is based on the actual borrowing rate on amounts directly attributable to the development of the software.

Amortisation is provided on a product-by-product basis over the economical life of the software, not exceeding 7 years, using the straight line method. Amortisation commences when a product is available for general release to the customers. Unamortised capitalised costs determined to be in excess of the net realisable value of a product are expensed at the date of such determination.

### (n) Government grant

Government grants are recognised when there is reasonable assurance that the conditions of the grant are complied with and the amount of the grant will be received.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 2 PRINCIPAL ACTIVITIES

The principal activities of the Company, which is incorporated in Singapore, are to carry on business as system integrator and specialised distributor of telecommunication and datacommunication products. The principal activities of its subsidiaries are set out in Note 7(c) to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### 3 FIXED ASSETS

	Motor Vehicles \$'000	Office Equipment \$'000	Workshop Equipment \$'000	Furniture & Fittings \$'000	Reno- vations \$'000	Equipment On Rental \$'000	Total \$'000
<b>(a) The Group</b>							
Cost							
At 1.1.1999	902	3,363	66	919	962	6,952	13,164
Currency realignment	1	2	–	–	1	–	4
Additions	102	959	–	31	110	3,727	4,929
Reclassification	–	(55)	55	–	–	–	–
Disposals	(26)	(67)	–	(4)	–	–	(97)
At 31.12.1999	979	4,202	121	946	1,073	10,679	18,000
Accumulated depreciation							
At 1.1.1999	488	1,415	52	286	653	1,171	4,065
Currency realignment	–	–	–	–	1	–	1
Charge for the year	102	489	13	90	93	182	969
Reclassification	–	8	–	–	–	(8)	–
Disposals	(26)	(58)	(2)	–	–	–	(86)
At 31.12.1999	564	1,854	63	376	747	1,345	4,949
<b>Net Book Value at 31.12.1999</b>	<b>415</b>	<b>2,348</b>	<b>58</b>	<b>570</b>	<b>326</b>	<b>9,334</b>	<b>13,051</b>
Net Book Value at 31.12.1998	414	1,948	14	633	309	5,781	9,099
<b>(b) The Company</b>							
Cost							
At 1.1.1999	583	2,697	50	812	859	1,430	6,431
Additions	–	287	–	–	28	19	334
Disposals	(27)	(43)	–	–	–	–	(70)
At 31.12.1999	556	2,941	50	812	887	1,449	6,695
Accumulated depreciation							
At 1.1.1999	407	1,130	32	248	588	1,143	3,548
Charge for the year	56	381	6	78	79	181	781
Disposals	(27)	(42)	–	–	–	–	(69)
At 31.12.1999	436	1,469	38	326	667	1,324	4,260
<b>Net Book Value at 31.12.1999</b>	<b>120</b>	<b>1,472</b>	<b>12</b>	<b>486</b>	<b>220</b>	<b>125</b>	<b>2,435</b>
Net Book Value at 31.12.1998	176	1,567	18	564	271	287	2,883

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

At the balance sheet date, the net book value of motor vehicles under hire purchase agreements amount to \$319,538 (1998 : \$300,090) for the Group and \$32,772 (1998 : \$72,497) for the Company.

Equipment on rental comprises infrastructure equipment such as cables and telecommunication equipment which are either installed at customers' premises or are currently under development for support of the Group's and Company's rental activities.

The Group's Equipment on Rental under development include capitalised borrowing cost of \$204,728 (1998 : \$221,128).

### 4 INTANGIBLE ASSET

	The Group	
	1999 S\$'000	1998 S\$'000
<b>Capitalised software development costs</b>		
Balance at beginning of year	1,172	–
Additions	802	1,172
Balance at end of year	<b>1,974</b>	<b>1,172</b>

Capitalised costs include borrowing cost of \$82,623 (1998 : \$39,397)

### 5 DEFERRED EXPENDITURE

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Deferred expenditure at cost:				
– Bonds cum Warrants issue expenses	503	503	503	503
– Pre-operating expense	8	8	–	–
– Preliminary expense	29	14	–	–
	<b>540</b>	<b>525</b>	<b>503</b>	<b>503</b>
Less : amortisation to-date	(260)	(160)	(260)	(160)
Balance at end of year	<b>280</b>	<b>365</b>	<b>243</b>	<b>343</b>

The Group's preliminary expense includes current year depreciation of fixed assets of \$13,118 (1998 : \$8,035).

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 6. DUE BY/TO HOLDING COMPANY

(a) The Company is a 50.8% owned subsidiary of Intraco Limited, a company incorporated in Singapore, which is also the ultimate holding company.

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Due by Holding Company				
– Trade	159	6	159	6
– Non-Trade	–	1	–	1
	<b>159</b>	<b>7</b>	<b>159</b>	<b>7</b>
Due to Holding Company				
– Non-trade	<b>3,928</b>	3,750	–	–

The amounts due by/to holding company are unsecured, interest-free and have no fixed terms of repayment.

Included in the amount due to holding company (non-trade) is an amount of \$3,626 million (1998 : \$3.626 million) in respect of a loan to a subsidiary, Intrawave Pte Ltd. The loan is unsecured, bears interest at 6.75% (1998 : 6.75% to 8.75%) per annum, and has no fixed terms of repayment.

### 7. SUBSIDIARIES

	The Company	
	1999 S\$'000	1998 S\$'000
(a) Unquoted equity shares, at cost	6,625	3,725
Less : Provision for diminution in value	(144)	(144)
	<b>6,481</b>	<b>3,581</b>
(b) Due by subsidiaries		
– Trade	8,806	6,211
– Non-trade	10,622	12,965
	<b>19,428</b>	<b>19,176</b>
Due to subsidiaries		
– Trade	512	2,559
– Non-trade	2,804	5,294
	<b>3,316</b>	<b>7,853</b>

The amounts due by / to subsidiaries are unsecured, bear interest at prevailing bank prime rates of 6.25% (1998 : 6.25% to 8.25%) per annum and have no fixed terms of repayment.

Included in the amounts due by subsidiaries (non-trade) is an amount of \$3.774 million (1998 : \$2.448 million) shareholders' loan by the Company. The loan is unsecured, bears interest at 6.75% (1998 : 6.75% to 8.75%) per annum, and has no fixed terms of repayment.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

(c) The subsidiaries at 31 December 1999 are:

Name of Company	Principal Activities	Country of Incorporation/ Business	Class of Shares	Total paid-up capital of subsidiary Amount	Amount of company's investment in ordinary shares		% of Paid-up Capital held by the Group	
					1999 \$'000	1998 \$'000	1999 %	1998 %
<b>Held by Teledata (Singapore) Limited:</b>								
Davotek Sdn Bhd #	Dealer and maintainer of telecommunication equipment	Malaysia	Ordinary	RM1,000,000	<b>578</b>	578	<b>100</b>	100
Plexus Technology Pte Ltd *	General importer and exporter and commission agencies	Singapore	Ordinary	S\$1,500,000	<b>1,579</b>	379	<b>100</b>	100
Premier Electro Communication Private Limited *	Manufacturer and dealer in telecommunication equipment	Singapore	Ordinary	S\$600,000	<b>520</b>	520	<b>100</b>	100
Telebit (Singapore) Private Limited *	Distributor and maintainer of telecommunication and datacommunication products	Singapore	Ordinary	S\$1,500,000	<b>1,510</b>	310	<b>100</b>	100
Teledata International Pte Ltd *	System integrator, sourcing and distributing telecommunication and datacommunication products internationally	Singapore	Ordinary	S\$500,000	<b>255</b>	255	<b>51</b>	51
TD-Services (S) Pte Ltd *	To provide software development, system integration work and information services	Singapore	Ordinary	S\$500,000	<b>500</b>	See note (1) below	<b>100</b>	100
Intrawave Pte Ltd *	To provide radio coverage system management, operation, mobile service and to supply communications to other service providers	Singapore	Ordinary	S\$3,000,000	<b>1,530</b>	1,530	<b>51</b>	51
PT Teledata Indonesia +	To provide consultant services in the area of management information system, information technology and telecommunication	Indonesia	Ordinary	Rp966,000,000	<b>153</b>	153	<b>95.1</b>	95.1
					<b>6,625</b>	<b>3,725</b>		

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

Name of Company	Principal Activities	Country of Incorporation/ Business	Total paid-up capital of subsidiary		Amount of company's investment in ordinary shares		% of Paid-up Capital held by the Group	
			Class of Shares	Amount	1999 \$'000	1998 \$'000	1999 %	1998 %
<b>Held by Teledata International Pte Ltd:</b>								
Cybertel Limited #	Distribution of telecommunication, data and video communication products and provision of maintenance service	Hong Kong	Ordinary	HK50,000	11	–	51	–
Teledatacom (India) Private Limited @	Distribution of telecommunication, data and video communication products and provision of maintenance service	India	Ordinary	INR102,000	4	–	51	–
Teledata Sdn Bhd	Distribution of telecommunication, data and video communication products and provision of maintenance service	Brunei		see note (2) below				
<b>Held by Davotek Sdn Bhd:</b>								
Goodway Technology Sdn Bhd #	Dealership and provision of maintenance services	Malaysia	Ordinary	RM12,600	4	–	80	–

(1) The cost of investment in TD-Services (S) Pte Ltd was \$6 as at 31 December 1998.

(2) Teledata Sdn Bhd is incorporated under Memorandum and Articles of Association with authorised share capital of B\$100,000 comprising 100,000 ordinary shares of B\$1 each. It has not issued any share capital and has not commenced operations.

\* Audited by Ernst & Young, Singapore

# Audited by member firms of Ernst & Young International

@ Audited by other Certified Public Accountant firm

+ Not required to be audited in the country of incorporation

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 8 ASSOCIATED COMPANIES

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
(a) Unquoted equity shares, at cost	<b>7,220</b>	6,485	<b>7,207</b>	6,472
Less : Provision for diminution in value	<b>(3,066)</b>	(3,066)	<b>(5,929)</b>	(5,929)
	<b>4,154</b>	3,419	<b>1,278</b>	543
Currency realignment	<b>241</b>	305		
Write off of goodwill on acquisition	<b>(1,352)</b>	(1,352)		
Group's share of post – acquisition profits less losses	<b>(1,504)</b>	(1,388)		
	<b>1,539</b>	984		
(b) Due by associated companies:				
– Trade	<b>3,325</b>	3,437	<b>147</b>	131
– Non-trade	<b>826</b>	354	<b>264</b>	39
	<b>4,151</b>	3,791	<b>411</b>	170
Due to associated companies:				
– Trade	<b>110</b>	106	<b>108</b>	106
– Non-trade	<b>29</b>	2	<b>8</b>	2
	<b>139</b>	108	<b>116</b>	108

The amounts due by/to associated companies are unsecured, interest free and have no fixed terms of repayment.

Included in the amount due by associated companies (non-trade) is an amount of \$90,000 (1998 : Nil) shareholders' loan by the Company. The loan is unsecured, bears interest at 6.75% (1998 : Nil) per annum, and has no fixed terms of repayment.

(b) The associated companies at 31 December 1999 are:

Name of Company	Country of Incorporation/ Business	Class of Shares	% of Paid-up Capital held by the Company or its nominees		Cost of Investment	
			1999 %	1998 %	1999 S\$'000	1998 S\$'000
<b>Held by Teledata (Singapore) Limited:</b>						
Teledata (Hong Kong) Limited	Hong Kong	Ordinary	<b>30</b>	30	<b>310</b>	310
Teledata (Thailand) Co., Ltd	Thailand	Ordinary	<b>24</b>	24	<b>146</b>	146
Hutchison IntraPage Pte Ltd	Singapore	Ordinary	<b>30</b>	30	<b>4,140</b>	4,140
Teledatcom (Phils) Inc.	Philippines	Ordinary	<b>49</b>	49	<b>87</b>	87
Mavix Ltd	Israel	Ordinary	<b>25</b>	25	<b>1,789</b>	1,789
Internoc Singapore Pte Ltd	Singapore	Ordinary	<b>49</b>	–	<b>735</b>	–
					<b>7,207</b>	6,472
<b>Held by Davotek Sdn Bhd:</b>						
Davoteknologi Sdn Bhd	Malaysia	Ordinary	<b>30</b>	30	<b>13</b>	13
					<b>7,220</b>	6,485

The accounting year end of the above companies is 31 December.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 9 OTHER INVESTMENT

	The Group & The Company	
	1999 S\$'000	1998 S\$'000
Equity shares quoted on an exchange outside Singapore, at cost	<b>765</b>	–
Market Value	<b>331</b>	–

### 10 INVENTORIES

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Inventories	<b>17,226</b>	19,438	<b>12,381</b>	16,308
Costs incurred on projects in progress	<b>2,913</b>	7,445	<b>1,988</b>	3,516
Less : Progress billings	<b>(448)</b>	(221)	<b>(448)</b>	(214)
Costs incurred in excess of billings	<b>2,465</b>	7,224	<b>1,540</b>	3,302
	<b>19,691</b>	26,662	<b>13,921</b>	19,610
Inventories are stated after deducting provision for obsolescence of:				
Balance at the beginning of year	<b>146</b>	234	<b>146</b>	234
Charge/(Written back) to profit and loss account	<b>100</b>	(88)	–	(88)
Stocks Written Off	<b>(100)</b>	–	–	–
Balance at the end of year	<b>146</b>	146	<b>146</b>	146

### 11 TRADE DEBTORS

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Trade debtors are stated after deducting specific provision for doubtful debts of:				
Balance at the beginning of year	<b>185</b>	48	<b>185</b>	41
Charge to profit and loss account	<b>88</b>	185	<b>86</b>	185
Bad debts written off	<b>(180)</b>	(48)	<b>(180)</b>	(41)
Balance at the end of year	<b>93</b>	185	<b>91</b>	185
Bad debts written off directly to profit and loss account	–	25	–	–

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 12 DUE BY/TO RELATED COMPANIES

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
(a) Amounts due by related companies				
Amounts due by a group of companies of which the Company is a subsidiary				
– trade	<b>83</b>	36	<b>39</b>	35
(b) Amounts due to related companies				
Amount due to a group of companies of which the Company is a subsidiary				
– non-trade	<b>16</b>	10	<b>16</b>	10

The amounts due by / to related companies are unsecured, interest-free and have no fixed terms of repayment.

### 13 OTHER DEBTORS

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Prepayments	<b>153</b>	222	<b>85</b>	94
Deposits	<b>281</b>	375	<b>216</b>	328
Staff loans	<b>198</b>	265	<b>96</b>	192
Sundry debtors	<b>163</b>	153	<b>1</b>	99
	<b>795</b>	1,015	<b>398</b>	713

### 14 TRADE CREDITORS AND BILLS PAYABLE

Included in trade creditors and bills payable are:

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Costs incurred on projects in progress	<b>78</b>	1,471	–	–
Less : Progress Billings	<b>(2,643)</b>	(1,944)	<b>(2,252)</b>	(247)
Billings in excess of cost incurred	<b>(2,565)</b>	(473)	<b>(2,252)</b>	(247)

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 15 OBLIGATIONS UNDER HIRE PURCHASE

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Minimum hire purchase payments payable:				
within one year	84	64	10	17
between one and five years	137	149	5	15
	<b>221</b>	213	<b>15</b>	32
Finance charges allocated to future periods	(36)	(39)	(2)	(5)
	<b>185</b>	174	<b>13</b>	27
Included in:				
Current liabilities	70	52	8	14
Non-current liabilities	115	122	5	13
	<b>185</b>	174	<b>13</b>	27

### 16 OTHER CREDITORS

These comprise:

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Accrued operating expenses	2,041	1,627	1,505	1,412
Sundry creditors	82	13	73	13
	<b>2,123</b>	1,640	<b>1,578</b>	1,425

### 17 AMOUNTS DUE TO BANKERS

	The Group & The Company	
	1999 S\$'000	1998 S\$'000
<u>Unsecured</u>		
Bank overdrafts	–	1,228
Short-term bank loans	–	3,000
	–	<b>4,228</b>

The amounts due to bankers in 1998 were charged with interest at 5.5% to 8.25% per annum.

### 18 DEFERRED TAXATION

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Balance at the beginning of year	653	625	625	625
Provided during the year	–	28	–	–
Balance at the end of year	<b>653</b>	653	<b>625</b>	625

The deferred taxation arises mainly on the excess of net book value over tax written down value of fixed assets.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 19 LONG TERM LOANS

	The Group & The Company	
	1999	1998
	S\$'000	S\$'000
1% Bonds due 2002 – unsecured	<b>30,000</b>	30,000

In 1997, the Company issued \$30 million unsecured 1% Bonds due 2002 ('Bonds') in conjunction with 24,000,000 detachable Warrants ('Warrants') to subscribe for 24,000,000 new ordinary shares ('New Shares') of \$0.10 each in the capital of the Company. The mandatory redemption of the Bonds at their principal amount is on 3 June 2002. Prior to that date, the Company may purchase the Bonds in the open market and may, at its option, retain, sell, cancel or otherwise deal with them.

#### Alternative Accounting Treatment – “Bond Discount” Amortisation

The above Bonds are recorded in the accounts at their principal values while no value is attributed to the warrants.

An alternative accounting treatment for issue of Bonds with Warrants is set out in Exposure Draft E48 on Financial Instruments (“E48”) and International Accounting Standard 32 on Financial Instruments : Disclosure and Presentation (“IAS 32”).

If the Company were to adopt the alternative accounting treatment under IAS 32 in respect of the Bonds, the total consideration of \$30 million on initial recognition would be described as follows:

	\$'000
Present value of Bonds	24,000
Value of Warrants	6,000
	<u>30,000</u>

The discount of \$6 million, being the difference between the principal amount of the Bonds and its present value on initial recognition, will be amortised over 5 years (the duration of the Bonds) using the discount method.

IAS 32 has not been adopted in Singapore. If it had been adopted when presenting the financial statements, the profit after taxation for the year of the Group and the Company would have been reduced by approximately \$1.2 million (1998: \$1.1 million). The net assets of the Group and the Company would have been increased by approximately \$3.1 million (1998: \$4.3 million) representing the allocated value of the Warrants less cumulative discount amortised.

	The Group & The Company	
	1999	1998
	S\$'000	S\$'000
<b>Profit &amp; Loss account</b>		
Reduction in profit after taxation attributable to shareholders		
– portion of deemed bond discount charged to revenue reserve	<b>1,170</b>	1,106
<b>Balance Sheet</b>		
Increase in capital reserve		
– deemed value of Warrants	<b>6,000</b>	6,000
Less : issue expenses	<b>(503)</b>	(503)
	<b>5,497</b>	5,497
Present value on initial recognition	<b>24,000</b>	24,000
Cumulative bond discount amortised	<b>2,901</b>	1,731
	<b>26,901</b>	25,731
Reduction of retained earnings:		
– portion of deemed bond discount charged to revenue reserve	<b>2,901</b>	1,731

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 20 SHARE CAPITAL

	The Group & The Company	
	1999 S\$'000	1998 S\$'000
<b>ORDINARY SHARES OF S\$0.10 EACH</b>		
<b>Authorised:</b>		
Balance at beginning and end of year	<b>50,000</b>	50,000
<b>Issued and fully paid:</b>		
Balance at beginning and end of year	<b>16,000</b>	16,000

As at balance sheet date, the number of share options outstanding under the Teledata Share Option Scheme was 3,307,000.

As at balance sheet date, the number of warrants issued and outstanding was 24,000,000 (1998 : 24,000,000). These warrants, expiring on 3 June 2002, entitle the warrant holders to subscribe for 24,000,000 new ordinary shares of S\$0.10 each at S\$0.56 per share.

### 21 RESERVES

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
<b>Revenue Reserve</b>				
Balance at beginning of year	<b>2,633</b>	6,922	<b>3,306</b>	10,016
Retained profit/(accumulated loss) for the year	<b>494</b>	(4,289)	<b>938</b>	(6,710)
Balance at end of year	<b>3,127</b>	2,633	<b>4,244</b>	3,306
<b>Exchange Translation Reserve</b>				
Balance at beginning of year	<b>185</b>	160	–	–
Exchange difference arising from translation of				
– foreign subsidiaries	<b>2</b>	25	–	–
– foreign associated companies	<b>(64)</b>	–	–	–
Balance at end of year	<b>123</b>	185	–	–
<b>Capital reserve on consolidation</b>				
Discount on acquisition of subsidiary	<b>3</b>	–	–	–
Balance at end of year	<b>3</b>	–	–	–
<b>Total Reserves</b>				
	<b>3,253</b>	2,818	<b>4,244</b>	3,306
Retained in				
Company	<b>4,244</b>	3,306		
Subsidiaries	<b>(1,275)</b>	(916)		
Associated Companies	<b>284</b>	428		
	<b>3,253</b>	2,818		

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 22 TURNOVER AND RELATED PARTY TRANSACTIONS

(a) Turnover represents mainly sale of telecommunication and datacommunication products and IT services. It excludes goods and services tax. In respect of the Group turnover, it excludes sales between group companies.

(b) During the financial year, the following related party transactions took place on terms agreed by the parties concerned:

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
(i) Associated Companies:				
Sales to	<b>2,929</b>	5,386	–	102
Purchases from	<b>283</b>	171	<b>15</b>	61
Management consultancy fees received from	<b>74</b>	206	<b>74</b>	–
Pager subscription paid to	<b>20</b>	–	<b>20</b>	–
(ii) Subsidiaries:				
Sales to	–	–	<b>9,035</b>	16,604
Purchases from	–	–	<b>9,306</b>	4,247
Management fees received from	–	–	<b>1,372</b>	756
Accountancy fees received from	–	–	<b>45</b>	153
Office rental received from	–	–	<b>408</b>	258
Office Utilities received from	–	–	<b>33</b>	21
(iii) Holding Company:				
Sales to	<b>197</b>	32	<b>197</b>	32
Purchases from	<b>29</b>	52	<b>29</b>	52
Office rental expense paid to	<b>185</b>	258	–	–
Professional fees paid to	<b>7</b>	16	<b>7</b>	16
Interest paid to	<b>219</b>	30	–	–
(iv) Group of Companies of which the Company is a subsidiary:				
Sales to	<b>5</b>	11	<b>5</b>	11
Purchases from	<b>2</b>	1	<b>2</b>	1
Warehouse rental expense paid to	<b>106</b>	137	<b>106</b>	137
(v) Substantial shareholder of the ultimate holding company:				
Sales to	<b>51</b>	117	<b>51</b>	117

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 23 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Depreciation on:				
Motor vehicles	102	98	56	60
Office equipment	475	434	381	365
Workshop equipment	13	12	6	6
Furniture and fittings	90	92	78	80
Renovations	93	87	79	81
Equipment on rental	182	157	181	155
	<b>955</b>	<b>880</b>	<b>781</b>	<b>747</b>
Amortisation of deferred expenditure	100	101	100	101
Auditors' remuneration:				
Payable to the auditors of the Company				
– current year	69	61	37	37
– prior year under / (over) provision	(7)	(1)	(13)	–
Directors' remuneration				
Directors of the Company	390	449	390	449
Other directors	37	8	–	–
Specific provision for doubtful trade debts	88	185	86	185
Bad trade debts written off	20	25	14	–
Bad trade debts recovered	(36)	(51)	(36)	(51)
Foreign exchange difference				
– Realised loss/(gain)	(50)	1,047	(158)	705
– Unrealised loss/(gain)	(148)	(84)	24	174
Provision for inventories obsolescence	100	(88)	–	(88)
Inventories written down	677	734	603	565
Inventories written off	140	2,297	1	2,295
Loss on disposal of fixed assets	3	12	–	9
Dividend income from an associated company	–	–	33	–

### 24 INTEREST INCOME

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Interest income from				
– banks	206	330	183	272
– subsidiaries	–	–	271	443
	<b>206</b>	<b>330</b>	<b>454</b>	<b>715</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 25 INTEREST EXPENSE

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Interest expense on				
– bank overdrafts	21	183	21	183
– short term bank loans	37	164	37	164
– letters of credits and trust receipts	–	204	–	204
– long term loans	300	300	300	300
– obligations under hire purchase	12	11	3	3
	<b>370</b>	<b>862</b>	<b>361</b>	<b>854</b>

### 26 TAXATION

The charge for taxation is made up as follows:

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
On the profit for the year:				
Current taxation	500	24	480	–
Deferred taxation	–	28	–	–
	<b>500</b>	<b>52</b>	<b>480</b>	<b>–</b>
Under/(Over) provision in previous year	<b>(13)</b>	<b>1</b>	<b>(11)</b>	<b>–</b>
	<b>487</b>	<b>53</b>	<b>469</b>	<b>–</b>

#### The Group

The tax charge in respect of the profit of the Group for the financial year is higher than that determined by applying the statutory tax rate of 26% (1998 : 26%) to the profit before tax due primarily to certain expenses not deductible for taxation purpose.

At 31 December 1999, certain subsidiaries have unutilised capital allowances, tax losses and double tax deduction of approximately \$51,000 (1998 : \$741,000), \$341,000 (1998 : \$1,203,000) and \$123,140 (1998 : Nil) available for offsetting against future taxable income, subject to the provisions of the Income Tax Act and agreement by the Comptroller of Income Tax.

The current year's tax savings for the Group and Company arising from utilisation of unabsorbed capital allowances, tax losses and double tax deduction brought forward amounted to approximately \$317,000 (1998 : Nil) and \$191,000 (1998 : Nil).

#### The Company

The tax charge in respect of the profit of the Company for the financial year is lower than that determined by applying the statutory tax rate of 26% (1998 : 26%) due to the utilisation of tax losses and capital allowances brought forward, partly offset by non deductible expenses.

### 27 EXTRAORDINARY ITEMS

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Provision for diminution in value of investment in associated companies	–	3,066	–	5,929
Gain on sale of a subsidiary's name	–	(50)	–	(50)
	<b>–</b>	<b>3,016</b>	<b>–</b>	<b>5,879</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 28 DIVIDENDS

	The Company	
	1999 S\$'000	1998 S\$'000
Ordinary dividends:		
Proposed first and final dividend of 5% (1998 : Nil) less tax at 25.5% (1998 : 26%)	<b>596</b>	–

### 29 EARNINGS/(LOSS) PER SHARE

#### Basic Earnings/(Loss) Per Share

The calculations for basic earnings per share before extraordinary items and basic earnings per share after extraordinary items are based on:

	The Group	
	1999 S\$'000	1998 S\$'000
Consolidated profit after taxation and minority interest but before extraordinary items	<b>1,090</b>	(1,273)
Consolidated profit after taxation, minority interests and extraordinary items	<b>1,090</b>	(4,289)
Number of ordinary shares in issue	<b>160,000,000</b>	160,000,000

#### Diluted Earnings/(Loss) per share

When calculating diluted earnings per share, the weighted average number of shares is adjusted for the effect of all dilutive potential ordinary shares. The number of unissued shares under option granted under the Teledata Share Option Scheme and their exercise prices are set out in the Directors' Report. The number of unissued shares under warrants issued in conjunction with the issue of \$30 million unsecured 1% Bonds due 3 June 2002 and their exercise prices are set out in Note 20. The average fair value of one ordinary share during 1999 was \$0.575 (1998 : \$0.188) per share. The weighted average number of ordinary shares adjusted for the unissued shares is as follows:

	The Group	
	1999 S\$'000	1998 S\$'000
Number of ordinary shares in issue (used in the calculation of basic earnings per share)	<b>160,000,000</b>	160,000,000
Weighted average number of unissued shares under the warrants	<b>24,000,000</b>	–
Weighted average number of unissued shares under the Teledata Share Option Scheme	<b>551,000</b>	–
Number of shares that would have been issued at fair value	<b>(23,773,000)</b>	–
Weighted average number of ordinary shares (diluted)	<b>160,778,000</b>	160,000,000

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 30 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts:

	The Group	
	1999 S\$'000	1998 S\$'000
Fixed deposits	1,543	3,962
Bank and cash balances	5,273	2,856
Bank overdrafts	–	(1,228)
	<b>6,816</b>	<b>5,590</b>

### 31 REMUNERATION OF COMPANY'S DIRECTORS

#### Number of Directors in Remuneration Bands

	Executive Directors	Non-Executive Directors	Total
Above S\$500,000	–	–	–
S\$250,000 to S\$499,999	1	–	1
Below S\$250,000	–	7	7
	<b>1</b>	<b>7</b>	<b>8</b>

### 32 LEASE COMMITMENTS

At 31 December 1999, the minimum lease payments for non-cancellable operating leases with a term of more than one year in respect of the rental of premises and office equipment are as follow:

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Payable within 1 year	828	918	777	892
Payable between 1 and 5 years	1,375	129	1,372	129
Payable after 5 years	63	–	63	–
	<b>2,266</b>	<b>1,047</b>	<b>2,212</b>	<b>1,021</b>

### 33 COMMITMENTS

The Group and the Company have the following commitments as at year end:

	The Group		The Company	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Forward exchange contracts to purchase foreign currencies	263	10,332	263	10,332
Capital expenditure committed	<b>16,136</b>	<b>5,030</b>	–	–

## NOTES TO THE FINANCIAL STATEMENTS

31 December 1999

### 34 CONTINGENT LIABILITIES

	The Company	
	1999 S\$'000	1998 S\$'000
Guarantees given to a bank in connection with unsecured performance guarantees issued for subsidiaries and associated companies	<b>1,170</b>	346

The Company has also issued letters of awareness to banks in respect of short-term loan facilities given by the banks to an associated company. As at the balance sheet date, short-term loans owing by this associated company to the banks amount to \$18.0 million (1998 : \$18.4 million).

### 35 GROUP SEGMENTAL INFORMATION

- (a) The activities of the Company and its subsidiaries are substantially in the telecommunications industry, reporting by industry segment is not applicable.
- (b) Information of the group by geographical location based on countries of incorporation are as follows:

	Turnover		Operating profit/(loss) before taxation		Assets Employed	
	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000	1999 S\$'000	1998 S\$'000
Singapore	<b>82,204</b>	100,250	<b>1,693</b>	(921)	<b>69,010</b>	79,125
Asia (excluding Singapore)	<b>4,305</b>	4,354	<b>(11)</b>	(218)	<b>3,799</b>	3,626
Inter-segment adjustments	<b>(24,213)</b>	(23,743)	-	-	-	-
	<b>62,296</b>	80,861	<b>1,682</b>	(1,139)	<b>72,809</b>	82,751

- (i) The above segmental information has been compiled in a consistent manner. The division of the Group's results and assets into geographical segments has been ascertained by reference to direct identification of assets and revenue. Inter-segment pricing is based on terms agreed between the segments concerned.
- (ii) In arriving at the turnover, operating profit/(loss) and assets employed, the Group's share of associated companies' turnover and operating profit/(loss) and the Group's investment in associated companies are excluded.

## GROUP VALUE ADDED STATEMENT

For the Year Ended 31 December 1999

	1999		1998	
	\$'000	%	\$'000	%
Turnover	62,296		80,861	
Bought-In Materials and Services	46,706		69,335	
Gross value added from operations	15,590	99.2	11,526	96.8
Interest & other income	206	1.3	330	2.8
Share of results of associated companies	(83)	(0.5)	44	0.4
Total value added available for distribution	15,713	100.0	11,900	100.0
Distribution to:				
Employees as salaries & other staff costs	12,811	81.5	14,394	121.0
Government as corporate taxes	487	3.1	53	0.4
Banks and other lenders as interest	370	2.4	862	7.2
Shareholders of the company as dividends	596	3.8	0	0
Total Distribution	14,264	90.8	15,309	128.6
Retained in the business:				
Depreciation of fixed assets	955	6.1	880	7.4
Retained profits	494	3.1	(4,289)	(36.0)
	1,449	9.2	(3,409)	(28.6)
Total value added	15,713	100.0	11,900	100.0

### PRODUCTIVITY DATA

Value added per employee (\$)	49.1	34.59
Value added per \$ employee cost	1.23	0.83
Value added per \$ turnover	0.25	0.15
Value added per \$ investment in fixed assets (before depreciation)	0.87	0.90
Turnover per employee (\$)	195	235
Number of employees at 31 December	320	344

## SHAREHOLDING STATISTICS

As at 5 April 2000

### DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 – 1,000	401	7.59	395,038	0.25
1,001 – 10,000	4,088	77.38	19,400,378	12.12
10,001 – 1,000,000	783	14.82	33,470,956	20.92
1,000,001 and above	11	0.21	106,733,628	66.71
<b>Total</b>	<b>5,283</b>	<b>100.00</b>	<b>160,000,000</b>	<b>100.00</b>

### TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% of Shares
1.	Intraco Limited	81,293,752	50.81
2.	Shamsuddin bin Abdul Kadir	7,980,000	4.99
3.	DBS Nominees Pte Ltd	3,025,000	1.89
4.	Han Meng Siew	2,731,404	1.71
5.	United Overseas Bank Nominees (Pte) Ltd	2,400,000	1.50
6.	Tokyo-Mitsubishi International (S) Ltd	2,000,000	1.25
7.	ING Nominees (S'pore) Pte Ltd	1,859,000	1.16
8.	Lum Chang Securities Pte Ltd	1,700,000	1.06
9.	Ng Siew Leng	1,280,472	0.80
10.	Oversea-Chinese Bank Nominees Pte Ltd	1,266,000	0.79
11.	Citibank Nominees Singapore Pte Ltd	1,198,000	0.75
12.	Tan Seng Hock	958,000	0.60
13.	Phillip Securities Pte Ltd	854,000	0.53
14.	Vickers Ballas & Co Pte Ltd	766,000	0.48
15.	Overseas Union Bank Nominees (Pte) Ltd	754,000	0.47
16.	Citibank Consumer Nominees Pte Ltd	486,000	0.30
17.	Kay Hian Private Limited	473,000	0.30
18.	Koh Kim Cheong	451,708	0.28
19.	Hong Leong Finance Nominees Pte Ltd	428,000	0.27
20.	Paribas Nominees Singapore Pte Ltd	416,000	0.26
<b>Total</b>		<b>112,320,336</b>	<b>70.20</b>

### SUBSTANTIAL SHAREHOLDER

Name of Shareholder	Direct Interest	Percentage (%) of Issued Capital	Deemed Interest (Pursuant to Section 7) of The Companies Act, (Cap 50)	Percentage (%) of Issued Capital
Intraco Limited	81,293,752	50.81	–	–

## SHAREHOLDING STATISTICS

As at 5 April 2000

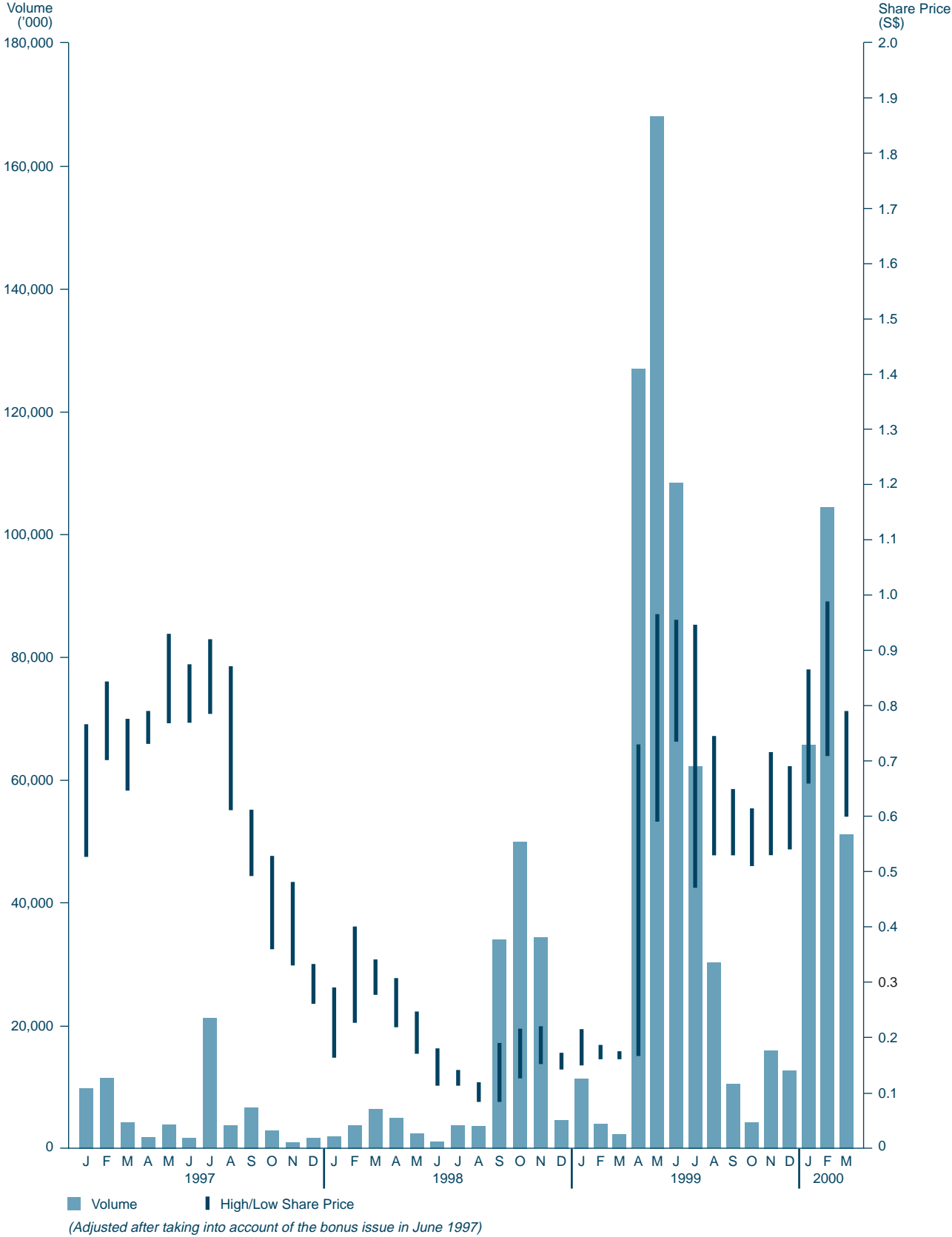
### DISTRIBUTION OF WARRANTHOLDERS

Size of Holdings	No. of Warrantholders	%	No. of Warrants	%
1 – 1,000	454	32.61	271,006	1.13
1,001 – 10,000	710	51.01	4,060,800	16.92
10,001 – 1,000,000	227	16.31	7,473,194	31.14
1,000,001 and above	1	0.07	12,195,000	50.81
<b>Total</b>	<b>1,392</b>	<b>100.00</b>	<b>24,000,000</b>	<b>100.00</b>

### TWENTY LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	No. of Warrants	% of Warrants
1.	Intraco Limited	12,195,000	50.81
2.	Phillip Securities Pte Ltd	293,066	1.22
3.	Khoo Ho You	210,000	0.88
4.	Domain Trading & Construction Pte Ltd	190,000	0.79
5.	Tan Yan Kim	154,000	0.64
6.	Keppel Bank Nominees Pte Ltd	130,000	0.54
7.	Yang Choon Sang @ Yang Choon Siang	110,000	0.46
8.	Ee Kim Lye	104,000	0.43
9.	Ang Chin Choon	100,000	0.42
10.	Chua Ser Kai	100,000	0.42
11.	Herman Halim	100,000	0.42
12.	Hong Leong Finance Nominees Pte Ltd	92,000	0.38
13.	Vickers Ballas & Co Pte Ltd	91,000	0.38
14.	Soon Hon Boon	90,000	0.38
15.	Yeo Cheng Hua @ Yeo Chai Keok	90,000	0.38
16.	Lim Hui Lin	80,000	0.33
17.	Ng Bie Tjin @ Djuniarti Intan	80,000	0.33
18.	Singapore Nominees Pte Ltd	80,000	0.33
19.	Saw Joo Suan	75,000	0.31
20.	Lee Kian Cheng	70,000	0.29
<b>Total</b>		<b>14,434,066</b>	<b>60.14</b>

# SHARE PRICE AND VOLUME



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Fourth Annual General Meeting of the abovenamed company will be held at The Board Room, No. 230 Victoria Street, #12-00, Bugis Junction Towers, Singapore 188024, on Monday, the 22nd day of May 2000 at 9.30am for the following purposes:

### AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31 December 1999, together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a first and final dividend of five percent less Singapore tax. **(Resolution 2)**
3. To approve Directors' fees of S\$99,334 for the financial year ended 31 December 1999. (1998: \$69,500) **(Resolution 3)**
4. (a) To re-elect the following Directors retiring by rotation under Articles 100 & 101:
  - (i) Mr Tan Eng Bock **(Resolution 4)**
  - (ii) Mr Tan Keng Boon **(Resolution 5)**(b) To re-elect the following Directors retiring under the provisions of Article 104:
  - (i) Mr Tan Puay Chuan **(Resolution 6)**
  - (ii) Mr Cheng Hoo Wah Bobby **(Resolution 7)**
  - (iii) Mr Anthony Mallek **(Resolution 8)**
5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**
6. To transact any other ordinary business.

Note: Messrs Tan Keng Boon and Tan Eng Bock, members of the Company's Audit Committee, are independent directors. Upon re-election as directors, they will continue to serve as independent directors on the Audit Committee.

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions with or without modifications, as Ordinary Resolutions:-

7. That pursuant to Section 161 of the Companies Act, Cap. 50, approval be and is hereby given to the Directors to issue and allot further shares in the Company at any time to such persons upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued pursuant to this ordinary resolution shall not exceed fifty percent (50%) of the issued share capital of the Company for the time being, of which the aggregate number of shares issued other than on a pro rata basis to existing shareholders shall not exceed twenty percent (20%) of the Company's issued share capital for the time being and that such authority shall continue in force until the conclusion of the Company's next Annual General Meeting or until revoked or varied at a general meeting of the Company. **(Resolution 10)**
8. That authority be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Teledata Share Option Scheme ("the Scheme") and pursuant to Section 161 of the Companies Act, Cap.50 to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the Options under the Scheme provided always that the aggregate number of Shares to be issued pursuant to the Scheme shall not exceed fifteen (15) per cent. of the total issued share capital of the Company from time to time. **(Resolution 11)**

## NOTICE OF ANNUAL GENERAL MEETING

9. That approval be and is hereby given for the purposes of Chapter 9A of the Listing Manual of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and target associated companies (the "Group") or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Company's Circular to Shareholders dated 14 November 1997 (the "Circular") with any party who is of the class of Interested Persons described in the Circular provided that such transactions are made on an arm's length basis and on normal commercial terms and that such approval shall, unless revoked or varied by the Company in General Meeting, continue to be in force until the next Annual General Meeting of the Company.
- (Resolution 12)**

**NOTICE IS ALSO HEREBY GIVEN** that the Transfer Books and Register of Members of the Company will be closed from 7 June 2000 to 8 June 2000 (both dates inclusive) for the purpose of determining shareholders' entitlements to the proposed first and final dividend of five percent less Singapore tax in respect of the financial year ended 31 December 1999.

Duly completed transfers received by the Company's Registrars, Barbinder & Co Pte Ltd, at 8 Cross Street, #11-00, PWC Building, Singapore 048424, up to 5.00pm on 6 June 2000 will be registered before entitlements to the dividends are determined. The dividend, if approved by shareholders at the above Meeting, will be paid on 20 June 2000.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00pm on 6 June 2000 will be entitled to the proposed first and final dividend.

On behalf of the Board of Directors

**NG SIEW LENG**  
**EMILY CHIN MEI FONG**  
Company Secretaries

Singapore, 3 May 2000

### NOTES

1. With the exception of The Central Depository (Pte) Limited (who may appoint more than two proxies), a member entitled to attend and vote at the above meeting is entitled to appoint no more than two proxies to attend and vote on his behalf and such proxy need not be a member of the Company.
2. Proxies must be deposited at the Registered Office of the Company at 10 Dundee Road, #06-01, Setron Building, Singapore 149455 not less than 48 hours before the above meeting.
3. Ordinary Resolution No. 10 under the heading "Special Business", if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares in the Company up to and not exceeding in total 50 per centum of the issued share capital of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority will continue to be in force until the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.
4. Ordinary Resolution No. 11 under the heading "Special Business" if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares in the Company up to an amount not exceeding in total fifteen per cent (15%) of the issued share capital of the Company for the time being pursuant to the exercise of the options under the Scheme. This authority will continue to be in force until the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.
5. Ordinary Resolution No. 12 under the heading "Special Business" is to renew the Mandate to allow the Company, its subsidiaries and target associated companies or any of them to enter into certain interested person transactions with persons who are considered "interested persons" (as defined in Chapter 9A of the Listing Manual of the Singapore Exchange Securities Trading Limited).

**PROXY FORM****TELEDATA**TELEDATA (SINGAPORE) LIMITED  
(Incorporated in the Republic of Singapore)

I/We,

of

being member/members of TELEDATA (SINGAPORE) LIMITED (the "Company"), hereby appoint

Name	Address	NRIC / Passport Number	Proportion of Shareholdings
and/or (delete as appropriate)			

as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf, at the 24th Annual General Meeting of the Company, to be held at The Board Room, No. 230 Victoria Street, #12-00 Bugis Junction Towers, Singapore 188024, on Monday, the 22nd day of May 2000 at 9.30 a.m. and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the \*proxy/proxies will vote or abstain from voting at \*his/their discretion, as \*he/they will on any other matters arising at the Meeting.

No.	Resolutions	For	Against
1.	To receive the Directors' Report and the Audited Accounts for the financial year ended 31 December 1999, together with the Auditors' Report thereon.		
2.	To declare a first and final dividend of 5 percent less Singapore tax.		
3.	To approve payment of Directors' fees.		
4.	To re-elect Mr Tan Eng Bock retiring by rotation under Articles 100 & 101.		
5.	To re-elect Mr Tan Keng Boon retiring by rotation under Articles 100 & 101.		
6.	To re-elect Mr Tan Puay Chuan retiring under the provision of Article 104.		
7.	To re-elect Mr Cheng Hoo Wah Bobby retiring under the provision of Article 104.		
8.	To re-elect Mr Anthony Mallek retiring under the provision of Article 104.		
9.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.		
10.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.		
11.	To authorise Directors to issue shares pursuant to the Teledata Share Option Scheme.		
12.	To renew the Mandate for Interested Persons Transactions of the Group.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2000.

Total Number of Shares Held	
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\_\_\_\_\_  
Signature(s) of member(s)/Common Seal**NOTES**

- A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and where there is more than one proxy, the proportion of Shares to be represented by each proxy must be stated. If no such proportion of number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy is alternate to the first named.
- This instrument of proxy must be signed by the appointor or his/her duly authorised attorney or, if the appointor is a body corporate, signed by a duly authorised officer or its attorney or affixed with its common seal thereto.
- A body corporate which is a member may also appoint by resolution of its directors or other governing body as an authorised representative or representative in accordance with its Articles of Association and Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such body corporate.
- This instrument appointing a proxy or proxies, duly stamped (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 10 Dundee Road, #06-01 Setron Building, Singapore 149455 not less than 48 hours before the time fixed for holding the Annual General Meeting.
- A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
- The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument of proxy lodged if such member is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for the holding of the Annual General Meeting as certified by CDP to the Company.

\*Delete Accordingly

FOLD THIS FLAP FOR SEALING

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AFFIX  
POSTAGE  
STAMP  
HERE

**The Company Secretary**  
**TELEDATA (SINGAPORE) LIMITED**  
**10 Dundee Road #06-01**  
**Setron Building**  
**Singapore 149455**

2ND FOLD HERE

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3RD FOLD HERE

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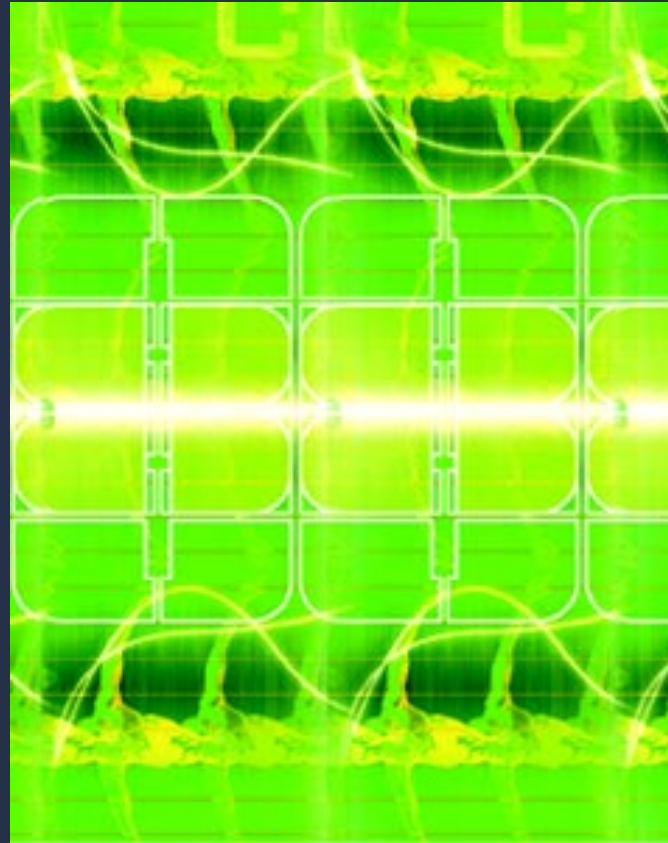
# TELEDATA

**TELEDATA (SINGAPORE) LIMITED**

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Website: [www.teledata.com.sg](http://www.teledata.com.sg)



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