

REPORT OF THE DIRECTORS

REPORT OF THE DIRECTORS

The directors are pleased to present their report to the members together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2000.

DIRECTORS

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

Tan Keng Boon – Chairman
Yang Boon Kiat – Chief Executive Officer
Han Meng Siew – Chief Operating Officer
Tan Eng Bock
Wong Lin Hong
Anthony Mallek
Josephine Kwa Lay Keng

In accordance with Articles 100 and 101 of the Company's Articles of Association, Messrs Wong Lin Hong and Han Meng Siew retire by rotation and, being eligible, offer themselves for re-election.

In accordance with the provisions of Article 104 of the Company's Articles of Association, Mr. Yang Boon Kiat and Dr. Josephine Kwa Lay Keng retire and, being eligible, offer themselves for re-election.

PRINCIPAL ACTIVITIES

During the financial year, the principal activities of the Company and its subsidiaries were to carry on business as system integrator and specialised distributor of telecommunication and datacommunication products.

RESULTS FOR THE FINANCIAL YEAR

	The Group S\$'000	The Company S\$'000
Profit after taxation & minority interests	521	1,961
Proposed final dividend, less tax	(121)	(121)
Retained profit transferred to revenue reserve	400	1,840

UNUSUAL ITEMS

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

MATERIAL MOVEMENTS IN RESERVES AND PROVISIONS

The following net transfers have been made to / (from) reserves:-

	2000	
	The Group \$'000	The Company \$'000
Revenue reserve :		
Goodwill on consolidation of subsidiary written-off	(1,058)	–
Foreign currency translation reserve :		
Exchange differences arising from translation of		
- foreign subsidiaries	2	–
- foreign associates	(128)	–

There were no material transfers to or from provisions during the financial year except for normal amounts recognised as an expense for such items as amortisation and depreciation of non-current assets and provisions for doubtful debts, inventory obsolescence and income tax as disclosed in the financial statements.

REPORT OF THE DIRECTORS

ISSUE OF SHARES AND DEBENTURES

No shares or debentures were issued by the Company and its subsidiaries during the financial year except as follows:

Name of subsidiary	No. of ordinary shares issued to the Company	Purpose of issue
Premier Electro Communication Pte Ltd	900,000 at S\$1 each	Partial settlement of amount owed to the Company

ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the financial year, the Company acquired additional interest in the following company:

Name of subsidiary	Interest acquired	Net liabilities on date of acquisition	Consideration
Teledata (Thailand) Co., Ltd	25%	THB (13,224,526)	S\$627,318

No subsidiaries were disposed during the financial year.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares 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 and the Teledata Share Option Scheme which were established in May 1989 and August 1999 respectively.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The following directors who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, Cap. 50, an interest in the shares, warrants and options of the Company as stated below:

Name of directors	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 1-1-2000	At 31-12-2000	At 1-1-2000	At 31-12-2000
Teledata (Singapore) Limited				
<i>Ordinary Shares of S\$0.10 each</i>				
Han Meng Siew	2,731,404	2,731,404	—	—
Tan Keng Boon	93,576	93,576	—	—
<i>Warrants to subscribe for ordinary shares of S\$0.10 each</i>				
Han Meng Siew	29,910	29,910	—	—
Tan Keng Boon	15,000	15,000	—	—
<i>Share option to subscribe for ordinary shares of S\$0.10 each</i>				
Tan Keng Boon	80,000	160,000	—	—
Wong Lin Hong	80,000	160,000	—	—
Tan Eng Bock	80,000	160,000	—	—
Han Meng Siew	130,000	630,000	—	—
Yang Boon Kiat	—	800,000	—	—
Josephine Kwa Lay Keng	—	80,000	—	—

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (Cont'd)

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2001 (being the 21st day after the end of the financial year).

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for directors' remuneration as disclosed in note 20 to the financial statements.

DIVIDENDS

During the financial year, a first and final dividend of 5%, less tax of 25.5%, amounting to S\$596,000 was paid in respect of the previous financial year.

The directors proposed a first and final dividend of 1%, less tax of 24.5%, amounting to S\$120,800 to be paid in respect of the financial year under review.

BAD AND DOUBTFUL DEBTS

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain that proper 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 if any have been written off and that where necessary adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amount written off or provided for bad and doubtful debts in the Group inadequate to any substantial extent.

CURRENT ASSETS

Before the profit and loss account and balance sheet of the Company were made out, the directors took reasonable steps to ascertain that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or adequate provision had been made for the diminution in value of such current assets.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the consolidated financial statements misleading.

CHARGES ON ASSETS AND CONTINGENT LIABILITIES

Since the end of the financial year, and up to the date of this report, no charge on the assets of the Company or any company in the Group has arisen which secures the liabilities of any other person and no contingent liability has arisen.

ABILITY TO MEET OBLIGATIONS

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 FINANCIAL STATEMENTS

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.

REPORT OF THE DIRECTORS

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 and of the Group for the financial year in which this report is made.

SHARE OPTIONS OF THE COMPANY

The Company has a share option scheme called Teledata Share Option Scheme ("the 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 share capital of the Company on the date immediately preceding the offer date of the Option ("Offer Date").

The life of the Scheme is 5 years and Options shall only be exercisable after the first anniversary of the Offer Date (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 the 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.

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

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

Date of grant	Balance at 1-1-2000	Granted during the year	Cancelled during the year	Balance at 31-12-2000	Exercise price	Period of Exercise
28-10-1999	3,307,000	–	847,000	2,460,000	S\$0.416	29-10-01 to 28-10-09
10-11-2000	–	800,000	–	800,000	S\$0.380	11-11-01 to 10-11-10
10-11-2000	–	4,284,000	–	4,284,000	S\$0.463	11-11-01 to 10-11-10
	<u>3,307,000</u>	<u>5,084,000</u>	<u>847,000</u>	<u>7,544,000</u>		

(a) The members of the committee administering the Scheme are:

Tan Keng Boon
Wong Lin Hong
Anthony Mallek

(b) Options granted to directors of the Company are as follows:

Name of Director	Options outstanding as at 1-1-2000	Options granted in 2000	Aggregate Options outstanding as at 31-12-00
Tan Keng Boon	80,000	80,000	160,000
Wong Lin Hong	80,000	80,000	160,000
Tan Eng Bock	80,000	80,000	160,000
Yang Boon Kiat	–	800,000	800,000
Han Meng Siew	130,000	500,000	630,000
Kwa Lay Keng	–	80,000	80,000

WARRANTS OF THE COMPANY

As at the balance sheet date, the number of Warrants issued and outstanding was 24,000,000 (1999 : 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 during the year and 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 auditors 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 Company's interim and annual results announcements before they are submitted to the Board for approval;
- (6) Review the financial statements of the Company and of the Group before their submission to the Board, together with the external auditor's report thereon;
- (7) Nomination of an external auditor; and
- (8) Review of interested person transactions.

The directors believe that the Company has complied with the Best Practices Guide relating to Audit Committee issued by the Singapore Exchange Securities Trading Limited (SGX-ST).

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 attends 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 that Ernst & Young be nominated for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting of the Company.

REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE (Cont'd)

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 SGX-ST. The Group has adopted a code of conduct to provide guidance to its officers with regard to dealing in the Company's shares.

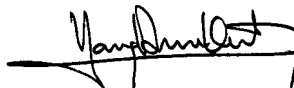
AUDITOR

Ernst & Young have expressed their willingness to accept re-appointment as auditor.

On behalf of the directors :



TAN KENG BOON
Chairman



YANG BOON KIAT
Chief Executive Officer

Singapore, 7 March 2001

STATEMENT BY THE DIRECTORS

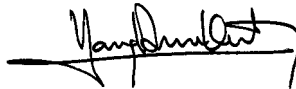
We, **Tan Keng Boon** and **Yang Boon Kiat**, being two of the directors of **Teledata (Singapore) Limited**, do hereby state that, in the opinion of the directors,

- (i) the accompanying balance sheets, profit and loss accounts, statements of changes in equity and consolidated cash flows statement together with the notes thereto, 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 2000, and of the results of the business and changes in equity of the Company and of the Group and cash flows of the Group for the year then ended; 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 directors:



TAN KENG BOON
Chairman



YANG BOON KIAT
Chief Executive Officer

Singapore, 7 March 2001

AUDITOR'S REPORT

To the Members of Teledata (Singapore) Limited

We have audited the financial statements of Teledata (Singapore) Limited and the consolidated financial statements of the Group set out on pages 25 to 48, comprising the balance sheets of the Company and of the Group as at 31 December 2000, and the profit and loss accounts and the statements of changes in equity of the Company and of the Group and the cash flows statement of the Group for the year ended 31 December 2000, and notes thereto. 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.

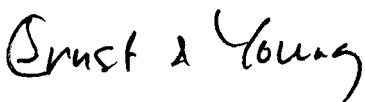
In our opinion,

- (a) the financial statements and consolidated 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 and of the Group as at 31 December 2000, and of the results and changes in equity of the Company and of the Group and cash flows of the Group for the year 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 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 auditor's 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 & Young International and a subsidiary audited by other firm are stated in note 6 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 auditor's 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, 7 March 2001

BALANCE SHEETS

as at 31 December 2000

	Note	The Group		The Company	
		2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
NON-CURRENT ASSETS					
Fixed assets, net	3	18,974	13,051	2,952	2,435
Intangible asset, net	4	1,692	1,974	–	–
Deferred expenditure, net	5	385	280	142	243
Investments in subsidiaries	6	–	–	8,154	6,481
Investments in associates	7	32	1,539	587	1,278
Other investments	8	4,233	765	4,233	765
CURRENT ASSETS					
Inventories	9	24,147	19,691	13,810	13,921
Trade receivables, net	10	34,723	28,611	31,948	25,849
Other receivables	11	2,645	1,621	20,031	11,284
Cash and cash equivalents	12	2,738	6,816	1,056	5,463
		64,253	56,739	66,845	56,517
Less					
CURRENT LIABILITIES					
Trade payables	13	23,452	15,273	19,459	11,371
Other payables	14	7,398	6,080	2,957	4,390
Interest bearing loans and borrowings	15	7,269	70	7,193	8
Income tax payable		660	500	402	480
Dividend payable	16	121	596	121	596
		38,900	22,519	30,132	16,845
NET CURRENT ASSETS		25,353	34,220	36,713	39,672
NON-CURRENT LIABILITIES					
Interest bearing loans and borrowings	15	(30,247)	(30,115)	(30,072)	(30,005)
Deferred income tax payable	17	(653)	(653)	(625)	(625)
		(30,900)	(30,768)	(30,697)	(30,630)
NET ASSETS		19,769	21,061	22,084	20,244
EQUITY					
Issued share capital	18	16,000	16,000	16,000	16,000
Revenue reserve		2,469	3,127	6,084	4,244
Foreign currency translation reserve		(3)	123	–	–
Capital reserve arising on consolidation		3	3	–	–
		18,469	19,253	22,084	20,244
Minority interests		1,300	1,808	–	–
TOTAL EQUITY		19,769	21,061	22,084	20,244

The accounting policies and explanatory notes on pages 30 through 48 form an integral part of the financial statements.

PROFIT AND LOSS ACCOUNTS

For the Year Ended 31 December 2000

	Note	The Group		The Company	
		2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Revenue	19	72,353	62,295	44,905	46,837
Cost of Sales		(49,922)	(43,446)	(32,901)	(35,072)
Gross Profit		22,431	18,849	12,004	11,765
Other Income		295	565	2,711	1,810
Distribution Costs		(14,222)	(12,441)	(8,126)	(7,688)
Administrative Costs		(3,188)	(3,301)	(1,606)	(1,872)
Other Operating Costs		(3,585)	(1,620)	(2,190)	(1,651)
Profit from Operating Activities	20	1,731	2,052	2,793	2,364
Finance Costs	21	(445)	(370)	(432)	(361)
Share of Profits Less (Losses) of Associates		(620)	(83)	–	–
Profit from Operations Before Income Tax and Minority Interests		666	1,599	2,361	2,003
Income Tax	17	(653)	(487)	(400)	(469)
Minority Interests, net of Income Tax		508	(22)	–	–
Net Profit attributable to shareholders of the Company		521	1,090	1,961	1,534
Basic earning per share (cents)	24	0.32	0.68	–	–
Diluted earning per share (cents)	24	0.32	0.68	–	–

The accounting policies and explanatory notes on pages 30 through 48 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Year Ended 31 December 2000

	Note	The Group		The Company	
		2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Issued Share Capital					
Balance, beginning and end of year	18	16,000	16,000	16,000	16,000
Foreign Currency Translation Reserve					
Balance, beginning of year		123	185	–	–
Foreign currency translation adjustment		(126)	(62)	–	–
Balance, end of year		(3)	123	–	–
Capital Reserve Arising On Consolidation					
Balance, beginning of year		3	–	–	–
Discount on consolidation of subsidiary		–	3	–	–
Balance, end of year		3	3	–	–
Revenue Reserve					
Balance, beginning of the year		3,127	2,633	4,244	3,306
Goodwill on consolidation of subsidiary written-off		(1,058)	–	–	–
Net Profit		521	1,090	1,961	1,534
Dividend on ordinary shares	16	(121)	(596)	(121)	(596)
Balance, end of year		2,469	3,127	6,084	4,244
TOTAL EQUITY OUTSTANDING		18,469	19,253	22,084	20,244

The accounting policies and explanatory notes on pages 30 through 48 form an integral part of the financial statements.

CONSOLIDATED CASH FLOWS STATEMENT

For the Year Ended 31 December 2000

	2000 S\$'000	1999 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit	521	1,090
Adjustments for:-		
Depreciation of fixed assets	1,272	969
Provision for diminution in value of investments in associates	295	-
Minority interest share of (loss) / profit for the year	(508)	22
Loss on disposal of fixed assets	63	3
Gain on disposal of an associate	(925)	-
Amortisation of deferred expenditure	101	100
Amortisation of intangibles	282	-
Share of associates losses	620	83
Foreign currency translation gain	58	2
Operating profit before working capital charges	1,779	2,269
(Increase) / Decrease in trade receivables	(5,583)	8,654
(Increase) / Decrease in other receivables	(686)	220
(Increase) / Decrease in inventories	(3,348)	6,971
Increase / (Decrease) in trade payables	5,674	(7,355)
(Decrease) / Increase in other payables	(575)	483
Increase in income tax payable	160	437
Net cash (used in) / from operating activities	(2,579)	11,679
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend from an associate	-	33
Purchase of fixed assets	(7,095)	(4,929)
Capitalised software development costs	-	(802)
Capitalised preliminary expense	(183)	(15)
Proceeds from disposal of fixed assets	165	8
Investment in associates	(500)	(735)
Acquisition of subsidiary, net of cash acquired	878	-
Increase in other investment	(3,468)	(765)
Loan to associates	(80)	(90)
Proceeds from disposal of an associate	1,958	-
Net cash used in investing activities	(8,325)	(7,295)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(596)	-
Increase in amount due to holding company - Non-trade	238	179
(Increase) / Decrease in net amounts due to related companies - Non-trade	(115)	7
Increase in net amounts due by associates - Non-trade	(32)	(355)
Increase in finance lease liabilities	221	11
Increase / (Decrease) in short-term bank loans	2,177	(3,000)
Net cash from / (used in) financing activities	1,893	(3,158)
Net (Decrease) / Increase in cash and cash equivalents	(9,011)	1,226
Cash and cash equivalents at the beginning of year (note 12)	6,816	5,590
Cash and cash equivalents at the end of year (note 12)	(2,195)	6,816

The accounting policies and explanatory notes on pages 30 through 48 form an integral part of the financial statements.

CONSOLIDATED CASH FLOWS STATEMENT

For the Year Ended 31 December 2000

The acquisition of Teledata (Thailand) Co. Ltd has been shown in the consolidated cash flows statement as a single item. The effect on the individual assets and liabilities is set out below:

S\$'000

Net assets acquired:

Cash and bank balance	1,505
Fixed assets	339
Inventories	1,108
Trade receivables	529
Other receivables	113
Trade payables	(2,505)
Other payables	(1,656)
	<u>(567)</u>
Add: Previously accounted for as associate	136
	<u>(431)</u>
Goodwill arising on consolidation	1,058
Cash paid	627
Cash and bank balance acquired	(1,505)
Net cash inflow from the acquisition of subsidiary	<u>(878)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

1. CORPORATE INFORMATION

Teledata (Singapore) Limited (Teledata or the Company) is a limited liability company which is incorporated in Singapore, and its immediate and ultimate holding company is Intraco Limited, which is also incorporated in Singapore.

The registered office and principal place of business of Teledata (Singapore) Limited is located at 10 Dundee Road #06-01 Setron Building, Singapore 149455.

During the financial year, the principal activities of the Company and its subsidiaries were to carry on business as system integrator and specialised distributor of telecommunication and datacommunication products.

The Group operates in 7 countries and employed 377 employees as of 31 December 2000.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis and in accordance with Singapore Statements of Accounting Standard and applicable requirements of Singapore law.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The financial statements are presented in Singapore Dollars (SGD or S\$).

(b) Impact of revised Statement of Accounting Standard (SAS)

SAS 1 (Revised 1999), Presentation of Financial Statements, has been adopted for the first time in the preparation of the current year consolidated financial statements.

SAS 1 (Revised 1999) prescribes the basis for the presentation of financial statements and sets out guidelines for their structure and minimum requirements for the content thereof. The format of the balance sheets and profit and loss accounts as set out on pages 25 and 26, have been revised in accordance with SAS 1 (Revised 1999), and the new statements of changes in equity, not previously required, is included on page 27. Additional disclosures as required are included in the supporting notes.

(c) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries after the elimination of all material intercompany transactions.

Subsidiaries are consolidated from the dates the Group obtains control until such time as control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting.

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 and written-off against Group reserves in the year in which it arises, or included in capital reserve arising on consolidation.

The financial statements of subsidiaries are prepared using the same reporting period as the Company, which ends on 31 December, using consistent accounting policies.

Minority interests principally represent interest in Teledata International Pte Ltd, IntraWave Pte Ltd and PT Teledata Indonesia, not wholly-held by the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Foreign Currencies Translation

Foreign Currency Transactions

Transactions arising in foreign currencies during the financial year are converted at rates closely approximating those ruling on transaction dates.

Monetary assets and liabilities denominated in non-SGD currencies are translated into SGD equivalents using year-end foreign exchange rates or at contracted rates where they are covered by forward exchange contracts. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions are included in the profit and loss accounts.

Foreign Entities

Assets and liabilities of foreign entities are translated into SGD equivalents using year-end foreign exchange rates. Revenue and expenses are translated monthly at average exchange rates. The effects of translating these operations are included in foreign currency translation reserve.

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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

(f) Investments in Associates

Investments in associates over which the Company has significant influence (typically those that are 20-50% owned) are accounted for under the equity method of accounting and are carried in the balance sheet at the lower of the equity-accounted amount and the recoverable amount, and the pro rata share of profit or loss of associates is included in the profit and loss account of the Group.

(g) 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.

(h) Depreciation

Depreciation is computed on a straight line method to write off the cost of fixed assets over the expected useful lives. 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Investments

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

(j) 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 estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost necessary to make the sale. Provision is made where necessary for obsolete, slow-moving and defective inventories.

Projects in progress comprise direct expenditure plus proportion of estimated profits earned to-date 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.

(k) Income Taxes

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax benefits are not recognised 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 of 7 years, using the straight line method. 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) Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease payments at the inception of the lease term and disclosed as leased property, plant and equipment. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against profit and loss account.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Government Grant

Grants and subsidies from the government are recognised at their fair value where there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. Grant or subsidy relating to an expense item is recognised as income over the periods necessary to match them on a systematic basis to the costs which it is intended to compensate.

(p) Cash and cash equivalents

Cash on hand and in banks and short-term deposits which are held to maturity are carried at cost.

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the Consolidated Cash Flows Statement, cash and cash equivalents consist of cash on hand and deposits in banks, net of outstanding bank overdrafts.

3. FIXED ASSETS

	Motor Vehicles S\$'000	Office Equipment S\$'000	Workshop Equipment S\$'000	Furniture & Fittings S\$'000	Reno- vations S\$'000	Equipment On Rental S\$'000	Total S\$'000
(a) The Group							
Cost							
Balance at beginning of year	979	4,202	121	946	1,073	10,679	18,000
Due to acquisition of subsidiary	77	–	109	403	–	–	589
Foreign currency translation adjustments	4	16	1	2	4	1	28
Additions	652	1,088	1	193	269	4,892	7,095
Reclassification	–	55	(55)	–	–	–	–
Disposals	(415)	(105)	–	(46)	(26)	–	(592)
Balance at end of year	<u>1,297</u>	<u>5,256</u>	<u>177</u>	<u>1,498</u>	<u>1,320</u>	<u>15,572</u>	<u>25,120</u>
Accumulated depreciation							
At beginning of year	564	1,854	63	376	747	1,345	4,949
Due to acquisition of subsidiary	43	–	14	193	–	–	250
Foreign currency translation adjustments	3	8	1	1	3	1	17
Charge for the year	137	658	17	111	134	237	1,294
Disposals	(248)	(81)	–	(29)	(6)	–	(364)
At end of year	<u>499</u>	<u>2,439</u>	<u>95</u>	<u>652</u>	<u>878</u>	<u>1,583</u>	<u>6,146</u>
Charge for 1999	102	489	13	90	93	182	969
Net Book Value							
At end of year	<u>798</u>	<u>2,817</u>	<u>82</u>	<u>846</u>	<u>442</u>	<u>13,989</u>	<u>18,974</u>
At beginning of year	<u>415</u>	<u>2,348</u>	<u>58</u>	<u>570</u>	<u>326</u>	<u>9,334</u>	<u>13,051</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

3. FIXED ASSETS (Cont'd)

	Motor Vehicles S\$'000	Office Equipment S\$'000	Workshop Equipment S\$'000	Furniture & Fittings S\$'000	Reno- vations S\$'000	Equipment On Rental S\$'000	Total S\$'000
(b) The Company							
Cost							
Balance at beginning of year	556	2,941	50	812	887	1,449	6,695
Additions	322	592	–	14	37	437	1,402
Disposals	(155)	(53)	–	–	–	–	(208)
Balance at end of year	<u>723</u>	<u>3,480</u>	<u>50</u>	<u>826</u>	<u>924</u>	<u>1,886</u>	<u>7,889</u>
Accumulated depreciation							
At beginning of year	436	1,469	38	326	667	1,324	4,260
Charge for the year	82	402	6	78	81	229	878
Disposals	(151)	(50)	–	–	–	–	(201)
At end of year	<u>367</u>	<u>1,821</u>	<u>44</u>	<u>404</u>	<u>748</u>	<u>1,553</u>	<u>4,937</u>
Charge for 1999	<u>56</u>	<u>381</u>	<u>6</u>	<u>78</u>	<u>79</u>	<u>181</u>	<u>781</u>
Net Book Value							
At end of year	<u>356</u>	<u>1,659</u>	<u>6</u>	<u>422</u>	<u>176</u>	<u>333</u>	<u>2,952</u>
At beginning of year	<u>120</u>	<u>1,472</u>	<u>12</u>	<u>486</u>	<u>220</u>	<u>125</u>	<u>2,435</u>

At the balance sheet date, the net book value of motor vehicles acquired under finance lease agreements amounted to S\$723,062 (1999 : S\$319,538) for the Group and S\$308,868 (1999 : S\$32,772) 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 the Company's rental activities. The Group's equipment on rental under development include capitalised borrowing cost of S\$348,652 (1999: S\$204,728).

4. INTANGIBLE ASSET

An analysis of activity in intangible asset for the year ended 31 December 2000 is as follows:

	The Group	
	2000 S\$'000	1999 S\$'000
Capitalised software development costs		
Balance at beginning of year	1,974	1,172
Additions	–	802
Amortisation	(282)	–
Balance at end of year, net of accumulated amortisation	<u>1,692</u>	<u>1,974</u>

Capitalised costs include borrowing cost of S\$82,623 (1999: S\$82,623)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

5. DEFERRED EXPENDITURE

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Deferred expenditure at cost:-				
- Bonds cum Warrants issue expenses	503	503	503	503
- Pre-operating expense	9	8	-	-
- Preliminary expense	234	29	-	-
	746	540	503	503
Less : amortisation to-date	(361)	(260)	(361)	(260)
Balance at end of year	385	280	142	243

The Group's preliminary expense includes current year depreciation of fixed assets of S\$22,730 (1999 : S\$13,118).

6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2000 S\$'000	1999 S\$'000
Unquoted equity shares, at cost	8,298	6,625
Less : Provision for diminution in value	(144)	(144)
	8,154	6,481

The consolidated financial statements include the financial statements of Teledata (Singapore) Limited and the consolidated subsidiaries listed below:

Name of Subsidiary	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	
					2000 S\$'000	1999 S\$'000	2000 %	1999 %
Held by Teledata (Singapore) Limited :								
Davotek Sdn Bhd #	Dealer and maintainer of telecommunication equipment	Malaysia	Ordinary	RM1,000,000	578	578	100	100
Plexus Technology Pte Ltd *	General importer and exporter and commission agencies	Singapore	Ordinary	S\$1,500,000	1,579	1,579	100	100
Premier Electro Communication Private Limited *	Manufacturer and dealer in tele-communication equipment.	Singapore	Ordinary	S\$1,500,000	1,420	520	100	100
Telebit (Singapore) Private Limited *	Distributor and maintainer of tele-communication and datacommunication products	Singapore	Ordinary	S\$1,500,000	1,510	1,510	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of Subsidiary	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	
					2000 S\$'000	1999 S\$'000	2000 %	1999 %
Teledata International Pte Ltd *	System integrator, sourcing and distributing tele-communication and datacommunication products internationally	Singapore	Ordinary	S\$500,000	255	255	51	51
TD-Services (S) Pte Ltd *	To provide software development, system integration work and information services	Singapore	Ordinary	S\$500,000	500	500	100	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	1,530	1,530	51	51
PT Teledata Indonesia #	To provide consultant services in the area of management information system, information technology and telecommunication	Indonesia	Ordinary	Rp966,000,000	153	153	95.1	95.1
Teledata (Thailand) Co., Ltd #	System integrator, sourcing and distributing tele-communication and datacommunication products.	Thailand	Ordinary	THB10,000,000	773	–	49	– See (1) below
Held by Teledata International Pte Ltd:								
Teledata (Hong Kong) Limited (formerly known as Cybertel Limited) #	Distribution of tele-communication, data and video communication products and provision of maintenance service	Hong Kong	Ordinary	HK50,000	11	11	51	51
Teledatacom (India) Private Limited @	Distribution of tele-communication, data and video communication products and provision of maintenance service	India	Ordinary	INR102,000	4	4	51	51

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of Subsidiary	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	
					2000 S\$'000	1999 S\$'000	2000 %	1999 %
Teledata Sdn Bhd #	Distribution of tele-communication, data and video communication products and provision of maintenance service	Brunei	Ordinary	B\$10,000	10	-	51	51
							See (2) below	

Held by Davotek Sdn Bhd:

Goodway Technology Sdn Bhd #	Dealership and provision of maintenance services	Malaysia	Ordinary	RM12,600	4	4	80	80
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(1) Teledata (Thailand) Co., Ltd is treated as subsidiary for purpose of consolidation as management controls the majority composition of the board of directors and is in a position to exercise controlling influence on its financial and operating policies. As at 31 December 1999, the cost of investment in Teledata (Thailand) Co., Ltd of S\$146,000 was classified as Investment In Associates (note 7).

(2) Teledata Sdn Bhd had not issued any share capital as at 31 December 1999.

* Audited by Ernst & Young, Singapore

Audited by member firms of Ernst & Young International

@ Audited by other Certified Public Accountant

7. INVESTMENTS IN ASSOCIATES

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Unquoted equity shares, at cost	5,475	7,220	5,462	7,207
Less : Provision for diminution in value	(2,954)	(3,066)	(4,875)	(5,929)
	2,521	4,154	587	1,278
Foreign currency translation adjustments	21	241		
Write off of goodwill on acquisition	-	(1,352)		
Group's share of post acquisition profits less (losses)	(2,510)	(1,504)		
	32	1,539		

Analysis of provision for diminution in value:

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Balance at beginning of year	3,066	3,066	5,929	5,929
Provided during the year	295	-	735	-
Cost of investment written-off	(407)	-	(1,789)	-
Balance at end of year	2,954	3,066	4,875	5,929

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

7. INVESTMENTS IN ASSOCIATES (Cont'd)

The associates at 31 December were:-

Name of Associate	Country of Incorporation/ Business	Class of Shares	% of Paid-up Capital held by the Company or its nominees		Cost of Investment	
			2000 %	1999 %	2000 S\$'000	1999 S\$'000
Held by Teledata (Singapore) Limited:-						
Hutchison IntraPage Pte Ltd	Singapore	Ordinary	30	30	4,140	4,140
Teledatacom (Phils) Inc	Philippines	Ordinary	49	49	587	87
Internoc Singapore Pte Ltd	Singapore	Ordinary	49	49	735	735
Teledata (Thailand) Co., Ltd *	Thailand	Ordinary	–	24	–	146
ITApps Ltd (formerly known as Teledata (Hong Kong) Limited) **	Hong Kong	Ordinary	–	30	–	310
Mavix Ltd #	Israel	Ordinary	–	25	–	1,789
					5,462	7,207
Held by Davotek Sdn Bhd:-						
Davoteknologi Sdn Bhd	Malaysia	Ordinary	30	30	13	13
					5,475	7,220

The accounting year end of the associates is 31 December.

- * Teledata (Thailand) Co., Ltd is considered a subsidiary of the Group in the current financial year after the Company has increased its interest and acquired management controls in this company (refer note 6).
- ** ITApps Ltd was disposed during the current financial year.
- # During the current financial year, the Company no longer has significant influence in Mavix Ltd. Accordingly, Mavix Ltd is classified as Other Investment (note 8) as at 31 December 2000.

8. OTHER INVESTMENTS

	The Group & The Company	
	2000 S\$'000	1999 S\$'000
At cost :		
Equity shares listed on an exchange outside Singapore	765	765
Unlisted equity shares	3,468	–
TOTAL	4,233	765
Market value of listed equity shares	145	331

Particulars of unlisted equity shares at 31 December are as follows:

Name of Company	Country of Incorporation/ Business	% of Paid-up Capital held by the Company		Cost of Investment	
		2000 %	1999 %	2000 S\$'000	1999 S\$'000
e-Cop.net Pte Ltd	Singapore	51	–	3,468	–
Mavix Ltd	Israel	25	25	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

8. OTHER INVESTMENTS (Cont'd)

e-Cop.net Pte Ltd is not treated as a subsidiary or associate and its results are not consolidated in the Group financial statements as management has no controlling or significant influence on its financial or operating policies (refer to note 26 for subsequent event).

The cost of investment in Mavix Ltd (note 7) had been fully written down in previous financial years.

9. INVENTORIES

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Inventories, at net realisable value	20,531	17,226	12,573	12,381
Costs incurred on projects in progress plus attributable profits	3,900	2,913	1,489	1,988
Less : Progress billings	(284)	(448)	(252)	(448)
Costs incurred in excess of billings	3,616	2,465	1,237	1,540
	24,147	19,691	13,810	13,921
Inventories are stated after deducting provision for obsolescence of:-				
Balance at the beginning of year	146	146	146	146
Charged to profit and loss account	73	100	-	-
Inventories written off	(73)	(100)	-	-
Balance at the end of year	146	146	146	146

10. TRADE RECEIVABLES

Trade receivables as of 31 December were:

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Third party receivables	33,796	25,044	18,525	16,698
Due by holding company	65	159	64	159
Due by subsidiaries	-	-	13,300	8,806
Due by related companies	59	83	59	39
Due by associates	803	3,325	-	147
	34,723	28,611	31,948	25,849
Trade receivables are stated after deducting specific provision for doubtful debts of:				
Balance at the beginning of year	93	185	91	185
Charge to profit and loss account	69	88	60	86
Bad debts written off	(88)	(180)	(86)	(180)
Balance at the end of year	74	93	65	91
Bad debts written off directly to profit and loss account	30	20	-	14

The amounts due by subsidiaries are unsecured, bear interest at 6.25% (1999 : 6.25%) per annum and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

11. OTHER RECEIVABLES

Other receivables as of 31 December were:

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Prepaid expenses	592	153	108	85
Deposits	420	281	268	216
Staff loans	237	198	81	96
Sundry debtors	345	163	8	1
Due by subsidiaries	–	–	18,874	10,622
Due by related companies	115	–	–	–
Due by associates	936	826	692	264
	2,645	1,621	20,031	11,284

The amounts due by subsidiaries are unsecured, bear interest at 6.25% (1999 : 6.25%) per annum and have no fixed terms of repayment.

Included in the amounts due by subsidiaries is an amount of S\$3.774 million (1999 : S\$3.774 million) shareholders' loan by the Company. The loan is unsecured, bears interest at 6.75% (1999 : 6.75%) per annum, and has no fixed terms of repayment.

The staff loans are unsecured, interest free and repayable over 7 years from date of release of loan.

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

Included in the amounts due by associates is an amount of S\$170,094 (1999 : S\$90,000) shareholders' loan by the Company. The loan is unsecured, bears interest at 6.75% (1999 : 6.75%) per annum, and has no fixed terms of repayment.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of 31 December were:-

	The Group	
	2000 S\$'000	1999 S\$'000
Fixed deposits	100	1,543
Bank and cash balances	2,638	5,273
Bank overdrafts (note 15)	(4,933)	–
	(2,195)	6,816

13. TRADE PAYABLES

Trade payables as of 31 December were:

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Third party payables	22,996	12,582	16,270	8,483
Billings in excess of cost incurred	79	2,565	–	2,252
Due to holding company	52	–	41	–
Due to related companies	24	16	24	16
Due to subsidiaries	–	–	2,837	512
Due to associates	301	110	287	108
	23,452	15,273	19,459	11,371

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

13. TRADE PAYABLES (Cont'd)

Analysis of billings in excess of cost incurred:

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Costs incurred on projects in progress plus attributable profits	178	78	-	-
Less : Progress Billings	(257)	(2,643)	-	(2,252)
Billings in excess of cost incurred	(79)	(2,565)	-	(2,252)

The amounts due to subsidiaries are unsecured, bear interest rate of 6.25% (1999 : 6.25%) per annum and have no fixed terms of repayment.

14. OTHER PAYABLES

Other payables as of 31 December were:

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Sundry creditors	399	82	143	73
Accrued operating expenses	2,806	2,041	1,807	1,505
Due to holding company	4,166	3,928	2	-
Due to subsidiaries	-	-	1,005	2,804
Due to associates	27	29	-	8
	7,398	6,080	2,957	4,390

Included in the amounts due to holding company is an amount of S\$3.626 million (1999 : S\$3.626 million) in respect of a loan to a subsidiary, Intrawave Pte Ltd. The loan is unsecured, bears interest at 6.75% (1999 : 6.75%) per annum, and has no fixed terms of repayment.

The amounts due to subsidiaries are unsecured, bear interest rate of 6.25% (1999 : 6.25%) per annum and have no fixed terms of repayment.

The amounts due to associates are unsecured, interest free and have no fixed terms of repayment.

15. INTEREST-BEARING LOANS AND BORROWINGS

As at 31 December, short and long term interest bearing loans and borrowings were as follows:

	Weighted Average Coupon	Maturities	The Group		The Company	
			2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Short Term						
Lease liabilities (note 22)	2.28%	2001	159	70	83	8
Bank overdrafts (note 12)	6.25%	2001	4,933	-	4,933	-
Bank loan	6.25%	2001	2,177	-	2,177	-
			7,269	70	7,193	8
Long Term						
Lease liabilities (note 22)	3.63%	2002 - 2006	247	115	72	5
Bonds	1.00%	2002	30,000	30,000	30,000	30,000
			30,247	30,115	30,072	30,000

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

15. INTEREST-BEARING LOANS AND BORROWINGS (Cont'd)

In 1997, the Company issued S\$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 S\$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 Singapore Statement of Accounting Standard 32 on Financial Instruments : Disclosure and Presentation ("SAS 32"), which is effective for financial statements covering periods beginning on or after 1 October 2000.

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

	S\$'000
Present value of Bonds	24,000
Value of Warrants	6,000
	30,000

The discount of S\$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.

If SAS 32 had been adopted when presenting the financial statements, the net profit for the year of the Group and the Company would have been reduced by approximately S\$1.24 million (1999: S\$1.2 million). The net assets of the Group and the Company would have been increased by approximately S\$1.86 million (1999: S\$3.1 million) representing the allocated value of the Warrants less cumulative discount amortised.

	The Group & The Company	
	2000 S\$'000	1999 S\$'000
Profit & Loss accounts		
Reduction in net profit attributable to shareholders		
- portion of deemed bond discount charged to revenue reserve	1,236	1,170
Balance Sheets		
Increase in capital reserve		
- deemed value of Warrants	6,000	6,000
Less : issue expenses	(503)	(503)
	5,497	5,497
Present value on initial recognition	24,000	24,000
Cumulative bond discount amortised	4,137	2,901
	28,137	26,901
Reduction of revenue reserve:		
- portion of deemed bond discount charged to revenue reserve	4,137	2,901

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

16. DIVIDEND PROPOSED

	The Group & The Company	
	2000	1999
	S\$'000	S\$'000
Proposed first and final dividend of 1% (1999 : 5%) less tax at 24.5% (1999 : 25.5%)	121	596

The proposed first and final dividend for the current financial year will be submitted for approval at the forthcoming Annual General Meeting of the Company. This dividend, amounting to S\$120,800, has been recognised as a liability as at 31 December 2000.

17. INCOME TAX

Major components of income tax expense for the year ended 31 December were:

	The Group		The Company	
	2000	1999	2000	1999
	S\$'000	S\$'000	S\$'000	S\$'000
Current - Singapore	653	500	400	480
Over-provision of current income tax in respect of previous years - Singapore	-	(13)	-	(11)
	653	487	400	469
Associates	-	-	-	-
Total income tax expense	653	487	400	469

The tax charge of the Company differs from the amount determined by applying the Singapore income tax rate of 25.5% (1999 : 26%) to profit from operations because certain expenses are not deductible for taxation purpose.

The tax charge of the Group differs from the amount determined by applying the Singapore income tax rate of 25.5% (1999 : 26%) to profit from operations because of non-deductible expenses, utilisation of tax losses and difference in tax rates applicable to overseas subsidiaries.

Tax savings for the Group arising from utilisation of unabsorbed capital allowances, tax losses and double tax deduction by subsidiaries during the year amount to S\$329,000 (1999 : S\$317,000). As at balance sheet date, subject to the agreement with the tax authority of the countries in which the subsidiaries are tax residents, certain subsidiaries have estimated unutilised tax losses of S\$341,000 (1999 : S\$341,000) available for set-off against future taxable profits.

The Company has been awarded Business Headquarters status by the Ministry of Trade and Industry commencing from 31 March 1998 for a period of 5 years.

Deferred income tax assets and liabilities

Deferred taxes at 31 December related to the following:

	The Group		The Company	
	2000	1999	2000	1999
	S\$'000	S\$'000	S\$'000	S\$'000
Deferred tax liabilities				
Excess of net book value over tax written down				
value of fixed assets	635	544	613	522
Others	20	157	14	151
Gross deferred tax liabilities	655	701	627	673
Deferred tax assets				
Others	2	48	2	48
Gross deferred tax assets	2	48	2	48
Net deferred tax liabilities	653	653	625	625

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

18. ISSUED SHARE CAPITAL

	The Group & The Company	
	2000	1999
	S\$'000	S\$'000
ORDINARY SHARES OF S\$0.10 EACH		
Authorised:-		
Balance at beginning and end of year	50,000	50,000
Issued and fully paid:-		
Balance at beginning and end of year	16,000	16,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote share without restriction.

As at balance sheet date, the number of share options outstanding under the Teledata Share Option Scheme was 7,544,000 (1999 : 3,307,000).

As at balance sheet date, the number of warrants issued and outstanding was 24,000,000 (1999 : 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.

19. REVENUE

Revenue is mainly from the sale of telecommunication and datacommunication products and information technology services. It excludes goods and services tax. In respect of Group revenue, it excludes sales between group companies.

20. PROFIT FROM OPERATING ACTIVITIES

Profit from operating activities included the following for the year ended 31 December:

	The Group		The Company	
	2000	1999	2000	1999
	S\$'000	S\$'000	S\$'000	S\$'000
OTHER INCOME				
Interest income				
- bank	141	206	101	183
- subsidiaries	-	-	717	271
Dividend received from an associate	-	-	-	33
OPERATING EXPENSES				
Directors' emoluments				
- directors of the Company	739	390	739	390
- other directors of subsidiaries	32	37	-	-
Auditors' remuneration				
- current	96	69	37	37
- overprovision for prior year	-	(7)	-	(13)
Depreciation of fixed assets	1,272	955	878	781
Amortisation of intangible assets	282	-	-	-
Amortisation of deferred expenditure	101	100	101	100
Specific provision for doubtful trade debts	69	88	60	86
Bad trade debts written-off	30	20	-	14
Bad trade debts recovered	(31)	(36)	(31)	(36)
Provision for inventory obsolescence	73	100	-	-
Inventories written down	801	677	801	603
Inventories written-off	835	140	365	1
Foreign currency translation loss/(gain), net	140	(198)	174	(134)
Loss on disposal of fixed assets	63	3	7	-
Gain on disposal of an associate	925	-	1,648	-
Salaries and employee benefits	13,169	11,476	7,079	6,943
Provision for diminution in value of investments in associates	295	-	735	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

20. PROFIT FROM OPERATING ACTIVITIES (Cont'd)

REMUNERATION OF COMPANY'S DIRECTORS

Number of directors of the Company in remuneration bands	Executive Directors	Non-Executive Directors	Total
Above S\$500,000	–	–	–
S\$250,000 to S\$499,999	2	–	2
Below S\$250,000	–	5	5
	<u>2</u>	<u>5</u>	<u>7</u>

21. FINANCE COSTS

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Interest expense:				
- bank overdraft	114	21	114	21
- short term bank loan	6	37	6	37
- long term loans	300	300	300	300
Finance charges - lease liabilities (note 22)	25	12	12	3
	<u>445</u>	<u>370</u>	<u>432</u>	<u>361</u>

22. COMMITMENTS AND CONTINGENCIES

(a) Finance Lease Commitments

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Minimum Payments	Present Value of Payment	Minimum Payments	Present Value of Payment
	2000 S\$'000	2000 S\$'000	1999 S\$'000	1999 S\$'000
Within one year	166	159	84	70
After one year but not more than five years	264	221	137	115
More than five years	30	26	–	–
Total minimum lease payments	<u>460</u>	<u>406</u>	221	185
Less amount representing finance charges	<u>(54)</u>	–	<u>(36)</u>	–
Present value of minimum lease payment	<u>406</u>	<u>406</u>	185	185

(b) Operating Lease Commitments

Rental expense (principally for office equipment and premises) was S\$1,141,000 and S\$1,359,000 for the Company and the Group for the years ended 31 December 2000 and 1999, respectively.

Future minimum rentals under non-cancellable leases are as follows as of 31 December:

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Within one year	776	828	776	777
After one year but not more than five years	671	1,375	671	1,372
More than five years	–	63	–	63
	<u>1,447</u>	<u>2,266</u>	<u>1,447</u>	<u>2,212</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

22. COMMITMENTS AND CONTINGENCIES (Cont'd)

(c) Capital Commitments & Forward Exchange Contracts

The Group and the Company have the following commitments as at 31 December:

	The Group		The Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Purchase commitment on fixed assets contracted but not provided for	17,795	16,136	–	–
Forward exchange contracts to purchase foreign currencies	452	263	452	263

(d) Contingent Liabilities

	The Company	
	2000 S\$'000	1999 S\$'000
Guarantees given to a bank in connection with unsecured performance guarantees issued for subsidiaries and associates	1,582	1,170

The Company has also issued letters of awareness to banks in respect of short-term loan facilities given by the banks to an associate. As at the balance sheet date, short-term loans owing by this associate to the banks amount to S\$18 million (1999 : S\$18 million).

23. RELATED PARTY DISCLOSURES

During the year, group companies entered into transactions with related parties who are not members of the Group. Those transactions along with related balances at 31 December 2000 and 1999 and for the years then ended are presented in the following table:

The Group

	Intraco Ltd		Intraco Group of companies		Substantial shareholder of ultimate holding company		Associates		Subsidiaries of the Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Sales of goods	82	197	42	5	43	51	111	2,929	–	–
Purchase of goods	41	29	–	2	–	–	17	283	–	–
Warehouse rental expense paid to	–	–	95	106	–	–	–	–	–	–
Professional fees paid to	9	7	–	–	–	–	–	–	–	–
Office rental expenses paid to	–	185	–	–	–	–	–	–	–	–
Interest paid to	205	219	–	–	–	–	–	–	–	–
Management consultancy fees received from	–	–	–	–	–	–	60	74	–	–
Pager subscription paid to	–	–	–	–	–	–	11	20	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

23. RELATED PARTY DISCLOSURES (Cont'd)

The Company

	Intraco Ltd		Intraco Group of companies		Substantial shareholder of ultimate holding company		Associates		Subsidiaries of the Company	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Sales of goods	82	197	41	5	41	51	-	-	13,446	-
Purchase of goods	41	29	-	2	-	-	-	15	3,466	-
Warehouse rental expense paid to	-	-	95	106	-	-	-	-	-	-
Professional fees paid to	9	7	-	-	-	-	-	-	-	-
Office rental received from	-	-	-	-	-	-	-	-	321	408
Management consultancy fees received from	-	-	-	-	-	-	60	74	1,457	1,375
Accountancy fee received from	-	-	-	-	-	-	-	-	75	45
Pager subscription paid to	-	-	-	-	-	-	11	20	-	-
Office utilities received from	-	-	-	-	-	-	-	-	39	33

24. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive warrants and options).

The number of unissued shares under option granted under the Teledata Share Option Scheme and their exercise prices are set out in the Report of the Directors. The number of unissued shares under warrants issued in conjunction with the issue of S\$30 million unsecured 1% Bonds due 3 June 2002 and their exercise prices are set out in note 15. The average fair value of one ordinary share during 2000 was S\$0.529 (1999 : S\$0.575) per share. The weighted average number of ordinary shares adjusted for the unissued shares is as follows:

	2000	The Group 1999
Number of ordinary shares in issue (used in the calculation of basic earnings per share)	160,000,000	160,000,000
Weighted average number of unissued shares under the warrants that would have been issued at exercise price	24,000,000	24,000,000
Weighted average number of unissued shares under the Teledata Share Option Scheme that would have been issued at exercise price	-	551,000
Number of shares that would have been issued at fair value	(24,000,000)	(23,773,000)
Weighted average number of ordinary shares (diluted)	160,000,000	160,778,000

NOTES TO THE FINANCIAL STATEMENTS

31 December 2000

25. SEGMENT INFORMATION

The activities of the Company and its subsidiaries are substantially in the telecommunication industry, reporting by industry segment is not applicable. Segment accounting policies are the same as the policies described in note 2. The Company generally accounts for inter-segment sales and transfers based on terms agreed between the segments concerned. Revenues are attributed to geographic areas based on the location of the assets producing the revenue.

The following table presents revenue and expenditure and certain assets information regarding geographical segments for the year ended 31 December 2000 and 1999.

	Singapore		Asia (excluding Singapore)		Elimination		Consolidated	
	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000	2000 S\$'000	1999 S\$'000
Segment assets	84,069	69,010	5,468	3,799	–	–	89,537	72,809
Segment revenue								
Sales to external customer	68,102	58,237	4,248	4,059	–	–	72,350	62,296
Inter-segment sales	27,183	23,967	105	246	(27,288)	(24,213)	–	–
Total revenue	95,285	82,204	4,353	4,305	(27,288)	(24,213)	72,350	62,296
Segment result	1,809	2,063	(1,003)	(11)			806	2,052
Gain on disposal of an associates							925	–
Finance costs							(445)	(370)
Share of net loss of associates							(620)	(83)
Profit before tax							666	1,599
Income tax							(653)	(487)
Minority interest, net of income tax							508	(22)
Net profit							521	1,090

26. SUBSEQUENT EVENTS

On 9 February 2001, the Company's interest in e-Cop.net Pte Ltd was reduced from 51% to 40.8% due to the allotment of new shares to an investor.

On 15 February 2001, an associate, Hutchison Intrapage Pte Ltd had given notice to cease paging business and had applied for judicial management on 26 February 2001.

27. COMPARATIVE FIGURES

As further explained in note 2(b) to the financial statements, due to the adoption of the SAS 1 (Revised 1999) during the current year, the presentation of the profit and loss accounts, the balance sheets and certain supporting notes have been revised to comply with the new requirements. Accordingly, certain comparative figures have been reclassified to conform with the current year's presentation.

GROUP VALUE ADDED STATEMENT

For the Year Ended 31 December 2000

	2000		1999	
	S\$'000	%	S\$'000	%
Turnover	72,353		62,295	
Bought-In Materials and Services	55,043		47,613	
Gross value added from operations	17,310	102.8	14,682	99.2
Interest & other income	141	0.8	206	1.3
Share of results of associated companies	(620)	(3.6)	(83)	(0.5)
Total value added available for distribution	16,831	100.0	14,805	100.0
Distribution to:				
Employees as salaries & other staff costs	13,940	82.9	11,903	80.4
Government as corporate taxes	653	3.8	487	3.3
Banks and other lenders as interest	445	2.6	370	2.5
Shareholders of the company as dividends	121	0.7	596	4.0
Total Distribution	15,159	90.0	13,356	90.2
Retained in the business:				
Depreciation of fixed assets	1,272	7.6	955	6.5
Retained profits	400	2.4	494	3.3
	1,672	10.0	1,449	9.8
Total value added	16,831	100	14,805	100
PRODUCTIVITY DATA				
Value added per employee (\$)	44.64		46.27	
Value added per \$ employee cost	1.21		1.24	
Value added per \$ turnover	0.23		0.24	
Value added per \$ investment in fixed assets (before depreciation)	0.67		0.82	
Turnover per employee (\$)	192		195	
Number of employees at 31 December	377		320	

SHAREHOLDING STATISTICS

As at 6 April 2001

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 – 1,000	401	7.76	395,038	0.25
1,001 – 10,000	3,962	76.66	18,700,072	11.69
10,001 – 1,000,000	795	15.38	34,420,262	21.51
1,000,001 and above	10	0.20	106,484,628	66.55
Total	5,168	100.00	160,000,000	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% Holdings
1.	Intraco Limited	81,293,752	50.81
2.	Shamsuddin Bin Abdul Kadir	7,980,000	4.99
3.	DBS Nominees Pte Ltd	3,275,000	2.05
4.	Han Meng Siew	2,731,404	1.71
5.	United Overseas Bank Nominees Pte Ltd	2,621,000	1.64
6.	Raffles Nominees Pte Ltd	2,503,000	1.56
7.	Ing Nominees (S'pore) Pte Ltd	2,150,000	1.34
8.	Lum Chang Securities Pte Ltd	1,640,000	1.02
9.	Ng Siew Leng	1,280,472	0.80
10.	Grand Orient Securities Pte Ltd	1,010,000	0.63
11.	Citibank Nominees Singapore Pte Ltd	978,000	0.61
12.	Oversea Chinese Bank Nominees Pte Ltd	952,000	0.60
13.	Vickers Ballas & Co Pte Ltd	902,000	0.56
14.	Overseas Union Bank Nominees Pte Ltd	873,000	0.54
15.	UOB Kay Hian Pte Ltd	714,000	0.45
16.	Ong & Company Pte Ltd	491,000	0.31
17.	OCBC Securities Private Ltd	472,000	0.30
18.	Phillip Securities Pte Ltd	452,000	0.28
19.	BNP Paribas Nominees S'pore Pte Ltd	447,000	0.28
20.	Tay Han Tung	443,000	0.28
Total		113,208,628	70.76

SHAREHOLDING STATISTICS

As at 6 April 2001

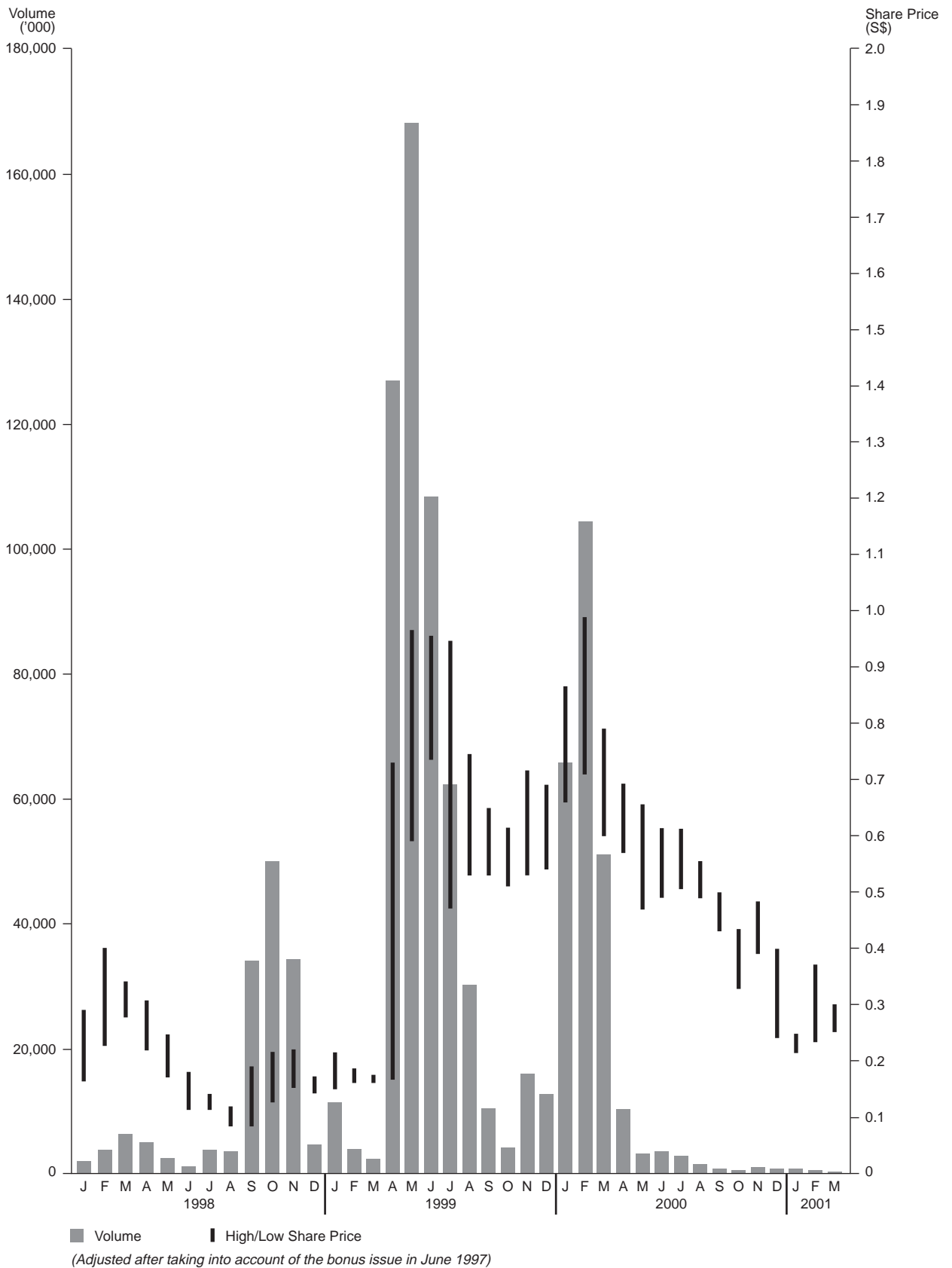
DISTRIBUTION OF WARRANTHOLDERS

Size of Holdings	No. of Warrantholders	%	No. of Warrants	%
1 – 1,000	440	32.93	260,006	1.08
1,001 – 10,000	659	49.33	3,785,700	15.78
10,001 – 1,000,000	236	17.66	7,759,294	32.33
1,000,001 and above	1	0.08	12,195,000	50.81
Total	1,336	100.00	24,000,000	100.00

TWENTY LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	No. of Warrants	%
1.	Intraco Limited	12,195,000	50.81
2.	Phillip Securities Pte Ltd	284,066	1.18
3.	Citibank Consumer Nominees Pte Ltd	210,600	0.88
4.	Domain Trading & Construction Pte Ltd	190,000	0.79
5.	Tan Yan Kim	164,000	0.68
6.	OCBC Securities (2001) Pte Ltd	137,000	0.57
7.	Keppel Bank Nominees Pte Ltd	130,000	0.54
8.	Yang Choon Sang @ Yang Choon Siang	110,000	0.46
9.	Ee Kim Lye	104,000	0.43
10.	OCBC Securities Private Ltd	102,000	0.43
11.	Ang Chin Choon	100,000	0.42
12.	Herman Halim	100,000	0.42
13.	Yeo Cheng Hua @ Yeo Chai Keok	90,000	0.38
14.	Vickers Ballas & Co Pte Ltd	81,000	0.34
15.	Guy Augustus Vaz	80,000	0.33
16.	Ng Bie Tjin @ Djuniarti Intan	80,000	0.33
17.	Tay Peng Huat	80,000	0.33
18.	Ling Siew Kiew	78,000	0.33
19.	Saw Joo Suan	75,000	0.31
20.	Lim Liang Choon	74,000	0.31
Total		14,464,666	60.27

SHARE PRICE AND VOLUME



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of the abovenamed company will be held at its registered office No. 10 Dundee Road, #06-01, Setron Building, Singapore 149455 on Tuesday, the 22nd day of May 2001 at 9.30am for the following purposes:-

ROUTINE BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the financial year ended 31 December 2000, together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a first and final dividend of one percent (1%) less Singapore tax for the financial year ended 31 December 2000. **(Resolution 2)**
3. To approve Directors' fees of S\$109,667 for the financial year ended 31 December 2000. (1999: S\$99,334) **(Resolution 3)**
4. To re-elect the following Directors retiring by rotation under Articles 100 & 101 of the Articles of Association:-
 - (i) Mr Wong Lin Hong **(Resolution 4a)**
 - (ii) Mr Han Meng Siew **(Resolution 4b)**

Note: Mr Wong Lin Hong, a member of the Company's Audit Committee, is an independent director. Upon re-election as a director, he will continue to serve as an independent director on the Audit Committee.
5. To re-elect the following Directors pursuant to Article 104 of the Articles of Association:-
 - (i) Mr Yang Boon Kiat **(Resolution 5a)**
 - (ii) Dr Josephine Kwa Lay Keng **(Resolution 5b)**
6. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

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 and the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue and allot shares in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Ordinary Resolution does not exceed fifty percent (50%) of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty percent (20%) of the Company's issued share capital for the time being and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 7)**
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 to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the Scheme provided that the aggregate number of shares to be issued pursuant to the Scheme does not exceed fifteen percent (15%) of the Company's issued share capital from time to time. **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

9. That for the purposes of Chapter 9A of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given for the renewal of the mandate for the Company, its subsidiaries and target associated companies 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 classes of Interested Persons described in the Circular, provided that such transactions are made on an arm's length basis and on normal commercial terms (the "IPT Mandate") and that such approval shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 9)**

NOTICE OF BOOK CLOSURE

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 7 June 2001 to 8 June 2001 (both dates inclusive) for the preparation of dividend warrants.

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 2001 will be registered before entitlements to the dividends are determined. The dividend, if approved, will be paid on 22 June 2001.

In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited (CDP), the final dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to shareholders.

On behalf of the Board of Directors

NG SIEW LENG
EMILY CHIN
Company Secretaries

Singapore, 3 May 2001

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. Proxy forms 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. 7, 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 the limits specified therein.
4. Ordinary Resolution No. 8, 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 upon the exercise of options granted under the Scheme, provided that the aggregate number of shares to be issued pursuant to the Scheme does not exceed the limits specified therein.
5. Ordinary Resolution No. 9 is to renew the IPT Mandate for another year, up to the next Annual General Meeting of the Company. The IPT Mandate will allow the Company, its subsidiaries and target associated companies or any of them to enter into interested person transactions on an arm's length basis and on normal commercial terms with any party who is of the classes of Interested Persons described in the Circular.

PROXY FORM

TELEDATA (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)

TELEDATA

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 25th Annual General Meeting of the Company, to be held at its registered office No. 10 Dundee Road, #06-01, Setron Building, Singapore 149455 on Tuesday, the 22nd day of May 2001 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 and adopt the Directors' Report and the Audited Accounts.		
2.	To declare a first and final dividend of one percent (1%) less Singapore tax.		
3.	To approve Directors' fees.		
4a.	To re-elect Mr Wong Lin Hong retiring by rotation under Articles 100 & 101.		
4b.	To re-elect Mr Han Meng Siew retiring by rotation under Articles 100 & 101.		
5a.	To re-elect Mr Yang Boon Kiat pursuant to Article 104.		
5b.	To re-elect Dr Josephine Kwa Lay Keng pursuant to Article 104.		
6.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited.		
8.	To authorise Directors to issue shares pursuant to the Teledata Share Option Scheme.		
9.	To renew the Mandate for Interested Persons Transactions.		

Dated this _____ day of _____ 2001.

Total Number of Shares Held	
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Signature(s) of member(s)/Common Seal

NOTES

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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

AFFIX
POSTAGE
STAMP
HERE

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

2ND FOLD HERE

3RD FOLD HERE

TELEDATA (SINGAPORE) LIMITED

10 Dundee Road #06-01 Setron Building Singapore 149455

Tel: (65) 471 1733 Fax: (65) 471 1766

Website: www.teledata.com.sg

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