REPORT OF DIRECTORS

The directors 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 2001.

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
Josephine Kwa Lay Keng
Chua Kee Lock

In accordance with Articles 100 and 101 of the Company's Articles of Association, Mr Tan Keng Boon and Mr Tan Eng Bock 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 Chua Kee Lock retires and, being eligible, offers himself for re-election.

PRINCIPAL ACTIVITIES
The principal activities of the Company and its subsidiaries are to carry on business as system integrator and specialised distributor of telecommunication and datacommunication products. There have been no significant changes in the nature of their activities during the financial year.

RESULTS FOR THE FINANCIAL YEAR

	The Group S$'000	The Company S$'000
Net loss for the year	(16,068)	(19,402)

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 :

	The Group S$'000	The Company S$'000
Foreign currency translation reserve :		
Exchange differences arising from translation of foreign subsidiaries	(230)	–
Dividend reserve :		
Final dividend proposed for the previous financial year, arising from change in accounting policy	121	121
Final dividend for the previous financial year, paid	(121)	(121)

There were no other 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 and inventory obsolescence as shown in the financial statements.

REPORT OF DIRECTORS

ISSUE OF SHARES AND DEBENTURES

During the financial year, the following subsidiaries issued shares :

(a) Intrawave Pte Ltd issued 2,000,000 ordinary shares of S$1 each at par as fully-paid. 1,020,000 shares were issued to the Company for partial settlement of amounts owed and 980,000 shares were issued to Intraco Limited, the Company's holding company, for cash to provide additional working capital.

(b) Teledatacom Phils. Inc. issued 60,000 shares of 100 peso each at par as fully-paid to repay debts owed to the Company amounting to 6,000,000 peso (approximately S$249,000).

Other than the share issues disclosed above, the Company or its subsidiaries did not issue any shares or debentures during the financial year.

SHARE OPTIONS OF THE COMPANY

In 1999, the Company implemented the Teledata Share Option Scheme ("the Scheme") to allow the issuance of Options to take up unissued ordinary shares of the Company. These options, 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.

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

Date of grant	Balance at 1.1.2001	Granted during the year	Cancelled during the year	Balance at 31.12.2001	Exercise price	Exercisable period
28.10.1999	2,460,000	–	(444,000)	2,016,000	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	–	(839,000)	3,445,000	S$0.463	11.11.01 to 10.11.10
11.05.2001	–	400,000	–	400,000	S$0.240	11.05.02 to 10.05.11
	7,544,000	400,000	(1,283,000)	6,661,000		

(a) The members of the committee administering the Scheme are :
Tan Keng Boon
Wong Lin Hong

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

Name of director	Options granted in 2001	Aggregate options granted since commencement of scheme to 31.12.2001	Aggregate options exercised since commencement of scheme to 31.12.2001	Aggregate options outstanding as at 31.12.2001
Tan Keng Boon	–	160,000	–	160,000
Wong Lin Hong	–	160,000	–	160,000
Tan Eng Bock	–	160,000	–	160,000
Yang Boon Kiat	–	800,000	–	800,000
Han Meng Siew	–	630,000	–	630,000
Josephine Kwa Lay Keng	–	80,000	–	80,000
	–	1,990,000	–	1,990,000

(c) There are no participants who are controlling shareholders of the Company.

(d) There are no participants who have received 5% or more of the total number of options available under the Scheme.

(e) The options granted during the financial year were made with no discount to the market price.

(f) The Scheme is only available to employees of the Company and its subsidiaries.

WARRANTS OF THE COMPANY

As at the balance sheet date, the number of Warrants issued and outstanding was 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.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the financial year, the Company acquired additional interests in the following companies :

Name of subsidiary	Interest acquired	Net liabilities on date of acquisition S$'000	Consideration S$'000
Teledata International Pte Ltd	49%	(349)	100
Teledatacom Phils. Inc.	51%	(1,103)	622

After acquiring the additional interests, Teledata International Pte Ltd and Teledatacom Phils. Inc. became wholly-owned subsidiaries in the Group.

No subsidiaries were disposed off 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 implemented by the holding company and the Company respectively.

REPORT OF DIRECTORS

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 Singapore Companies Act, an interest in the shares, warrants and options of the Company as stated below :

	Holdings registered in name of director	
	At	At
Name of directors	1.1.2001	31.12.2001
Ordinary Shares of S$0.10 each		
Han Meng Siew	2,731,404	2,731,404
Tan Keng Boon	93,576	93,576
Yang Boon Kiat	–	17,000
Warrants to subscribe for ordinary shares of S$0.10 each		
Han Meng Siew	29,910	29,910
Tan Keng Boon	15,000	15,000
Share options to subscribe for ordinary shares of S$0.10 each		
Tan Keng Boon	160,000	160,000
Wong Lin Hong	160,000	160,000
Tan Eng Bock	160,000	160,000
Han Meng Siew	630,000	630,000
Yang Boon Kiat	800,000	800,000
Josephine Kwa Lay Keng	80,000	80,000

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2002.

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 23 to the financial statements.

DIVIDENDS

During the financial year, a final dividend of 1% per ordinary share, less income tax of 24.5%, amounting to S$121,000 was paid in respect of the previous financial year as proposed in the previous Report of the Directors.

No dividend has been paid or declared or recommended 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.

REPORT OF DIRECTORS

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
Subsequent to the financial year end, the Company's fixed deposits amounting to S$2,600,000 were charged to one of the bankers for use of letter of credit facilities.

Except as mentioned in the preceding paragraph, 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.

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.

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 financial 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 3 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 of Audit Committee
Tan Keng Boon
Wong Lin Hong

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 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 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 Chief Financial Officer and Group 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.

CORPORATE GOVERNANCE (cont'd)

SECURITIES TRANSACTIONS

A Policy on Share Dealings has been issued 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 Board,

Tan Keng Boon
Chairman

Yang Boon Kiat
Chief Executive Officer

Singapore, 8 March 2002

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 :

(a) the accompanying balance sheets, profit and loss accounts, statements of changes in equity and consolidated cash flows statement together with the notes thereto, set out on pages 26 to 60, 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 2001, 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

(b) 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.

The board of directors authorised these financial statements for issue on 8 March 2002.

On behalf of the Board,

Tan Keng Boon
Chairman

Yang Boon Kiat
Chief Executive Officer

Singapore, 8 March 2002

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 26 to 60. These financial statements comprise the balance sheets of the Company and of the Group as at 31 December 2001, 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 2001, 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 2001, 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 8 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

ERNST & YOUNG
Certified Public Accountants

Singapore, 8 March 2002

BALANCE SHEETS

as at 31 December 2001

		The Group		The Company	
		2001	2000 (Restated)	**2001**	2000 (Restated)
	Note	**S$'000**	S$'000	**S$'000**	S$'000
NON-CURRENT ASSETS					
Plant and equipment, net	6	**37,897**	19,039	**3,445**	2,952
Intangible assets, net	7	**1,421**	1,692	**–**	–
Investments in subsidiaries	8	**–**	–	**5,446**	8,154
Investments in associated companies	9	**–**	32	**–**	587
Other investments	10	**2,892**	4,233	**2,892**	4,233
Current assets					
Inventories, net	11	**12,804**	20,531	**3,993**	12,573
Projects-in-progress	12	**2,713**	2,044	**543**	1,237
Trade receivables, net	13	**20,517**	34,723	**19,137**	31,948
Other receivables	14	**1,795**	2,645	**13,507**	20,029
Cash and cash equivalents	15	**12,122**	2,738	**7,860**	1,056
		49,951	62,681	**45,040**	66,843
Less					
CURRENT LIABILITIES					
Project-in-progress	12	**2,554**	79	**–**	–
Trade payables	16	**16,923**	22,981	**10,907**	19,459
Other payables	17	**5,728**	7,749	**2,363**	3,144
Interest bearing loans and borrowings	18	**40,489**	7,269	**38,790**	7,193
Income tax payable		**60**	460	**–**	402
		65,754	38,538	**52,060**	30,198
NET CURRENT (LIABILITIES)/ASSETS		**(15,803)**	24,143	**(7,020)**	36,645
NON-CURRENT LIABILITIES					
Interest bearing loans and borrowings	18	**(21,692)**	(28,384)	**(549)**	(28,209)
Deferred tax liabilities	26	**–**	(653)	**–**	(625)
		(21,692)	(29,037)	**(549)**	(28,834)
NET ASSETS		**4,715**	20,102	**4,214**	23,737
EQUITY					
Issued share capital	19	**16,000**	16,000	**16,000**	16,000
Capital reserve	20	**5,500**	5,500	**5,497**	5,497
Foreign currency translation reserve	20	**(233)**	(3)	**–**	–
Dividend reserve	20	**–**	121	**–**	121
Accumulated (losses)/profits	20	**(18,798)**	(2,730)	**(17,283)**	2,119
		2,469	18,888	**4,214**	23,737
Minority interests		**2,246**	1,214	**–**	–
TOTAL EQUITY		**4,715**	20,102	**4,214**	23,737

The accounting policies and explanatory notes on pages 32 through 60 form an integral part of the financial statements.

PROFIT AND LOSS ACCOUNTS

For the year ended 31 December 2001

	Note	The Group 2001 S$'000	The Group 2000 (Restated) S$'000	The Company 2001 S$'000	The Company 2000 (Restated) S$'000
Revenue	21	**67,234**	71,388	**28,323**	44,905
Cost of sales		**(48,978)**	(50,156)	**(20,979)**	(32,901)
Gross Profit		**18,256**	21,232	**7,344**	12,004
Other income	22	**137**	295	**2,116**	2,711
Distribution costs		**(16,265)**	(14,922)	**(8,497)**	(8,313)
Administrative costs		**(4,990)**	(2,564)	**(8,068)**	(1,606)
Other operating costs		**(12,208)**	(4,538)	**(6,485)**	(3,003)
Total operating costs	23	**(33,463)**	(22,024)	**(23,050)**	(12,922)
(Loss)/profit from operating activities		**(15,070)**	(497)	**(13,590)**	1,793
Finance costs	24	**(2,007)**	(1,681)	**(2,069)**	(1,668)
Share of profits less (losses) of associated companies		**(46)**	(620)	**–**	–
(Loss)/profit from operations before income tax, minority interests and exceptional items		**(17,123)**	(2,798)	**(15,659)**	125
Exceptional items	25	**488**	630	**(4,351)**	913
(Loss)/profit from operations before income tax and minority interests		**(16,635)**	(2,168)	**(20,010)**	1,038
Income tax	26	**449**	(453)	**608**	(400)
(Loss)/profit from operations after income tax and before minority interests		**(16,186)**	(2,621)	**(19,402)**	638
Minority interests, net of income tax		**118**	589	**–**	–
Net (loss)/profit attributable to members of the Company		**(16,068)**	(2,032)	**(19,402)**	638
Basic loss per share (cents)	27	**(10.04)**	(1.27)	**–**	–
Diluted loss per share (cents)	27	**(10.04)**	(1.27)	**–**	–

The accounting policies and explanatory notes on pages 32 through 60 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2001

	Note	The Group 2001 S$'000	The Group 2000 (Restated) S$'000	The Company 2001 S$'000	The Company 2000 (Restated) S$'000
Issued share capital	19				
Balance, beginning and end of year		**16,000**	16,000	**16,000**	16,000
Capital reserve					
Deemed value of warrants					
Balance, beginning of year					
As previously stated		**–**	–	**–**	–
Cumulative effect on change in accounting policies	3	**5,497**	5,497	**5,497**	5,497
As restated		**5,497**	5,497	**5,497**	5,497
Negative goodwill arising on consolidation					
Balance, beginning and end of year		**3**	3	**–**	–
Total, end of year	20	**5,500**	5,500	**5,497**	5,497
Foreign currency translation reserve					
Balance, beginning of year		**(3)**	123	**–**	–
Foreign currency translation adjustment for the year		**(230)**	(126)	**–**	–
Balance, end of year	20	**(233)**	(3)	**–**	–
Dividend reserve					
Balance, beginning of year					
As previously stated		**–**	–	**–**	–
Cumulative effect on change in accounting policies	3	**121**	596	**121**	596
As restated		**121**	596	**121**	596
Dividend paid		**(121)**	(596)	**(121)**	(596)
Final dividend for the year, proposed		**–**	121	**–**	121
Balance, end of year	20	**–**	121	**–**	121

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2001 (cont'd)

	Note	The Group 2001 S$'000	The Group 2000 (Restated) S$'000	The Company 2001 S$'000	The Company 2000 (Restated) S$'000
Accumulated (losses)/profits					
Balance, beginning of year					
As previously stated		**2,469**	3,127	**6,084**	4,244
Cumulative effect on change in accounting policies	3	**(4,200)**	(2,646)	**(3,965)**	(2,642)
Restatement of prior year's results	4	**(999)**	–	**–**	–
As restated		**(2,730)**	481	**2,119**	1,602
Net (loss)/profit		**(16,068)**	(2,032)	**(19,402)**	638
Goodwill on consolidation of subsidiary written-off		**–**	(1,058)	**–**	–
Dividend on ordinary shares	28	**–**	(121)	**–**	(121)
Balance, end of year	20	**(18,798)**	(2,730)	**(17,283)**	2,119
Total equity		**2,469**	18,888	**4,214**	23,737

The accounting policies and explanatory notes on pages 32 through 60 form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2001

	2001	2000
		(Restated)
	S$'000	S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from operations before income tax and minority interests	**(16,635)**	(2,168)
Adjustments for :		
Depreciation of plant and equipment	**1,578**	1,294
Loss on disposals of plant and equipment	**184**	63
Plant and equipment written-off	**452**	–
Amortisation of intangible assets	**294**	282
Impairment loss on intangible assets	**1,433**	–
Gain on disposal of an associated company	**–**	(925)
Provision for impairment in value of investments in associated companies	**–**	295
Gain on disposal of an investment	**(1,253)**	–
Other investments written-off	**765**	–
Amortisation of bond discount	**1,306**	1,236
Share of associated companies' net losses	**46**	620
Foreign currency translation differences	**(2)**	36
Operating (loss)/profit before working capital changes	**(11,832)**	733
Decrease/(increase) in trade receivables	**15,037**	(5,583)
Decrease/(increase) in other receivables	**962**	(833)
Decrease/(increase) in inventories and projects-in-progress	**10,228**	(1,776)
(Decrease)/increase in trade payables	**(7,044)**	5,282
Decrease in other payables	**(3,067)**	(223)
Cash generated from/(used in) operations	**4,284**	(2,400)
Income tax paid	**(604)**	(493)
Net cash from/(used in) operating activities	**3,680**	(2,893)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	**(21,415)**	(7,111)
Proceeds from disposal of plant and equipment	**239**	165
Investment in subsidiary	**(100)**	–
Investment in associated company	**(249)**	(500)
Acquisition of subsidiary, net of cash acquired	**492**	878
Increase in other investment	**–**	(3,468)
Loan repaid/(to) associates	**–**	(80)
Proceeds from disposal of an associated company	**–**	1,958
Proceeds from disposal of an investment	**1,829**	–
Net cash used in investing activities	**(19,204)**	(8,158)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(121)**	(596)
(Decrease)/increase in amount due to holding company - Non-trade	**(1,173)**	238
Proceeds from issuance of share capital by subsidiary	**980**	–
Increase in finance lease liabilities	**575**	221
Increase in bank loans and borrowings	**29,580**	2,177
Net cash flow from financing activities	**29,841**	2,040
Net increase/(decrease) in cash and cash equivalents	**14,317**	(9,011)
Cash and cash equivalents at the beginning of year (Note 15)	**(2,195)**	6,816
Cash and cash equivalents at the end of year (Note 15)	**12,122**	(2,195)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December (cont'd)

The acquisition of Teledatacom Phils. Inc. has been shown in the consolidated cash flow statement as a single item. The effect on the individual assets and liabilities is set out below :

	S$'000
Net liabilities acquired :	
Cash and bank balance	614
Plant and equipment	98
Inventories	445
Trade receivables	831
Other receivables	112
Trade payables	(984)
Other payables	(2,219)
Net liabilities	(1,103)
Add: Previously accounted for as an associated company (Note 9)	540
Net liabilities relating to the acquisition of the remaining 51% interest	(563)
Goodwill arising on consolidation	1,185
Consideration	622
Consideration paid in the previous year	(500)
Cash paid	122
Less: Cash and bank balance acquired	(614)
Net cash inflow from the acquisition of subsidiary	(492)

The accounting policies and explanatory notes on pages 32 through 60 form an integral part of the financial statements.

1. CORPORATE INFORMATION

The financial statements of Teledata (Singapore) Limited (the "Company") for the year ended 31 December 2001 were authorised for issue in accordance with a resolution of the directors on 8 March 2002. The Company is a limited liability company incorporated in Singapore. Its immediate and ultimate holding company is Intraco Limited, which is also incorporated in Singapore.

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

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

The Group operates in 7 countries and employed 369 employees as of 31 December 2001 (2000 : 377 employees).

2. FUNDAMENTAL ACCOUNTING CONCEPT

As at 31 December 2001, the Group's and the Company's current liabilities exceeded the current assets by S$15,803,000 and S$7,020,000 respectively and as at that date, the Group and the Company have the following outstanding debts comprising :

(i) S$30 million in principal amount of fixed rate bonds maturing on 3 June 2002 (the "Bonds"); and

(ii) Approximately S$15 million in short-term bank facilities (the "Bank Facilities") in use for working capital and bank guarantees.

On 6 March 2002, the Company entered into a Memorandum of Understanding (the "MOU") with its creditor banks and bondholders to restructure the above debts. The principal terms of the proposed debt restructure as set out in the MOU include the following :

- Repayment of not less than S$10.5 million in cash to holders of the Bonds from the proceeds received by the Company from the disposals of certain non-core assets (the "Disposals").
- Effecting a reduction of the Company's issued and paid-up share capital by way of a capital reduction exercise in order to reduce accumulated losses (the "Capital Reduction").
- Undertaking a rights issue (the "Rights Issue") to partially repay holders of the Bonds.
- The remaining Bonds still outstanding, if any, and which shall not exceed S$3 million, following repayment from proceeds received from the Disposals and the Rights Issue will be converted into a term loan of four years in duration (the "Residual Loan"). The Bank Facilities as at the date of this report shall be progressively paid down and reduced over a period of four years and is expected to be fully repaid by 31 December 2005.

The restructured financing arrangements comprising, inter alia, the Residual Loan and the Bank Facilities shall be guaranteed by the Group and secured by a fixed and floating charge over all the assets of the Company (other than identified cash deposits).

The debt restructuring exercise and the transactions contemplated therein are subject to, inter alia, the following conditions being approved and met :

- the approval of the members of the Company at an extraordinary general meeting to be convened to :
  - the Disposals;
  - the Capital Reduction by way of a special resolution; and
  - the Rights Issue.
- the approval of the High Court of Singapore for the Capital Reduction;
- the approval of the Singapore Exchange Limited (where required) with respect to the transactions contemplated in this exercise including the listing of the Rights Shares to be issued pursuant to the Rights Issue; and
- any other relevant approvals.

The ability of the Company and the Group to continue operations as a going concern is dependent on the approval of the members and successful outcome of the debt restructuring proposal.

3. CHANGE IN ACCOUNTING POLICIES

The Group had modified certain accounting policies to comply with the new and revised Singapore Statements of Accounting Standard ("SAS"), which are effective for the current year financial statements. A summary of the major effects on application of the following new and revised SAS is as follows :

SAS 10 (2000): ***Events After the Balance Sheet Date***

In compliance with the revised SAS 10 (2000), dividend proposed after the balance sheet date is presented as a separate component of shareholders' equity under dividend reserve.

In previous financial years, the Company and the Group recognised dividends in respect of a financial year proposed after the balance sheet date as a current liability in the financial statements of the same financial year.

This change in accounting policy resulted in the creation of a dividend reserve in the financial statements for the financial year ended 31 December 2001. Comparative figures for 2000 have been restated to conform with the change in accounting policy, where "dividend payable" in the previous year-end amounting to S$121,000 has been reclassified from current liability to dividend reserve in the balance sheets.

The change in accounting policy did not result in a change in the net profit for the Group and for the Company for the previous year and for the financial year under review.

SAS 17 (2000): ***Employee Benefits***

In compliance with the revised SAS 17 (2000), the Company and the Group made provision for the estimated liability for unconsumed leave as a result of services rendered by the employees up to the balance sheet date in the current financial year. Previously, no provision was made for this liability.

This change in accounting policy has the effect of increasing the current year's loss of the Group and the Company by S$101,000 (2000 : S$334,000) and S$79,000 (2000 : S$187,000) respectively. The cumulative adjustments for the previous years have been made against the opening accumulated losses/profits of the Group and the Company and the comparative figures for 2000 have been restated accordingly.

SAS 22 (2000): ***Business Combinations***

In compliance with the revised SAS 22 (2000), any excess or shortfall in the cost of acquisition over the fair value of identifiable assets and liabilities acquired at the date of the exchange of transaction is described as goodwill arising on acquisition and recognised as an asset. It is carried at cost less any accumulated amortisation and any accumulated impairment losses.

In the previous financial years, goodwill arising on acquisition was written-off against Group reserve on the year in which it arises, or included in capital reserve arising on consolidation.

As a result of the application of the revised standard, goodwill arising on the Company's acquisition of additional interests in Teledata International Pte Ltd and Teledatacom Phils. Inc. during the current financial year amounting to S$1,456,000 has been recognised as an asset and stated at cost less accumulated amortisation as at 31 December 2001.

SAS 32: ***Financial Instruments - Recognition and Measurement***

In compliance with the new SAS 32, the bonds are recorded at their present values and the discount, being the difference between the principal amount of the bonds and their present values on initial recognition, is amortised over the duration of the bonds using the discount method. The attributable value of the warrants is also recorded in capital reserve.

In the previous financial years, the bonds issued by the Company in conjunction with detachable warrants to subscribe for new ordinary shares in the capital of the Company were recorded at their principal values and no value was attributed to the warrants.

This change in accounting policy has the effect of increasing the current year's loss of the Group and the Company by S$1,306,000 (2000 : S$1,236,000). It also results in an increase in capital reserve of S$5,497,000 in the financial statements. The cumulative adjustments for the previous years have been made against the opening accumulated losses/profits of the Group and the Company and the comparative figures for 2000 have been restated accordingly.

3. CHANGE IN ACCOUNTING POLICIES (cont'd)

SAS 34: *Intangible Assets*

In compliance with the new SAS 34, expenditure on start-up activities and bonds cum warrants issue expenses are recognised as expenses when they are incurred. Previously, these expenses were written-off to the profit and loss accounts on a straight-line basis over a five-year period commencing from date of commercial operation or upon receipt of bond proceeds.

As a result of the application of the new standard, deferred expenditure on start-up activities of the Group amounting to S$89,000 (2000 : S$4,000) has been adjusted against the opening accumulated losses of the Group and the comparative figures for 2000 have been restated accordingly.

The application of the new standard on deferred bonds cum warrant issue expenses has the effect of decreasing the current year's annual amortisation expense and losses of the Group and the Company by S$101,000 (2000 : S$101,000). The cumulative adjustments for the previous years have been made against the opening accumulated losses/profits of the Group and the Company and the comparative figures for 2000 have been restated accordingly.

4. RESTATEMENT OF PRIOR YEAR'S RESULTS

During the financial year, a subsidiary discovered that project revenues and costs from certain projects were not appropriately matched in the previous financial year.

The total effect of S$999,000 is adjusted against the accumulated profits of the Group as at 1 January 2001. The comparative figures for the Group revenue and income tax expense have been reduced by S$965,000 and S$200,000 respectively, and the Group cost of sales has been increased by S$234,000.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared on a historical cost basis and in accordance with Singapore Statements of Accounting Standard and applicable provisions of the Singapore Companies Act.

The accounting policies applied by the Company, except for the changes in accounting policies discussed more fully above, are consistent with those used in the previous year.

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

(b) 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.

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 IntraWave Pte Ltd not wholly-held by the Company.

Investment costs in subsidiaries are stated in the Company's balance sheet at cost and provision is made for permanent impairment in values.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Plant and equipment

Cost

All items of plant and equipment are initially recorded at cost. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amount, and if carrying values exceed this recoverable amount, assets are written down.

Depreciation

Depreciation is computed on a straight line basis over their estimated 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 :

Motor vehicles	–	3 - 6 years
Office equipment	–	4 - 10 years
Workshop equipment	–	8 - 10 years
Furniture and fittings	–	10 years
Renovations	–	6 years
Equipment on rental	–	3 - 20 years

Fully depreciated plant and equipment 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.

(d) Intangibles

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary or an associated company at the date of acquisition. Goodwill is amortised using the straight-line method over a 20-year period that benefits are expected to be received.

At each balance sheet date, the Company assessed whether there is any indication of impairment. If any indication exists, the recoverable amount is estimated and the intangible asset is written-down.

(e) Investments in associated companies

An associated company is defined as a company, not being a subsidiary, in which the Group has a long-term interest of not less than 20% of the equity and in whose financial and operating policy decisions the Group exercises significant influence.

The Group's investments in associated companies are recorded at cost and adjusted to recognise the Group's share of the net assets of the associated companies at the date of acquisition.

The Group's share of the results of associated companies is included in the consolidated profit and loss accounts. 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 financial statements are not co-terminous with those of the Group, the share of profits is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period.

Investment cost in associated companies are stated in the Company's balance sheet at cost and provision is made for permanent impairment in values.

(f) Investments

Investments held on a long term basis are stated at cost. An allowance is made for any diminution in value which is considered to be other than temporary.

(g) Projects-in-progress

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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. 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 slow-moving and obsolete inventories.

(i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoiced amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from related companies are recognised and carried at cost less an allowance for any uncollectible amounts.

(j) Cash and cash equivalents

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.

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

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

(k) Trade and other payables

Liabilities for trade and other amounts payable, which are settled on 30-90 day terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Payables to related companies are carried at cost.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(m) Loans and borrowings

Loans and borrowings from banks are recorded at cost.

Bonds issued with detachable warrants are recorded at their present values with the corresponding discounts accruing to the bonds amortised to the profit and loss account over the tenure of the bonds.

The deemed value of the warrants, net of issue expenses is included in capital reserve. It is transferred to share premium account when the warrants are exercised. Upon expiry of the warrants, this capital reserve is transferred to revenue reserve.

(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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Deferred tax liabilities

Deferred tax liabilities are provided, using the full 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.

(p) 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.

(iii) Interest income is recognised as the interest accrues unless collectibility is in doubt.

(q) Foreign currencies translation

Foreign currency transactions

Transactions arising in foreign currencies during the financial year are translated at foreign exchange rates closely approximating those ruling on transaction dates. Monetary assets and liabilities denominated in non-S$ currencies are translated into S$ 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 S$ 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.

(r) Employee benefits

Defined contribution plan

As required by Singapore law, the Group's companies in Singapore make contributions to the state pension scheme, the Central Provident Fund ("CPF"). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Employee paid leave entitlement

Employee paid leave entitlement is recognised when they accrue to employees. A provision is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to the balance sheet date.

Employee share incentive plan

The Company has an employee share incentive plan for the granting of non-transferrable options. There are no charges to earnings upon the grant or exercise of fixed options because the exercise price equals the market value of the shares at the date of grant.

(s) 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.

6. PLANT AND EQUIPMENT

	Motor vehicles S$'000	Office equipment S$'000	Workshop equipment S$'000	Furniture & fittings S$'000	Renovations S$'000	Equipment on rental S$'000	Work-in progress S$'000	Total S$'000
The Group								
Cost								
Balance at beginning of year	1,297	5,256	177	1,498	1,320	15,572	–	25,120
Cumulative effect on change in accounting policy	–	–	–	–	–	17	–	17
Reclassified from deferred expenditure	–	–	–	–	–	48	–	48
At beginning of year (restated)	1,297	5,256	177	1,498	1,320	15,637	–	25,185
Foreign currency translation adjustments	6	42	8	29	11	1	–	97
Due to acquisition of subsidiary	8	115	–	39	32	–	–	194
Transferred to inventories for resale	–	(321)	–	–	–	–	–	(321)
Additions	245	870	41	220	97	19,142	800	21,415
Disposals	(374)	(830)	(10)	(86)	(103)	(112)	–	(1,515)
Written-off	–	(342)	–	(78)	(185)	–	–	(605)
Balance at end of year	1,182	4,790	216	1,622	1,172	34,668	800	44,450
Accumulated depreciation								
Balance at beginning of year	499	2,439	95	652	878	1,583	–	6,146
Foreign currency translation adjustments	4	21	3	13	7	1	–	49
Due to acquisition of subsidiary	4	56	–	13	23	–	–	96
Transferred to inventories for resale	–	(71)	–	–	–	–	–	(71)
Charge for the year	168	807	31	196	180	196	–	1,578
Disposals	(148)	(762)	(10)	(76)	(86)	(10)	–	(1,092)
Written-off	–	(112)	–	(8)	(33)	–	–	(153)
Balance at end of year	527	2,378	119	790	969	1,770	–	6,553
Charge for 2000	137	658	17	111	134	237	–	1,294
Net book value								
At end of year	**655**	**2,412**	**97**	**832**	**203**	**32,898**	**800**	**37,897**
At beginning of year	798	2,817	82	846	442	14,054	–	19,039

6. PLANT AND EQUIPMENT (cont'd)

	Motor vehicles S$'000	Office equipment S$'000	Workshop equipment S$'000	Furniture & fittings S$'000	Renovations S$'000	Equipment on rental S$'000	Work-in progress S$'000	Total S$'000
The Company								
Cost								
Balance at beginning of year	723	3,480	50	826	924	1,886	–	7,889
Additions	202	262	–	12	39	170	800	1,485
Disposals	(195)	(642)	–	(4)	–	–	–	(841)
Balance at end of year	730	3,100	50	834	963	2,056	800	8,533
Accumulated depreciation								
At beginning of year	367	1,821	44	404	748	1,553	–	4,937
Charge for the year	92	459	2	80	90	195	–	918
Disposals	(135)	(628)	–	(4)	–	–	–	(767)
At end of year	324	1,652	46	480	838	1,748	–	5,088
Charge for 2000	82	402	6	78	81	229	–	878
Net book value								
At end of year	**406**	**1,448**	**4**	**354**	**125**	**308**	**800**	**3,445**
At beginning of year	356	1,659	6	422	176	333	–	2,952

At the balance sheet date, the net book value of motor vehicles and work-in-progress acquired under finance lease agreements amounted to S$1,412,533 (2000 : S$723,062) for the Group and S$1,192,950 (2000 : S$308,868) 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$1,644,929 (2000 : S$847,565).

7. INTANGIBLE ASSETS

An analysis of activity in intangible assets of the Group for the year ended 31 December 2001 is as follows :

	Deferred bonds cum warrants issue expenses S$'000	Deferred pre-operating and preliminary expenses S$'000	Deferred software development costs S$'000	Goodwill on consolidation S$'000	Total S$'000
Balance at beginning of year, net of accumulated amortisation					
As previously stated	142	243	1,692	–	2,077
Change in accounting policy	(142)	(195)	–	–	(337)
Reclassified to plant and equipment	–	(48)	–	–	(48)
As restated	–	–	1,692	–	1,692
Acquisitions of additional interests in subsidiaries	–	–	–	1,456	1,456
Amortisation	–	–	(259)	(35)	(294)
Impairment	–	–	(1,433)	–	(1,433)
Balance at end of year, net of accumulated amortisation	–	–	–	1,421	1,421
Intangible assets :					
At cost	–	–	–	1,456	1,456
Accumulated amortisation	–	–	–	(35)	(35)
Net carrying amount	–	–	–	1,421	1,421

The impairment loss recognised represents the write-off of all deferred software development costs relating to the winding down of business activities in a subsidiary and is charged to the Group profit and loss account.

8. INVESTMENTS IN SUBSIDIARIES

	The Company 2001 S$'000	The Company 2000 S$'000
Unquoted equity shares, at cost	**10,429**	8,298
Less : Provision for impairment	**(4,983)**	(144)
	5,446	8,154
Analysis of provision for impairment :		
Balance at beginning of year	**144**	144
Provided during the year	**4,839**	–
Balance at end of year	**4,983**	144

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	Total paid-up capital of subsidiary		Amount of Company's investment in ordinary shares		Equity Interest	
			Class of shares	Amount	**2001 S$'000**	2000 S$'000	**2001 %**	2000 %
Held by Teledata (Singapore) Limited :								
Davotek Sdn. Bhd. #	Dealer and maintainer of telecommunication equipment	Malaysia	Ordinary	RM 1,000,000	**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 Communi-cation Private Limited *	Manufacturer and dealer in tele-communication equipment	Singapore	Ordinary	S$ 1,500,000	**1,420**	1,420	**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

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiary	Principal activities	Country of incorporation/ business	Total paid-up capital of subsidiary		Amount of Company's investment in ordinary shares		Equity Interest	
			Class of shares	Amount	**2001 S$'000**	2000 S$'000	**2001 %**	2000 %
Teledata International Pte Ltd *	System integrator, sourcing and distributing telecommunication and datacom-munication products internationally	Singapore	Ordinary	S$ 500,000	**355**	255	**100**	51
TD-Services (S) Pte Ltd *	To provide software development, system integration work and infor-mation 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$ 5,000,000	**2,550**	1,530	**51**	51
PT Teledata Indonesia #	To provide consultant services in the area of management information system, information technology and telecommunication	Indonesia	Ordinary	Rp 966,000,000	**206**	153	**100**	95.1
Teledata (Thailand) Co., Ltd #	System integrator, sourcing and distributing telecommunication and data-communication products	Thailand	Ordinary	THB 10,000,000	**773**	773	**49**	49
Teledatacom Phils. Inc. #	System integrator, sourcing, distributing and installing voice, data and video communications products	Philippines	Ordinary	Peso 9,000,000	**958**	–	**100** Refer (1) below	–
					10,429	8,298		

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiary	Principal activities	Country of incorporation/ business	Total paid-up capital of subsidiary		Amount of Company's investment in ordinary shares		Equity Interest	
			Class of shares	Amount	**2001 S$'000**	2000 S$'000	**2001 %**	2000 %
Held by Teledata International Pte Ltd :								
Teledata (Hong Kong) Limited #	Distribution of telecommunication, data and video communication products and provision of maintenance service	Hong Kong	Ordinary	HK 50,000	**11**	11	**51**	51
Teledatacom (India) Private Limited @	Distribution of telecommunication, data and video communication products and provision of maintenance service	India	Ordinary	INR 102,000	**4**	4	**51**	51
Teledata Sdn. Bhd. #	Distribution of telecommunication, data and video communication products and provision of maintenance service	Brunei	Ordinary	B$ 10,000	**10**	10	**51**	51
Held by Davotek Sdn. Bhd. :								
Goodway Technology Sdn. Bhd. #	Dealership and provision of maintenance services	Malaysia	Ordinary	RM 12,600	**4**	4	**80**	80

(1) As at 31 December 2000, the cost of investment in Teledatacom Phils. Inc. of S$587,000 was classified as Investments In Associated Companies (Note 9).
* Audited by Ernst & Young, Singapore.
# Audited by member firms of Ernst & Young International.
@ Audited by other Certified Public Accountant.

9. INVESTMENTS IN ASSOCIATED COMPANIES

	The Group		The Company	
	2001	2000	**2001**	2000
	S$'000	S$'000	**S$'000**	S$'000
Unquoted equity shares, at cost	**4,888**	5,475	**4,875**	5,462
Less : Provision for impairment	**(2,954)**	(2,954)	**(4,875)**	(4,875)
	1,934	2,521	**–**	587
Foreign currency translation adjustments	**–**	26	**–**	–
Group's share of post acquisition losses	**(1,934)**	(2,515)	**–**	–
	–	32	**–**	587
Analysis of provision for impairment :				
Balance at beginning of year	**2,954**	3,066	**4,875**	5,929
Provided during the year	**–**	295	**–**	735
Cost of investment written-off	**–**	(407)	**–**	(1,789)
Balance at end of year	**2,954**	2,954	**4,875**	4,875

The associated companies as at 31 December were :

Name of Associate	Country of Incorporation/ Business	Class of Shares	Paid-up Capital held by the Company or its nominees **2001** %	2000 %	Cost of Investment **2001** **S$'000**	2000 S$'000
Held by Teledata (Singapore) Limited :						
IntraPage Pte Ltd ## (formerly known as Hutchison IntraPage Pte Ltd)	Singapore	Ordinary	**30**	30	**4,140**	4,140
Internoc Singapore Pte Ltd *	Singapore	Ordinary	**49**	49	**735**	735
Teledatacom Phils. Inc. #	Philippines	Ordinary	**–**	49	**–**	587 Refer (1) below
					4,875	5,462
Held by Davotek Sdn. Bhd. :						
Davoteknologi Sdn. Bhd. #	Malaysia	Ordinary	**30**	30	**13**	13
					4,888	5,475

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

(1) Teledatacom Phils. Inc. is considered a controlled subsidiary of the Group in the current financial year after the Company has increased its interest in this company to 100% (Note 8).
IntraPage Pte Ltd is under judicial management as at 31 December 2001.
* Internoc Singapore Pte Ltd is under creditors' voluntary liquidation as at 31 December 2001.
# Audited by member firms of Ernst & Young International.

10. OTHER INVESTMENTS

	The Group and The Company 2001 S$'000	The Group and The Company 2000 S$'000
At cost :		
Equity shares listed on an exchange outside Singapore	**–**	765
Unlisted equity shares	**2,892**	3,468
	2,892	4,233
Market value of listed equity shares	**–**	145

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

Name of company	Country of incorporation/ business	% of paid-up capital held by the Company 2001 %	% of paid-up capital held by the Company 2000 %	Cost of investment 2001 S$'000	Cost of investment 2000 S$'000
e-Cop.net Pte Ltd	Singapore	**34**	51	**2,892**	3,468
Mavix Ltd	Israel	**25**	25	**–**	–
				2,892	3,468

e-Cop.net Pte Ltd is not accounted for as an associated company using the equity method in the consolidated financial statements as the Group does not exercise significant influence on its financial or operating policies.

11. INVENTORIES

	The Group 2001 S$'000	The Group 2000 S$'000	The Company 2001 S$'000	The Company 2000 S$'000
Inventories, at net realisable value	**12,804**	20,531	**3,993**	12,573
Inventories are stated after deducting provision for obsolescence of :				
Balance at the beginning of year	**267**	146	**194**	146
Charged/(written-back) to profit and loss accounts	**140**	121	**(165)**	48
Obsolete inventories written off	**(175)**	–	**(29)**	–
Balance at the end of year	**232**	267	**–**	194

12. PROJECT-IN-PROGRESS

	The Group		The Company	
	2001	2000	**2001**	2000
	S$'000	S$'000	**S$'000**	S$'000
Costs incurred and attributable profits	**3,651**	3,293	**1,390**	1,489
Less: Progress billings	**(938)**	(1,249)	**(847)**	(252)
Costs incurred and attributable profits in excess of billings	**2,713**	2,044	**543**	1,237
Costs incurred and attributable profits	**862**	178	**–**	–
Less : Progress billings	**(3,416)**	(257)	**–**	–
Billings in excess of cost incurred and attributable profits	**(2,554)**	(79)	**–**	–

13. TRADE RECEIVABLES

Trade receivables as at 31 December were :

	The Group 2001 S$'000	The Group 2000 S$'000	The Company 2001 S$'000	The Company 2000 S$'000
Third party receivables	**19,090**	32,949	**8,488**	17,678
Third party retention monies	**1,301**	847	**1,070**	847
Holding company	**90**	65	**68**	64
Subsidiaries	**–**	–	**9,475**	13,300
Related companies	**23**	59	**23**	59
Associated companies	**13**	803	**13**	–
	20,517	34,723	**19,137**	31,948

Trade receivables and amount due to subsidiaries are stated after deducting specific provision for doubtful debts of :

	The Group 2001 S$'000	The Group 2000 S$'000	The Company 2001 S$'000	The Company 2000 S$'000
Balance at the beginning of year	**74**	93	**65**	91
Charged to profit and loss accounts	**511**	69	**1,148**	60
Bad debts written off	**(47)**	(88)	**(47)**	(86)
Balance at the end of year	**538**	74	**1,166**	65
Bad debts written off directly to profit and loss accounts	**273**	30	**262**	–

The amounts receivable from subsidiaries are unsecured, bear interest at 5.75% to 6.25% (2000 : 6.25%) per annum and have no fixed terms of repayment.

14. OTHER RECEIVABLES

	The Group		The Company	
	2001	2000	**2001**	2000
	S$'000	S$'000	**S$'000**	S$'000
Other receivables as at 31 December were :				
Prepaid expenses	**64**	592	**8**	108
Deposits	**458**	420	**267**	268
Staff advances	**211**	237	**131**	81
Sundry debtors	**813**	345	**2**	6
Subsidiaries	**–**	–	**13,099**	18,874
Related companies	**–**	115	**–**	–
Associated companies	**249**	936	**–**	692
	1,795	2,645	**13,507**	20,029
Other receivables from subsidiaries are stated after deducting specific provision for doubtful debts of :				
Balance at the beginning of year	**–**	–	**–**	–
Charged to profit and loss account	**–**	–	**4,386**	–
Balance at the end of year	**–**	–	**4,386**	–
Other receivable from an associated company written-off directly to profit and loss account	**388**	–	**388**	–

The amounts receivable from subsidiaries are unsecured, bear interest at a range of 5.75% to 6.25% (2000 : 6.25%) per annum and have no fixed terms of repayment.

Included in the amounts receivable from subsidiaries is an amount of S$2.329 million (2000 : S$3.774 million) of shareholders' loan extended by the Company. The loan is unsecured, bears interest at a range of 5% to 6.75% (2000 : 6.75%) per annum, and has no fixed terms of repayment. This loan is subordinated to the term loan obtained by the subsidiary from its banker.

The staff advances are unsecured, interest free and repayable upon demand.

The amounts receivable from related and associated companies are unsecured, interest free and have no fixed terms of repayment.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 December were :

	The Group		The Company	
	2001	2000	**2001**	2000
	S$'000	S$'000	**S$'000**	S$'000
Fixed deposits	**7,003**	100	**6,850**	–
Cash and bank balances	**5,119**	2,638	**1,010**	1,056
Bank overdrafts (Note 18)	**–**	(4,933)	**–**	(4,993)
	12,122	(2,195)	**7,860**	(3,937)

16. TRADE PAYABLES

Trade payables as at 31 December were :

	The Group		The Company	
	2001	2000 (Restated)	**2001**	2000 (Restated)
	S$'000	S$'000	**S$'000**	S$'000
Bills payables	**1,536**	4,505	**1,536**	4,505
Third party payables	**14,474**	18,099	**6,240**	11,765
Third party retention monies	**866**	–	**–**	–
Holding company	**27**	52	**27**	41
Subsidiaries	**–**	–	**3,084**	2,837
Associated companies	**–**	301	**–**	287
Related companies	**20**	24	**20**	24
	16,923	22,981	**10,907**	19,459

The amounts due to subsidiaries are unsecured, bear interest rate of 5.75% to 6.25% (2000 : 6.25%) per annum and have no fixed terms of repayment.

17. OTHER PAYABLES

Other payables as at 31 December were :

Accrued operating expenses	**2,255**	3,140	**1,434**	1,994
Holding company	**2,993**	4,166	**2**	2
Subsidiaries	**–**	–	**795**	1,005
Associated companies	**–**	27	**–**	–
Related companies	**–**	17	**–**	–
Sundry creditors	**480**	399	**132**	143
	5,728	7,749	**2,363**	3,144

Included in the amounts payable to holding company is an amount of S$2.24 million (2000 : S$3.626 million) in respect of a loan to a subsidiary. The loan is unsecured, bears interest at a range of 5% to 6.75% (2000 : 6.75%) per annum, and has no fixed terms of repayment. The loan is subordinated to the term loan obtained by the subsidiary from its banker.

Apart from the above, the amounts payable to holding company are unsecured, interest free and have no fixed terms of repayment.

The amounts payable to subsidiaries are unsecured, bear interest at a range of 5.75% to 6.25% (2000 : 6.25%) per annum and have no fixed terms of repayment.

18. INTEREST-BEARING LOANS AND BORROWINGS

As at 31 December, current and non-current interest bearing loans and borrowings were as follows :

	Weighted average coupon	Maturities	The Group 2001	The Group 2000 (Restated)	The Company 2001	The Company 2000 (Restated)
			S$'000	S$'000	**S$'000**	S$'000
Current						
Finance lease liabilities (Note 29)	2.28%	2002	**385**	159	**331**	83
Bank overdrafts (Note 15)	6.25%	2002	**–**	4,933	**–**	4,933
Receivable financing	6.25%	2002	**6,016**	2,177	**6,016**	2,177
Bank loan	3.08% - 3.43%	2002	**3,000**	–	**3,000**	–
Term loan	5.50% - 6.00%	2002	**1,645**	–	**–**	–
Bonds	1.00%	2002	**29,443**	–	**29,443**	–
			40,489	7,269	**38,790**	7,193
Non-current						
Finance lease liabilities (Note 29)	3.63%	2002 - 2006	**596**	247	**549**	72
Term loan	5.50% - 6.00%	2007	**21,096**	–	**–**	–
Bonds	1.00%	2002	**–**	28,137	**–**	28,137
			21,692	28,384	**549**	**28,209**

The holding company, Intraco Limited, has issued an unconditional and irrevocable corporate guarantee to the bank in respect of the term loan.

In 1997, the Company issued S$30 million unsecured 1% Bonds due 2002 ("the 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.

19. SHARE CAPITAL

	The Group and The Company	
	2001	2000
	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 6,661,000 (2000 : 7,544,000).

As at balance sheet date, the number of warrants issued and outstanding was 24,000,000 (2000 : 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.

20. RESERVES

	The Group		The Company	
	2001	2000 (Restated)	**2001**	2000 (Restated)
	S$'000	S$'000	**S$'000**	S$'000
Analysis of distributable and non-distributable reserves are as follows :				
Non-distributable -				
Capital reserve	**5,500**	5,500	**5,497**	5,497
Foreign currency translation reserve	**(233)**	(3)	**–**	–
	5,267	5,497	**5,497**	5,497
Distributable -				
Dividend reserve	**–**	121	**–**	121
Accumulated (losses)/profits	**(18,798)**	(2,730)	**(17,283)**	2,119
	(18,798)	(2,609)	**(17,283)**	2,240
Total reserves	**(13,531)**	2,888	**(11,786)**	7,737

21. 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.

22. OTHER INCOME

	The Group		The Company	
	2001	2000 (Restated)	**2001**	2000 (Restated)
	S$'000	S$'000	**S$'000**	S$'000
Interest income				
- bank	**47**	141	**28**	101
- subsidiaries	**–**	–	**874**	717
Miscellaneous income	**90**	154	**1,214**	1,893
	137	295	**2,116**	2,711

23. TOTAL OPERATING COSTS

Total operating costs included the following for the year ended 31 December :

	The Group		The Company	
	2001	2000 (Restated)	**2001**	2000 (Restated)
	S$'000	S$'000	**S$'000**	S$'000
Directors' emoluments :				
Directors of the Company				
- current year's fees	**110**	139	**110**	139
- overprovision in respect of previous year	**(70)**	–	**(70)**	–
- other remuneration	**715**	600	**715**	600
Other directors of subsidiaries				
- other remuneration	**276**	–	**–**	–
- consultancy fees paid to a Company in which a director has an interest	**23**	32	**–**	–
Auditors' remuneration	**93**	96	**36**	37
Depreciation of plant and equipment	**1,578**	1,294	**918**	878
Amortisation of intangible assets	**294**	282	**–**	–
Specific provision for doubtful trade debts - third parties	**511**	69	**232**	60
Specific provision for doubtful trade debts - intercompany	**–**	–	**5,302**	–
Bad debts written-off – Trade	**273**	30	**262**	–
– Non Trade	**388**	–	**388**	–
Bad trade debts recovered	**(3)**	(31)	**(3)**	(31)
Provision for/(write-back of) inventory obsolescence	**140**	121	**(165)**	48
Inventories written down	**401**	801	**268**	801
Inventories written-off	**8,088**	835	**4,948**	365
Foreign exchange loss/(gain), net	**(269)**	140	**93**	174
Loss/(gain) on disposals of plant and equipment	**184**	63	**(5)**	7
Plant and equipment written-off	**452**	–	**–**	–
Impairment loss on intangible assets	**1,433**	–	**–**	–
Salaries and employee benefits	**12,966**	12,142	**6,660**	6,461
CPF contributions	**1,384**	1,190	**754**	667

The number of directors of the Company whose remunerations fall within the following bands :

	2001	2000
Above S$5000,000	**–**	–
S$250,000 to S$499,999	**1**	2
Below S$250,000	**6**	5
	7	7

24. FINANCE COSTS

	The Group 2001 S$'000	The Group 2000 (Restated) S$'000	The Company 2001 S$'000	The Company 2000 (Restated) S$'000
Interest expense :				
- bank overdrafts	**204**	114	**204**	114
- loan from subsidiary	**–**	–	**72**	–
- short term bank loan	**172**	6	**172**	6
- bonds	**300**	300	**300**	300
Finance charges - lease liabilities	**25**	25	**15**	12
Amortisation of bond discount	**1,306**	1,236	**1,306**	1,236
	2,007	1,681	**2,069**	1,668

25. EXCEPTIONAL ITEMS

	The Group 2001 S$'000	The Group 2000 (Restated) S$'000	The Company 2001 S$'000	The Company 2000 (Restated) S$'000
Provision for impairment in costs of investment in				
- Subsidiaries	**–**	–	**(4,839)**	–
- An associated company	**–**	(295)	**–**	(735)
Gain on disposals of				
- An associated company	**–**	925	**–**	1,648
- Other investment	**1,253**	–	**1,253**	–
Cost of other investment written-off	**(765)**	–	**(765)**	–
	488	630	**(4,351)**	913

26. INCOME TAX

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

	The Group 2001 S$'000	The Group 2000 (Restated) S$'000	The Company 2001 S$'000	The Company 2000 (Restated) S$'000
Current				
- Singapore	**17**	653	**–**	400
- Thailand	**73**	–	**–**	–
Under/(over) provision for current taxation in respect of previous years				
- Singapore	**107**	(200)	**16**	–
- Malaysia	**7**	–	**–**	–
Overprovision of deferred income tax in respect of previous years				
- Singapore	**(653)**	–	**(624)**	–
Total income tax expense	**(449)**	453	**(608)**	400

As at balance sheet date, subject to the agreement with the Inland Revenue Authority of Singapore and the tax authority of the countries in which the subsidiaries are tax residents, the Group and the Company have estimated unutilised tax losses of S$21,982,000 (2000 : S$2,265,000) and S$13,477,000 (2000 : nil) respectively, and a subsidiary has double tax deduction of S$221,564 (2000 : S$307,522) 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.

26. INCOME TAX (cont'd)

Deferred income tax assets and liabilities

	The Group		The Company	
	2001	2000	**2001**	2000
	S$'000	S$'000	**S$'000**	S$'000
Analysis of deferred tax liabilities				
Balance at beginning of year	**653**	653	**625**	625
Written-back to profit and loss account	**(653)**	–	**(625)**	–
Balance at end of year	**–**	653	**–**	625
Deferred taxes at 31 December related to the following :				
Deferred tax liabilities				
Excess of net book value over tax written down value of plant and equipment	**–**	635	**–**	613
Others	**–**	20	**–**	14
Gross deferred tax liabilities	**–**	655	**–**	627
Deferred tax assets				
Others	**–**	(2)	**–**	(2)
Gross deferred tax assets	**–**	(2)	**–**	(2)
Net deferred tax liabilities	**–**	653	**–**	625

27. LOSS PER SHARE

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

Diluted loss per share is calculated by dividing the net loss 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 following reflects the loss and share data used in the basic and diluted loss per share computation for the years ended 31 December :

	The Group	
	2001	2000
	S$'000	S$'000
Net loss attributable to ordinary shareholders for basic and diluted earnings per share	**(16,068)**	(2,032)
Weighted number of ordinary shares on issue applicable to basic loss per share	**160,000,000**	160,000,000
Effect on dilutive securities :		
Warrants	**–**	–
Options	**–**	–
Adjusted weighted average number of ordinary shares applicable to diluted loss per share	**160,000,000**	160,000,000

28. DIVIDEND

	The Group & The Company 2001 S$'000	The Group & The Company 2000 (Restated) S$'000
Proposed first and final dividend of Nil% (2000 : 1%) less tax at 24.5% (2000 : 24.5%)	**–**	121

29. 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 of the Group and the Company are as follows :

	Minimum payments **2001** **S$'000**	Present value of payment **2001** **S$'000**	Minimum payments 2000 S$'000	Present value of payment 2000 S$'000
The Group				
Within one year	**424**	**385**	166	159
After one year but not more than five years	**643**	**583**	264	221
More than five years	**16**	**13**	30	26
Total minimum lease payments	**1,083**	**981**	460	406
Less amount representing finance charges	**(102)**	**–**	(54)	–
Present value of minimum lease payments	**981**	**981**	406	406
The Company				
Within one year	**363**	**331**	166	159
After one year but not more than five years	**587**	**536**	264	221
More than five years	**16**	**13**	30	26
Total minimum lease payments	**966**	**880**	460	406
Less amount representing finance charges	**(86)**	**–**	(54)	–
Present value of minimum lease payments	**880**	**880**	406	406

29. COMMITMENTS AND CONTINGENCIES (cont'd)

(b) Operating lease commitments

Rental expenses (principally for office equipment and premises) were S$918,000 (2000 : S$878,000) and S$1,352,000 (2000 : S$1,141,000) for the Company and the Group for the years ended 31 December 2001 and 2000, respectively.

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

	The Group		The Company	
	2001	2000	**2001**	2000
	S$'000	S$'000	**S$'000**	S$'000
Within one year	**523**	776	**490**	776
After one year but not more than five years	**196**	671	**181**	671
	719	1,447	**671**	1,447

(c) Capital commitments and forward exchange contracts

The following were commitments as at 31 December :

	The Group		The Company	
	2001	2000	**2001**	2000
	S$'000	S$'000	**S$'000**	S$'000
Purchase commitment on fixed assets contracted but not provided for	**–**	17,795	**–**	–
Forward exchange contracts to purchase foreign currencies	**971**	452	**971**	452

(d) Contingent liabilities

	The Company	
	2001	2000
	S$'000	S$'000
Guarantees given to a bank in connection with unsecured performance guarantees issued for subsidiaries and associates	**1,753**	1,582

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 due to the banks amounted to S$18 million (2000 : S$18 million).

30. EMPLOYEE BENEFITS

Employee share incentive plan

In 1999, the Company implemented the Teledata Share Option Scheme ("the Scheme") to allow the issuance of Options to take up unissued ordinary shares of the Company. These options, 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.

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

Date of grant	Balance at 1.1.2001	Granted during the year	Cancelled during the year	**Balance at 31.12.2001**	Exercise price	Exercisable period
28.10.1999	2,460,000	–	(444,000)	**2,016,000**	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	–	(839,000)	**3,445,000**	S$0.463	11.11.01 to 10.11.10
11.05.2001	–	400,000	–	**400,000**	S$0.240	11.05.02 to 10.05.11
	7,544,000	400,000	(1,283,000)	**6,661,000**		

31. RELATED PARTY DISCLOSURES

The following are the significant related part transactions entered by the Company and its related parties at terms and conditions agreed between the parties :

	Intraco Ltd		Intraco Group of companies		Substantial shareholder of ultimate holding company		Associated companies		Subsidiaries of the Company	
	2001	2000	**2001**	2000	**2001**	2000	**2001**	2000	**2001**	2000
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
The Group										
Sales of goods	**55**	82	**3**	42	**20**	43	**–**	111	**–**	–
Purchase of goods	**35**	41	**–**	–	**–**	–	**–**	17	**–**	–
Warehouse rental expense paid to	**–**	–	**114**	95	**–**	–	**–**	–	**–**	–
Professional fees paid to	**39**	9	**–**	–	**–**	–	**–**	–	**–**	–
Interest paid to	**167**	205	**–**	–	**–**	–	**–**	–	**–**	–
Management consultancy fees received from	**–**	–	**–**	–	**–**	–	**30**	60	**–**	–
Pager subscription paid to	**–**	–	**–**	–	**–**	–	**–**	11	**–**	–
The Company										
Sales of goods	**12**	82	**–**	41	**20**	41	**–**	–	**7,905**	13,446
Purchase of goods	**35**	41	**–**	–	**–**	–	**–**	–	**2,249**	3,466
Warehouse rental expense paid to	**–**	–	**114**	95	**–**	–	**–**	–	**–**	–
Professional fees paid to	**34**	9	**–**	–	**–**	–	**–**	–	**–**	–
Office rental received from	**–**	–	**–**	–	**–**	–	**–**	–	**310**	321
Management consultancy fees received from	**–**	–	**–**	–	**–**	–	**30**	60	**840**	1,457
Accountancy fee received from	**–**	–	**–**	–	**–**	–	**–**	–	**–**	75
Pager subscription paid to	**–**	–	**–**	–	**–**	–	**–**	11	**–**	–
Office utilities received from	**–**	–	**–**	–	**–**	–	**–**	–	**63**	39

The aggregate values of interested persons transactions undertaken on an arm's length basis and on normal commercial terms during the financial year pursuant to the mandate of the members of the Company were S$3,465,000 (2000 : S$5,878,000) with Teledata International Pte Ltd and S$600,000 (2000 : S$863,000) with Intrawave Pte Ltd.

32. SEGMENT INFORMATION

The activities of the Company and its subsidiaries are substantially in the telecommunication industry and, therefore, reporting by industry segment is not applicable. Segment accounting policies are the same as the policies described in Note 5. 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 2001 and 2000 :

	Singapore		Asia (excluding Singapore)		Elimination		Consolidated	
	2001	2000	**2001**	2000	**2001**	2000	**2001**	2000
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Segment assets	**81,479**	82,209	**10,683**	5,468	**–**	–	**92,162**	87,677
Segment revenue								
Sales to external customer	**51,627**	67,140	**15,607**	4,248	**–**	–	**67,234**	71,388
Inter-segment sales	**26,486**	27,183	**–**	105	**(26,486)**	(27,288)	**–**	–
Total revenue	**78,113**	94,323	**15,607**	4,353	**(26,486)**	(27,288)	**67,234**	71,388
Segment result	**(14,547)**	506	**(523)**	(1,003)	**–**	–	**(15,070)**	(497)
Exceptional items							**488**	630
Finance costs							**(2,007)**	(1,681)
Share of profits less (losses) of associated companies							**(46)**	(620)
Loss before income tax							**(16,635)**	(2,168)
Income tax							**449**	(453)
Minority interests, net of income tax							**118**	589
Net loss							**(16,068)**	(2,032)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group obtains additional financing through bank borrowings, bonds issue and leasing arrangements. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. Surplus funds are placed with reputable banks.

Information relating to the Group's interest rate exposure is also disclosed in the note on interest-bearing loans and borrowings.

Liquidity risk

Liquidity risk arises in the general funding of the Group's trading activities. It includes the risks of not being able to fund trading activities at settlement dates and liquidate positions in a timely manner at a reasonable price. The Group manages its liquidity risk by placing its cash and cash equivalents with reputable banks and financing its trading activities through the use of leasing arrangements.

Foreign currency risk

The Group uses foreign exchange contracts in managing its foreign currency risk arising from cash flows from anticipated transactions and financing arrangements denominated in foreign currencies, primarily the US dollar. Transaction risk is calculated in each foreign currency and includes foreign currency denominated assets and liabilites and firm and probable purchases and sales commitments.

As at the balance sheet date, after taking into account the effects of forward foreign exchange contracts, the Group's currency exposures are insignificant.

Credit risk

The carrying amount of investments, trade and other receivables, and cash represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The Group has no significant concentrations of credit risk. Derivative instruments are entered into, and cash is placed, with various reputable financial institutions.

Fair values

The aggregate net fair values of term loan of the Group which are not carried at fair value in the balance sheet are presented in the following table as of 31 December. The fair values of the term loan are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending and borrowing arrangements.

	Total carrying amount		Aggregate net fair value	
	2001	2000	**2001**	2000
	S$'000	S$'000	**S$'000**	S$'000
Financial liabilities				
Term loan	**21,096**	–	**20,704**	–

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

The carrying amounts of other receivables, cash and bank balances, trade and other payables and current amount of interest bearing loans and borrowings approximate their fair values due to their short-term nature.

In the directors' opinion, there is no significant difference between the carrying amounts of non-current amount of finance lease liabilities as at 31 December 2001 and their fair values.

34. SUBSEQUENT EVENTS

Subsequent to the financial year end, the Company entered into a Memorandum of Understanding with its creditor banks and bondholders to restructure its outstanding debts, details of which are disclosed in Note 2 to the financial statements.

35. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation and changes in the Singapore Statements of Accounting Standard.

GROUP VALUE ADDED STATEMENT

For the year ended 31 December 2001

	2001		2000	
	S$'000	**%**	S$'000	%
Turnover	**67,234**		71,388	
Bought-In Materials and Services	**(64,853)**		(55,443)	
Gross value added from operations	**2,381**	**96.3**	15,945	102.1
Interest & other income	**137**	**5.5**	295	1.9
Share of results of associated companies	**(46)**	**(1.8)**	(620)	(4.0)
Total value added available for distribution	**2,472**	**100.0**	15,620	100.0
Distribution to :				
Employees as salaries & other staff costs	**15,404**	**623.1**	14,103	90.3
Government as corporate taxes	**(449)**	**(18.2)**	453	2.9
Banks and other lenders as interest	**2,007**	**81.2**	1,681	10.8
Shareholders of the company as dividends	**0**	**0.0**	121	0.8
Total Distribution	**16,962**	**686.1**	16,358	104.8
Retained in the business :				
Depreciation of plant and equipment	**1,578**	**63.8**	1,294	8.3
Accumulated losses	**(16,068)**	**(650.0)**	(2,032)	(13.0)
	(14,490)	**(586.2)**	(738)	(4.7)
Total value added	**2,472**	**100.0**	15,620	100.0

PRODUCTIVITY DATA

	2001	2000
Value added per employee ($)	**6.7**	41.43
Value added per $ employee cost	**0.16**	1.11
Value added per $ turnover	**0.04**	0.22
Value added per $ investment in fixed assets (before depreciation)	**0.10**	0.87
Turnover per employee ($)	**182**	189
Number of employees at 31 December	**369**	377

SHAREHOLDING STATISTICS

As at 12 March 2002

ANALYSIS OF SHAREHOLDERS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 1,000	377	7.38	369,884	0.23
1,001 - 10,000	3,815	74.67	18,206,378	11.38
10,001 - 1,000,000	907	17.75	34,232,110	21.40
1,000,001 and above	10	0.20	107,191,628	66.99
Total	**5,109**	**100.00**	**160,000,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Names 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	3,216,000	2.01
4.	Han Meng Siew	2,731,404	1.71
5.	United Overseas Bank Nominees Pte Ltd	2,567,000	1.60
6.	Raffles Nominees Pte Ltd	2,503,000	1.56
7.	Ing Nominees (S'pore) Pte Ltd	2,150,000	1.34
8.	DBS Vickers Secs (S) Pte Ltd	2,142,000	1.34
9.	Oversea Chinese Bank Nominees Pte Ltd	1,328,000	0.83
10.	Ng Siew Leng	1,280,472	0.80
11.	Overseas Union Bank Nominees Pte Ltd	841,000	0.53
12.	Kim Eng Ong Asia Secs Pte Ltd	710,000	0.44
13.	OCBC Securities Private Ltd	647,000	0.40
14.	UOB Kay Hian Pte Ltd	625,000	0.39
15.	Citibank Consumer Nominees Pte Ltd	553,000	0.35
16.	BQS Private Ltd	400,000	0.25
17.	Lim Hak Long Joseph	310,514	0.19
18.	Phillip Securities Pte Ltd	309,000	0.19
19.	Kong Swee Har	280,364	0.18
20.	Ng Chee Fatt	280,000	0.18
Total		**112,147,506**	**70.09**

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct Interest	Percentage (%) of Issued Capital	Deemed Interest	Percentage (%) of Issued Capital
Intraco Limited	81,293,752	50.81	–	–
NatSteel Limited	–	–	81,293,752	50.81

The company has complied with clause 926 of the listing manual on free float.

SHAREHOLDING STATISTICS

As at 12 March 2002

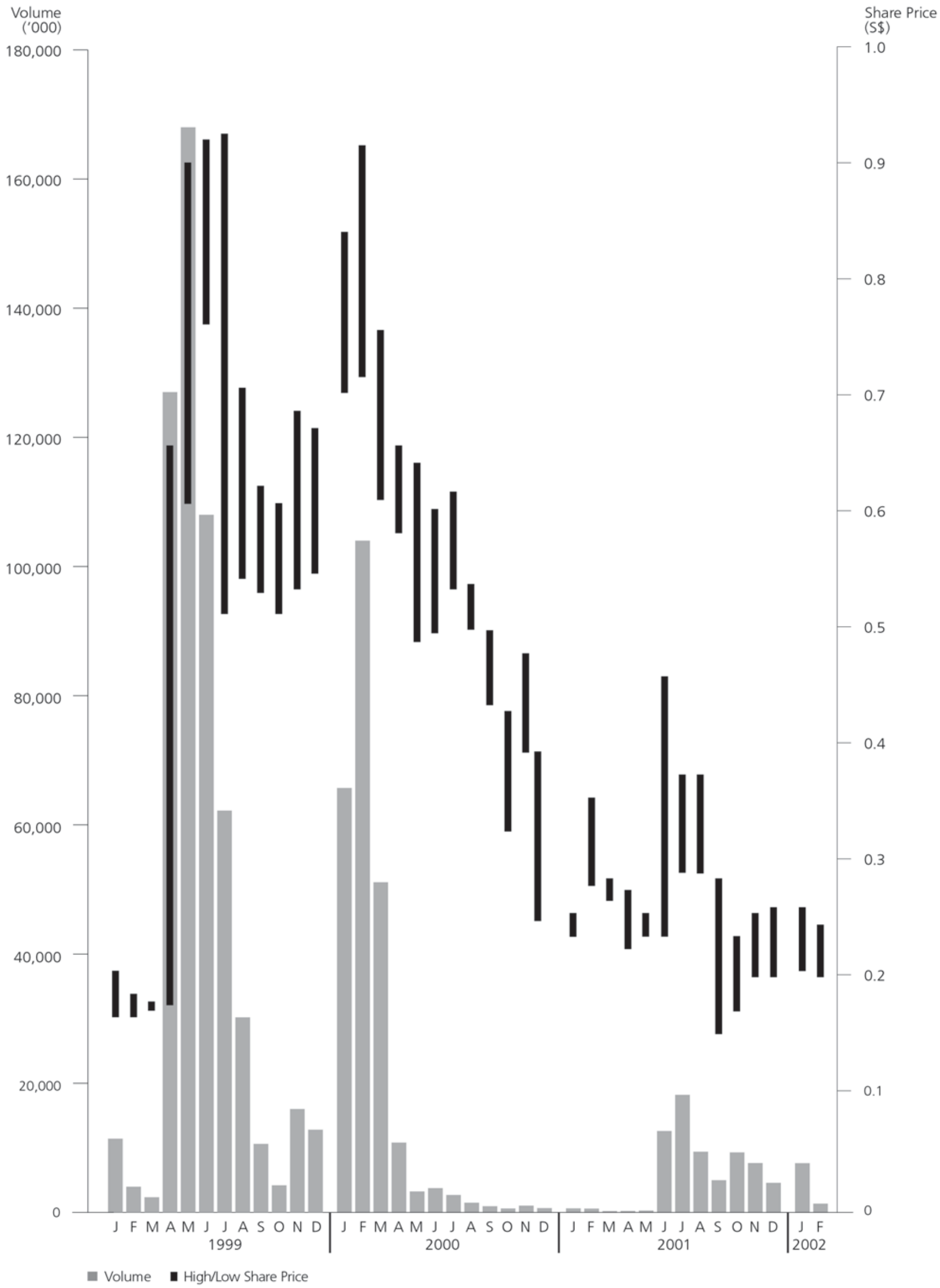
ANALYSIS OF WARRANTHOLDERS

Size of Holdings	No. of Warrantholders	%	No. of Warrants	%
1 - 1,000	437	35.07	257,506	1.07
1,001 - 10,000	593	47.59	3,383,200	14.10
10,001 - 1,000,000	215	17.26	8,164,294	34.02
1,000,001 and above	1	0.08	12,195,000	50.81
Total	**1,246**	**100.00**	**24,000,000**	**100.00**

TWENTY WARRANTHOLDERS

No.	Names of Warrantholders	No. of Warrants	% Holdings
1.	Intraco Limited	12,195,000	50.81
2.	Phillip Securities Pte Ltd	276,066	1.15
3.	Citibank Consumer Nominees Pte Ltd	260,600	1.09
4.	Koh Yih Ming	193,000	0.80
5.	Domain Trading & Construction Pte Ltd	190,000	0.79
6.	Tan Yan Kim	164,000	0.68
7.	Tan Sun Teck	133,000	0.56
8.	OCBC Securities Private Ltd	123,000	0.51
9.	Yang Choon Sang @ Yang Choon Siang	110,000	0.46
10.	Lim Teck Leng	106,000	0.44
11.	Ee Kim Lye	104,000	0.43
12.	Iberahim Bin Karim	101,000	0.42
13.	Ang Chin Choon	100,000	0.42
14.	Herman Halim	100,000	0.42
15.	J M Sassoon & Co (Pte) ltd	100,000	0.42
16.	Sim Soon How	100,000	0.42
17.	Ng Cheow Hia	98,000	0.41
18.	Lim Joon Keat	92,000	0.38
19.	Yeo Cheng Hua @ Yeo Chai Keok	90,000	0.38
20.	Guy Augustus Vaz	80,000	0.33
21.	Ng Bie Tjin @ Djuniarti Intan	80,000	0.33
Total		**14,795,666**	**61.65**

SHARE PRICE AND VOLUME



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth 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 Monday, the 29th day of April 2002 at 9.30am to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31 December 2001, together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve Directors' fees of S$101,670 for the financial year ended 31 December 2001 (2000: S$109,667). **(Resolution 2)**

3. To re-elect the following Directors retiring by rotation under Articles 100 & 101 of the Articles of Association:-
   (i) Mr Tan Keng Boon **(Resolution 3a)**
   (ii) Mr Tan Eng Bock **(Resolution 3b)**
   Mr Tan Keng Boon and Mr Tan Eng Bock will, upon re-election as Directors of the Company, remain as members of the Audit Committee and will be considered independent for the purposes of clause 902 (4) (a) of the Listing Manual of The Singapore Exchange Securities Trading Limited.

4. To re-elect the following Director pursuant to Article 104 of the Articles of Association:-
   (i) Chua Kee Lock **(Resolution 4)**

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

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

6. **Authority to allot and issue shares**
   "That pursuant to Section 161 of the Companies Act, Chapter 50, approval be and is hereby given to the Directors to issue shares in the capital of the Company at any time, upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this Resolution shall not exceed 50% of the issued share capital of the Company for the time being of which the total number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the Company's next Annual General Meeting."
   (See Explanatory Note 1) **(Resolution 6)**

7. **Authority to grant options and to issue shares under Teledata Share Option Scheme**
   "That authority be and is hereby given to the Directors of the Company to offer and grant options from time to time in accordance with the provisions of the Teledata Share Option Scheme (the "Scheme"), and, pursuant to Section 161 of the Companies Act, Chapter 50, 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 options granted under the Scheme, provided that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen (15) per cent of the issued share capital of the Company from time to time."
   (See Explanatory Note 2) **(Resolution 7)**

8. **Authority to renew the mandate for Interested Person Transactions**
"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."
(See Explanatory Note 3) **(Resolution 8)**

9. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Foo Soon Soo
Goo Li Ling
Company Secretaries

12 April 2002

Explanatory Notes:-
1. The ordinary resolution proposed in item 6 above, 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 aggregate 50% of the issued share capital of the Company for the time being of which the total number of shares issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

2. The ordinary resolution proposed in item 7 above, if passed, will empower the Directors of the Company to offer and grant options under the Teledata Share Option Scheme and to allot and issue shares pursuant to the exercise of such options under the Teledata Share Option Scheme not exceeding fifteen (15) per cent of the issued share capital of the Company from time to time.

3. The ordinary resolution proposed in item 8 above, if passed, will 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.

Notes:
1. A Member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy in his stead.
2. A proxy need not be a Member of the Company.
3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 10 Dundee Road # 06-01 Setron Building, Singapore 149455 not later than 48 hours before the time appointed for the Meeting.

PROXY FORM

TELEDATA

Teledata (Singapore) Limited

(Incorporated in the Republic of Singapore)

I/We, ______________________________

of ______________________________

being a *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 attend and vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Twenty-Sixth Annual General Meeting of the Company to be held at No. 10 Dundee Road, #06-01 Setron Building, Singapore 149455 on Monday, the 29th day of April 2002 at 9.30 a.m. and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the ordinary resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as he/they will on any other matter arising at the Annual General Meeting.

No.	Resolutions	For	Against
1.	To receive and dopt the Directors' Report and the Audited Accounts.		
2.	To approve Directors' fees.		
3a.	To re-elect Mr Tan Keng Boon retiring pursuant to Articles 100 & 101.		
3b.	To re-elect Mr Tan Eng Bock retiring pursuant to Articles 100 & 101.		
4.	To re-elect Mr Chua kee Lock retiring pursuant to Article 104.		
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	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.		
7.	To authorise Directors to issue shares pursuant to the Teledata Share Option Scheme.		
8.	To renew the Mandate for Interested Persons Transactions.		

Dated this _____________ day of _________________ 2002.

Total Number of Shares Held	

____

Signature(s) of Member(s)/Common Seal

* Delete accordingly

Notes :

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at No. 10 Dundee Road, #06-01 Setron Building, Singapore 149455 not later than 48 hours before the time appointed for the Annual General Meeting.
6. 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, Chapter 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 shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register as at 48 hours before the time set for the Annual General Meeting.

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