



Financial Statements and Notes

Directors' Report

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2003.

Directors

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

Esmond Tjingoean Goei - Chairman
Aston Chiu Sin Nang - Chief Executive Officer
Chua Kee Lock
Ho Ying Dat
Kwah Thiam Hock
Teng Theng Dar (appointed on 31 January 2003)

In accordance with Article 100 and 101 of the Company's Articles of Association, Mr Aston Chiu Sin Nang and Mr Kwah Thiam Hock retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Directors' Interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

	At the beginning of the year/ date of appointment	At end of the year
The Company		
Options to subscribe for ordinary shares of \$0.05 each		
Esmond Tjingoean Goei	-	3,662,000
Aston Chiu Sin Nang	4,800,000	9,600,000
Chua Kee Lock	498,000	1,098,000
Ho Ying Dat	-	1,098,000
Kwah Thiam Hock	252,000	1,247,000

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year, or on 21 January 2004.

Neither at the end of nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company, the Company's holding company, Intraco Limited, or any other body corporate, other than the options that may be granted under the Intraco Limited Executives Share Option Scheme and the Teledata Share Option Scheme implemented by the holding company and the Company, respectively.

Since the end of the last financial year, no director 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 he is a member or with a company in which he has a substantial financial interest.

Share Options

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 Scheme is available to employees of the Company and its subsidiaries.

The life of the Scheme is ten years and options shall only be exercisable after the first anniversary of the Offer Date or such longer period (in the case of an option for exercise price at no discount) or after the second anniversary or such longer period (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 share of S\$0.05 each granted under the Scheme were as follows:

Date of grant of options	Options outstanding at 1 Jan 2003	Options granted	Options exercised	Options cancelled/lapsed	Options outstanding at 31 Dec 2003	Exercise price per share	Exercise period
28.10.1999	1,218,000	-	-	(638,000)	580,000	S\$0.267	28.10.00 – 27.10.09
10.11.2000	1,979,000	-	-	(1,008,000)	971,000	S\$0.297	10.11.01 – 09.11.10
11.05.2001	234,000	-	-	(234,000)	-	S\$0.154	11.05.02 – 10.05.11
01.11.2002	1,200,000	-	-	-	1,200,000	S\$0.062	01.11.03 – 31.10.12
01.11.2002	1,200,000	-	-	-	1,200,000	S\$0.062	01.11.04 – 31.10.12
01.11.2002	1,200,000	-	-	-	1,200,000	S\$0.062	01.11.05 – 31.10.12
01.11.2002	1,200,000	-	-	-	1,200,000	S\$0.062	01.11.06 – 31.10.12
11.11.2002	4,734,000	-	(422,000)	(1,400,000)	2,912,000	S\$0.060	11.11.03 – 10.11.12
11.11.2002	9,468,000	-	-	(3,088,000)	6,380,000	S\$0.060	11.11.04 – 10.11.12
17.02.2003	-	578,000	-	-	578,000	S\$0.050	17.02.04 – 16.02.13
17.02.2003	-	1,157,000	-	-	1,157,000	S\$0.050	17.02.05 – 16.02.13
31.05.2003	-	12,000,000	-	(1,920,000)	10,080,000	S\$0.083	31.05.04 – 30.05.13
31.05.2003	-	12,000,000	-	(1,920,000)	10,080,000	S\$0.083	31.05.05 – 30.05.13
31.05.2003	-	12,000,000	-	(1,920,000)	10,080,000	S\$0.083	31.05.06 – 30.05.13
Total	22,433,000	37,735,000	(422,000)	(12,128,000)	47,618,000		

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Share Options (cont'd)

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

Esmond Tjingoean Goei
Ho Ying Dat
Kwah Thiam Hock

- b) During the financial year under review, the following options were granted to directors and Group employees under the scheme:

Date of grant	Exercise price per share	Number of shares under options	Exercise period
17.02.03	\$0.050	578,000	17.02.04 to 16.02.13
17.02.03	\$0.050	1,157,000	17.02.05 to 16.02.13
31.05.03	\$0.083	12,000,000	31.05.04 to 30.05.13
31.05.03	\$0.083	12,000,000	31.05.05 to 30.05.13
31.05.03	\$0.083	12,000,000	31.05.06 to 30.05.13

Details of the options granted to the Directors of the Company are as follows:

Name of director	Options granted for financial year ended 31 December 2003	Aggregate options granted since commencement of Scheme to 31 December 2003	Aggregate options exercised since commencement of Scheme to 31 December 2003	Aggregate options outstanding as at 31 December 2003
Esmond Tjingoean Goei	3,662,000	3,662,000	-	3,662,000
Aston Chiu Sin Nang	4,800,000	9,600,000	-	9,600,000
Chua Kee Lock	600,000	1,098,000	-	1,098,000
Ho Ying Dat	1,098,000	1,098,000	-	1,098,000
Kwah Thiam Hock	995,000	1,247,000	-	1,247,000

- c) The exercise prices for options granted during the financial year were at the average market prices of the three preceding days prior to the Offer Date.
- d) There are no participants who are controlling shareholders of the Company.
- e) Except for Mr Esmond Tjingoean Goei and Mr Aston Chiu Sin Nang, there are no participants who have received 5% or more of the total number of options available under the Scheme.

Audit Committee

The members of the Audit Committee at the date of this report are as follows:

Kwah Thiam Hock (Chairman)
Esmond Tjingoean Goei
Ho Ying Dat

The Audit Committee performs the functions specified in Section 201B of the Companies Act, the Listing Manual and the Best Practices Guide of the Singapore Exchange.

The Audit Committee has held 2 meetings since the last directors' report.

In carrying out its functions, the Audit Committee:

- (a) reviews with the external auditors, their audit plan, evaluation of the accounting controls, audit reports and any matters which the external auditors wish to discuss;
- (b) reviews with the internal auditors, the scope and the results of internal audit procedures and their evaluation of the overall internal control systems;
- (c) reviews the half-yearly and annual financial statements, including announcements to shareholders and the SGX-ST prior to the submission to the Board;
- (d) reviews any significant findings of internal investigations;
- (e) makes recommendations to the Board on the appointment of external auditors, the audit fee and any questions of their resignation or dismissal;
- (f) reviews and approves the appointment, replacement, reassignment or the dismissal of the internal auditors;
- (g) reviews the assistance given by the Company's officers to the external and internal auditors;
- (h) reviews interested person transactions to ensure that internal control procedures approved by the shareholders are adhered to; and
- (i) reports actions and minutes of the Audit Committee meetings to the Board of Directors with such recommendations as the Audit Committee considers appropriate.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer to attend its meetings.

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Auditors

The auditors, KPMG, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Esmond Tjingoean Goei
Director

Aston Chiu Sin Nang
Director

Singapore
23 February 2004

Statement by Directors

In our opinion:

- (a) the financial statements set out on pages 30 to 63 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2003 and of the results, changes in equity and the cash flows of the Group for the year ended on that date; 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 has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Esmond Tjingoean Goei
Director

Aston Chiu Sin Nang
Director

Singapore
23 February 2004

Report of the Auditors to the Members of Teledata (Singapore) Limited

We have audited the consolidated financial statements of the Group and the financial statements of the Company for the year ended 31 December 2003 as set out on pages 30 to 63. 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. The financial statements for the financial year ended 31 December 2002 were audited by another auditor whose report dated 28 February 2003 expressed an unqualified opinion on the 2002 financial statements.

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 consolidated financial statements of the Group and the financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2003 and the results and changes in equity of the Group and of the Company and the cash flows of the Group for the year ended on that date; and
- (b) the accounting and other records (excluding registers) required by the Act to be kept by the Company and by the Singapore-incorporated subsidiaries have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all the subsidiaries of which we have not acted as auditors, and also considered the financial statements of those subsidiaries which are not required by the laws of their countries of incorporation to be audited, being financial statements that have been included in the consolidated financial statements of the Group. The names of these subsidiaries are stated in note 5 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 of the Group and we have received satisfactory information and explanations as required by us for those purposes.

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

KPMG
Certified Public Accountants

Singapore
23 February 2004

	Note	The Group		The Company	
		2003 S'000	2002 S'000	2003 S'000	2002 S'000
Non-current assets					
Property, plant and equipment	3	2,436	3,787	1,622	2,464
Intangible assets	4	1,042	1,101	-	-
Subsidiaries	5	-	-	2,406	2,406
Associates	6	-	-	-	-
Other investments	7	1,192	1,192	1,192	1,192
		<u>4,670</u>	<u>6,080</u>	<u>5,220</u>	<u>6,062</u>
Current assets					
Inventories	8	3,898	4,994	1,571	2,386
Project work-in-progress	9	3,022	3,006	1,313	898
Trade and other receivables	10	7,876	12,566	3,773	4,443
Balances with related parties	12	2,266	637	5,921	9,614
Cash and cash equivalents	13	5,941	5,797	3,956	3,575
		<u>23,003</u>	<u>27,000</u>	<u>16,534</u>	<u>20,916</u>
Current liabilities					
Trade and other payables	14	10,270	11,211	4,484	4,554
Balances with related parties	12	19	40	4,090	3,824
Interest-bearing borrowings	15	911	628	899	600
Current tax payable		27	19	-	-
		<u>11,227</u>	<u>11,898</u>	<u>9,473</u>	<u>8,978</u>
Net Current Assets		<u>11,776</u>	<u>15,102</u>	<u>7,061</u>	<u>11,938</u>
		<u>16,446</u>	<u>21,182</u>	<u>12,281</u>	<u>18,000</u>
Non-current liabilities					
Interest-bearing borrowings	15	(909)	(1,808)	(900)	(1,794)
Net assets		<u>15,537</u>	<u>19,374</u>	<u>11,381</u>	<u>16,206</u>
Share capital					
Share capital	16	24,021	24,000	24,021	24,000
Reserves	17	(8,484)	(4,626)	(12,640)	(7,794)
		<u>15,537</u>	<u>19,374</u>	<u>11,381</u>	<u>16,206</u>

The accompanying notes form an integral part of these financial statements.

Profit and Loss Accounts
for the year ended 31 Dec 2003

	Note	The Group		The Company	
		2003 S'000	2002 S'000	2003 S'000	2002 S'000
Revenues	18	35,561	64,334	17,341	18,686
Cost of Sales		(21,782)	(48,490)	(10,140)	(12,340)
Gross profit		13,779	15,844	7,201	6,346
Other operating income		136	5,613	124	5,321
Distribution expenses		(10,432)	(12,803)	(7,268)	(6,681)
Administrative expenses		(2,845)	(3,271)	(1,443)	(10,014)
Other operating expenses		(4,511)	(9,651)	(3,368)	(3,796)
Loss from operations	19	(3,873)	(4,268)	(4,754)	(8,824)
Finance costs	21	(71)	(1,125)	(96)	(1,181)
Loss from ordinary activities before taxation		(3,944)	(5,393)	(4,850)	(10,005)
Income tax expense	22	(27)	(87)	-	(89)
Loss from ordinary activities after taxation		(3,971)	(5,480)	(4,850)	(10,094)
Minority interests		-	114	-	-
Net loss for the year		(3,971)	(5,366)	(4,850)	(10,094)
Loss Per Share (cents)	23				
- Basic		(0.83)	(2.24)		
- Diluted		(0.83)	(2.24)		

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 Dec 2003

	Share capital \$'000	Share premium \$'000	Capital reserves \$'000	Exchange translation reserve \$'000	Accumulated losses \$'000	Total \$'000
The Group						
At 1 January 2002	16,000	-	5,500	(233)	(18,798)	2,469
Capital reduction	(8,000)	-	-	-	8,000	-
Rights issue	16,000	6,400	-	-	-	22,400
Rights issue expenses written off	-	(314)	-	-	-	(314)
Deemed value of warrants transferred to accumulated losses upon expiry of warrants	-	-	(5,497)	-	5,497	-
Negative goodwill arising on consolidation transferred to accumulated losses	-	-	(3)	-	3	-
Translation difference arising on consolidation of foreign subsidiaries	-	-	-	185	-	185
Loss for the year	-	-	-	-	(5,366)	(5,366)
At 31 December 2002	<u>24,000</u>	<u>6,086</u>	<u>-</u>	<u>(48)</u>	<u>(10,664)</u>	<u>19,374</u>
Issue of shares on exercise of share options	21	4	-	-	-	25
Translation difference arising on consolidation of foreign subsidiaries	-	-	-	109	-	109
Loss for the year	-	-	-	-	(3,971)	(3,971)
At 31 December 2003	<u>24,021</u>	<u>6,090</u>	<u>-</u>	<u>61</u>	<u>(14,635)</u>	<u>15,537</u>

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 Dec 2003

	Share capital \$'000	Share premium \$'000	Capital reserves \$'000	Accumulated losses \$'000	Total \$'000
The Company					
At 1 January 2002	16,000	-	5,497	(17,283)	4,214
Capital reduction	(8,000)	-	-	8,000	-
Rights issue	16,000	6,400	-	-	22,400
Right issue expenses written off	-	(314)	-	-	(314)
Deemed value of warrants transferred to accumulated losses upon expiry of warrants	-	-	(5,497)	5,497	-
Loss for the year	-	-	-	(10,094)	(10,094)
At 31 December 2002	<u>24,000</u>	<u>6,086</u>	<u>-</u>	<u>(13,880)</u>	<u>16,206</u>
Issue of shares on exercise of share options	21	4	-	-	25
Loss for the year	-	-	-	(4,850)	(4,850)
At 31 December 2003	<u>24,021</u>	<u>6,090</u>	<u>-</u>	<u>(18,730)</u>	<u>11,381</u>

The accompanying notes form an integral part of these financial statements.

	2003	2002
	S'000	S'000
Operating activities		
Loss from ordinary activities before taxation	(3,944)	(5,393)
Adjustments for:		
Depreciation of property, plant and equipment	1,199	1,498
Interest income	(40)	(98)
Interest expense	71	568
Loss on disposal of plant and equipment	170	311
Gain on disposal of investments	-	(1,387)
Loss/(Gain) on disposal of a subsidiary	44	(4,063)
Amortisation of bond discount	-	557
Amortisation of intangible assets	59	73
Impairment loss on intangible assets	-	247
	(2,441)	(7,687)
Changes in working capital:		
Inventories and project work-in-progress	876	5,089
Trade and other receivables	2,873	8,997
Trade and other payables	(457)	(3,622)
	851	2,777
Cash generated from operations	851	2,777
Interest paid	(71)	(568)
Income tax paid	(19)	(128)
	761	2,081
Cash flows from operating activities		
Investing activities		
Proceeds from disposal of investment	-	3,087
Purchase of property, plant and equipment	(176)	(6,653)
Proceeds from disposal of property, plant and equipment	85	250
Net cash (outflow) / inflow from disposal of a subsidiary	(71)	4,845
Interest received	40	98
	(122)	1,627
Cash flows from investing activities	(122)	1,627
Balance carried forward	639	3,708

Consolidated Statement of Cash Flows
for the year ended 31 Dec 2003

	Note	2003 S'000	2002 S'000
Balance brought forward		639	3,708
Financing activities:			
Repayment of unsecured bonds		-	(30,000)
Repayment of bank loans		(300)	(1,917)
Repayment of finance lease creditors		(316)	(433)
Proceeds from rights issue, net of expenses		-	22,086
Proceeds from exercise of share options		25	-
Cash flows from financing activities		(591)	(10,264)
Net increase/(decrease) in Cash and Cash Equivalents		48	(6,556)
Cash and Cash Equivalents at Beginning of Year		5,797	12,122
Effect of exchange rate changes on balances in foreign currencies		96	231
Cash and Cash Equivalents at End of Year	13	5,941	5,797

Notes to Consolidated Statement of Cash Flows

On 29 August 2002, the Group disposed a subsidiary, IntraWave Pte Ltd for cash proceeds of \$5,021,000. The subsidiary contributed a net loss of \$114,000 for the eight months ended 29 August 2002.

On 31 December 2003, the Group disposed a subsidiary, Davotek Sdn. Bhd for nil consideration. The subsidiary contributed a net loss of \$44,000 to the consolidated net loss for the year.

The effect of the disposal are set out below:

	Disposal 2003 S'000	Disposal 2002 S'000
Plant and equipment	86	38,663
Inventories	47	-
Project work-in-progress	23	-
Trade and other receivables	188	111
Cash and bank balance	71	176
Trade and other payables	(371)	(2,645)
Shareholders' loan	-	(5,259)
Finance lease liabilities	-	(12)
Bank loan	-	(27,940)
Net assets disposed	44	3,094
Less: Minority interest	-	(2,136)
	44	958
(Loss)/gain on disposal of subsidiary	(44)	4,063
Net proceeds from the disposal of subsidiary	-	5,021
Cash disposed of	(71)	(176)
Net cash (outflow)/inflow	(71)	4,845

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 23 February 2004.

1. Domicile and Activities

Teledata (Singapore) Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 10 Dundee Road, #06-01 Setron Building, Singapore 149455.

The principal activities of the Company are those relating to system integrator and specialised distributor of telecommunication and datacommunication products. The principal activities of the subsidiaries are set out in note 5 to the financial statements.

The immediate and ultimate holding company is Intraco Limited, a company incorporated in Singapore.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the "Group") and the Group's interests in associates.

2. Summary of Significant Accounting Policies

a) Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related interpretations promulgated by the Council on Corporate Disclosure and Governance ("CCDG").

The financial statements were previously prepared in accordance with Singapore Statements of Accounting Standard ("SAS"). There is no significant effect arising from the transition from SAS to FRS.

b) Consolidation

Subsidiaries are companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates are companies in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are stated in the Company's balance sheet at cost, less impairment losses. In the Group's financial statements, they are accounted for by using the equity method of accounting.

c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment acquired through finance leases are capitalised at the lower of their fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. 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 the profit and loss account. Capitalised leased assets are depreciated over the shorter of the economic useful life of the asset and the lease term.

Depreciation of property, plant and equipment is provided on a straight-line basis so as to write off items of property, plant and equipment over their estimated useful lives as follows:

Motor vehicles	3 to 6 years
Office equipment	4 to 10 years
Workshop equipment	8 to 10 years
Furniture and fittings	10 years
Renovations	6 years
Plant and machinery	3 to 20 years

2. Summary of Significant Accounting Policies (cont'd)

d) Intangible Assets

Goodwill

Goodwill arising on an acquisition represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets acquired. Goodwill is stated at cost less accumulated amortisation and impairment losses. Goodwill is amortised and recognised in the profit and loss account using the straight-line method over its estimated useful life of 20 years.

e) Financial Assets

Debt and equity securities held for the long-term are stated at amortised cost less an allowance for diminution in value which, in the opinion of the directors, is other than temporary.

f) Project Work-In-Progress

Project work-in-progress comprises direct expenditure plus the proportion of estimated profits earned to-date and an appropriate proportion of overhead costs, less progress billings. The accounting policy for project revenue is set out in note 2(m) below. When it is probable that total project costs will exceed total project revenue, the expected loss is recognised as an expense immediately.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on a weighted average basis and comprises all costs of purchase and other costs incurred 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 the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

Allowance is made for all deteriorated, damaged, obsolete and slow-moving stocks.

h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

2. Summary of Significant Accounting Policies (cont'd)

i) Impairment

The carrying amounts of the Group's assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is charged to the profit and loss account unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

i) Calculation of recoverable amount

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii) Reversal of impairment loss

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment are recognised in the profit and loss account.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

j) Liabilities and Interest-Bearing Borrowings

Trade and other payables and interest-bearing borrowings are recognised at cost.

k) Employee Benefits

Contributions to defined contribution plans are recognised as an expense in the profit and loss account when incurred. The Group does not record any compensation cost or obligation to reflect the benefit received by employees when options are granted under the Group's employee share option programme. When the options are exercised, equity is increased by the amount of the proceeds received.

l) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

m) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 when goods are delivered at the customers' premises, which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes goods and services or other sales taxes and is after deduction of any trade discounts.
- (ii) Revenue from projects is recognised in the financial statements using the percentage of completion method by reference to the proportion that costs incurred to date bear to the estimated total costs of the project. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed, or to be performed, are included in estimated total costs of the project.
- (iii) Interest income from bank deposits is accrued on a time-apportioned basis on the principal outstanding and at the rate applicable.

2. Summary of Significant Accounting Policies (cont'd)

n) Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

o) Dividends

Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

p) Foreign Currency Translation

i) Translation of foreign currency transactions

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximate to those ruling at the balance sheet date. Transactions in foreign currencies are translated at rates ruling on transaction dates. Translation differences are included in the profit and loss account.

ii) Translation of financial statements of foreign entities

The assets and liabilities of foreign entities are translated into Singapore dollars at the rates of exchange ruling at the balance sheet date. The results of foreign entities are translated at the average exchange rates for the year. Goodwill and fair value adjustments arising on acquisition of foreign entities are stated at exchange rates ruling on transaction dates. The exchange differences are dealt with as a movement in Exchange Translation Reserve.

q) Operating Leases

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the profit and loss account in the accounting period in which they are incurred.

r) Finance Costs

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The interest component of finance lease payment is recognised in the profit and loss account using the effective interest rate method.

s) Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's geographical segments and the Group's internal reporting structure.

Inter-segment pricing is determined based on terms agreed between the segments concerned.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a more reasonable basis. Unallocated items mainly comprise interest-bearing borrowings and corporate expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Segment accounting policies are the same as those described above.

3. Property, Plant and Equipment

The Group 2003	Motor vehicles \$'000	Office equipment \$'000	Workshop equipment \$'000	Furniture and fittings \$'000	Renovations \$'000	Plant and machinery \$'000	Total \$'000
Cost							
At 1 January 2003	939	5,388	277	1,608	1,160	2,119	11,491
Translation difference on consolidation	3	(21)	14	36	(3)	-	29
Additions	-	109	2	57	8	-	176
Disposal of subsidiary	-	(288)	(8)	(29)	(23)	(17)	(365)
Other disposals	(348)	(277)	-	(71)	(3)	(7)	(706)
At 31 December 2003	594	4,911	285	1,601	1,139	2,095	10,625
Accumulated Depreciation							
At 1 January 2003	569	2,972	162	962	1,048	1,991	7,704
Translation difference on consolidation	3	(11)	7	20	(3)	-	16
Depreciation charge for the year	77	759	47	190	54	72	1,199
Disposal of subsidiary	-	(233)	(7)	(13)	(9)	(17)	(279)
Other disposals	(201)	(215)	-	(28)	(2)	(5)	(451)
At 31 December 2003	448	3,272	209	1,131	1,088	2,041	8,189
Depreciation charge for 2002	142	789	45	189	95	238	1,498
Carrying amount							
At 31 December 2003	146	1,639	76	470	51	54	2,436
At 31 December 2002	370	2,416	115	646	112	128	3,787

3. Property, Plant and Equipment (cont'd)

The Company 2003	Motor vehicles S'000	Office equipment S'000	Workshop equipment S'000	Furniture and fittings S'000	Renovations S'000	Plant and machinery S'000	Total S'000
Cost							
At 1 January 2003	495	4,029	50	834	983	2,095	8,486
Additions	-	49	-	-	8	-	57
Disposals	(152)	(177)	-	-	-	-	(329)
At 31 December 2003	343	3,901	50	834	991	2,095	8,214
Accumulated Depreciation							
At 1 January 2003	310	2,240	48	555	900	1,969	6,022
Depreciation charge for the year	36	570	1	72	42	72	793
Disposals	(70)	(153)	-	-	-	-	(223)
At 31 December 2003	276	2,657	49	627	942	2,041	6,592
<hr/>							
Depreciation charge for 2002	73	588	2	75	62	221	1,021
Carrying amount							
At 31 December 2003	67	1,244	1	207	49	54	1,622
At 31 December 2002	185	1,789	2	279	83	126	2,464

The carrying amount of property, plant and equipment includes amounts totalling \$601,000 (2002: \$977,000) for the Group and \$567,000 (2002: \$838,000) for the Company in respect of motor vehicles and office equipment held under finance leases.

4. Intangible Assets – The Group

	\$'000
Goodwill on consolidation	
Cost	
At 1 January 2003 and 31 December 2003	1,456
Accumulated amortisation and impairment losses	—
At 1 January 2003	355
Amortisation charge for the year	59
At 31 December 2003	414
Amortisation charge for 2002	73
Impairment loss for 2002	247
Carrying amount	
At 31 December 2003	1,042
At 31 December 2002	1,101

5. Subsidiaries

	The Company	
	2003 \$'000	2002 \$'000
Unquoted equity shares, at cost	7,301	7,879
Less:		
Impairment losses		
At 1 January 2003	5,473	4,983
Charge during the year	-	490
Disposal of subsidiary	(578)	-
At 31 December 2003	4,895	5,473
	2,406	2,406

5. Subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2003 %	2002 %
Davotek Sdn. Bhd.	Dealer and maintainer of telecommunication equipment	Malaysia	-	100
Plexus Technology Pte Ltd	General importer and exporter and commission agencies.	Singapore	100	100
Premier Electro Communication Private Limited	Manufacturer and dealer in telecommunication equipment	Singapore	100	100
Telebit (Singapore) Private Limited	Distributor and maintainer of telecommunication and data-communicated products.	Singapore	100	100
Teledata International Pte Ltd	System integrator, sourcing and distributing telecommunication and datacommunication products internationally	Singapore	100	100
TD-Services (S) Pte Ltd	Inactive	Singapore	100	100
* PT Teledata Indonesia	To provide consultant services in the area of management information systems, information technology and telecommunication	Indonesia	100	100
# Teledata (Thailand) Co.,Ltd	System integrator, sourcing and distributing telecommunication and datacommunication products	Thailand	100	100
## Teledatacom Phils. Inc.	Importation, distribution, installation, system integration and maintenance of voice, data and video communications equipment, software and supplies	Philippines	100	100

5. Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2003 %	2002 %
Held by Teledata International Pte Ltd:				
* Teledata (Hong Kong) Limited	In process of liquidation	Hong Kong	100	100
### Teledatacom (India) Private Limited	Distribution of telecommunication, data and video communication products and provision of maintenance service	India	51	51
* Teledata Sdn Bhd	Under liquidation	Brunei	100	100
Teledata (China) Investment Pte Ltd	Inactive	Singapore	100	100
Held by Davotek Sdn Bhd.:				
Goodway Technology Sdn. Bhd.	Dealership and provision of maintenance services	Malaysia	-	80

The Singapore – incorporated subsidiaries are audited by KPMG Singapore.

Audited by Ernst & Young, Thailand

Audited by Punongbayan & Ararullo, Philippines

Audited by Jayawant, Desai & Co., India.

*Not required to be audited under the law in country of incorporation.

During the year, the 100% equity investment in Davotek Sdn. Bhd. of \$578,000 was disposed for \$nil consideration. Arising therefrom, the Group and Company recorded a loss on disposal of investment of \$44,000 & \$nil respectively.

6. Investments in Associates

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Unquoted equity shares, at cost	4,875	4,888	4,875	4,875
Less:				
Impairment losses	2,954	2,954	4,875	4,875
Share of post-acquisition reserves	1,921	1,934	-	-
	4,875	4,888	4,875	4,875
	-	-	-	-

Details of the associates are as follows:

Name of associate	Place of incorporation/ business	Effective equity held by the Group	
		2003 %	2002 %
Held by Teledata (Singapore) Limited:			
IntraPage Pte Ltd	Singapore	30	30
Internoc Singapore Pte Ltd	Singapore	49	49
Held by Davotek Sdn. Bhd.:			
Davoteknologi Sdn. Bhd.	Singapore	-	30

IntraPage Pte Ltd is under judicial management.

Internoc Singapore Pte Ltd is under creditors' voluntary liquidation.

During the year, the investment in Davotek Sdn. Bhd. was disposed for \$nil consideration. No gain or loss was recognised on disposal of this investment which had been fully provided.

The Group discontinues applying the equity method of accounting for its investments in associates when its share of losses of associates accounted for by the equity method exceeds the carrying amounts of the investments.

7. Other Investments

	The Group and Company	
	2003	2002
	\$'000	\$'000
Unquoted equity investment, at cost	2,981	2,981
Less:		
Impairment losses	(1,789)	(1,789)
	<u>1,192</u>	<u>1,192</u>

8. Inventories

	The Group		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Stocks for sale - at net realisable value	2,862	3,559	1,029	1,564
Maintenance stocks - at net realisable value	789	1,346	542	799
Stocks-in-transit - at cost	247	89	-	23
	<u>3,898</u>	<u>4,994</u>	<u>1,571</u>	<u>2,386</u>

46

9. Project Work-In-Progress

	Note	Group		Company	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Cost incurred and attributable profits		3,450	4,621	1,543	1,011
Less: Progress billings		(428)	(1,741)	(230)	(113)
		<u>3,022</u>	<u>2,880</u>	<u>1,313</u>	<u>898</u>
Comprising:					
Work-in-progress		3,022	3,006	1,313	898
Excess of progress billing over project work-in-progress	14	-	(126)	-	-
		<u>3,022</u>	<u>2,880</u>	<u>1,313</u>	<u>898</u>

10. Trade and Other Receivables

	Note	Group		Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Trade receivables	11	5,791	10,743	3,216	3,871
Retention monies		809	719	30	189
Refundable deposits		366	328	251	234
Prepayments		441	101	113	13
Other receivables		469	675	163	136
		<u>7,876</u>	<u>12,566</u>	<u>3,773</u>	<u>4,443</u>

11. Trade Receivables

	Note	Group		Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Trade receivables		7,014	11,537	3,312	3,973
Less:					
Allowance for doubtful receivables		1,223	794	96	(102)
	10	<u>5,791</u>	<u>10,743</u>	<u>3,216</u>	<u>3,871</u>

47

12. Balances with Related Parties

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Amount due from:				
Holding company (trade)	14	13	14	13
Subsidiaries:				
- trade	-	-	8,726	9,397
- non-trade	-	-	10,853	13,875
	-	-	19,579	23,272
Allowance for doubtful receivables	-	-	13,672	13,672
	-	-	5,907	9,600
Related corporations (trade)	2,252	623	-	-
Associates (non-trade)	-	1	-	1
	<u>2,266</u>	<u>637</u>	<u>5,921</u>	<u>9,614</u>

12. Balances with Related Parties (cont'd)

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Amounts due to:				
Holding company (non-trade)	16	39	14	37
Subsidiaries:				
- trade	-	-	3,633	3,126
- non-trade	-	-	440	660
Related corporations				
- trade	-	1	-	1
- non-trade	3	-	3	-
	<u>19</u>	<u>40</u>	<u>4,090</u>	<u>3,824</u>

The non-trade balances with subsidiaries are unsecured, interest-free (2002: 4.5% per annum) and are expected to be repaid within the next twelve months.

The non-trade balances with holding company and related corporations are unsecured, interest free and are expected to be repaid within the next twelve months.

13. Cash and Cash Equivalents

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Cash at bank and in hand	2,653	2,636	831	642
Fixed deposits	3,288	3,161	3,125	2,933
	<u>5,941</u>	<u>5,797</u>	<u>3,956</u>	<u>3,575</u>

48

14. Trade and Other Payables

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Trade payables		7,358	7,363	2,249	2,411
Bills payable		-	670	-	670
Deferred maintenance income		780	741	541	479
Excess of progress billings over project work-in-progress	9	-	126	-	-
Accrued operating expenses		1,581	1,817	1,240	965
Other creditors		551	494	454	29
		<u>10,270</u>	<u>11,211</u>	<u>4,484</u>	<u>4,554</u>

15. Interest-Bearing Borrowings

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Non-current liabilities				
Secured loan financing	900	1,600	900	1,600
Finance lease liabilities	9	208	-	194
	<u>909</u>	<u>1,808</u>	<u>900</u>	<u>1,794</u>
Current liabilities				
Secured loan financing	700	300	700	300
Finance lease liabilities	211	328	199	300
	<u>911</u>	<u>628</u>	<u>899</u>	<u>600</u>
Total borrowings	<u>1,820</u>	<u>2,436</u>	<u>1,799</u>	<u>2,394</u>

Secured loan financing

At 31 December 2003, the Group and Company have obligations under secured loan financing as follows:

	2003			2002		
	Total \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	Total \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000
The Group and Company						
Secured loan financing	1,600	700	900	1,900	300	1,600

The loan financing is secured by a debenture executed by the Company, in favour of Standard Chartered Bank ("SCB") as security agent of the lenders, namely SCB, The Development Bank of Singapore Limited, NTUC Income Insurance Cooperative Limited and China Insurance Company Limited.

The debenture is charged on all fixed and floating assets of the Company and three of its subsidiaries, namely Telebit (Singapore) Private Limited, Plexus Technology Pte Ltd and Premier Electro Communication Private Limited, save for certain cash deposits charged by the Company and account receivables which are offered from time to time to SCB under the receivables purchase facility made available to the Company by SCB.

The rate interest applicable to the secured loan financing is the swap offer rate plus a margin of 2.75% (2002: 2.75%) per annum, determined on a quarterly basis.

15. Interest-Bearing Borrowings (cont'd)

Finance lease liabilities

At 31 December 2003, the Group and the Company have obligations under finance leases that are payable as follows:

The Group	2003			2002		
	Payment \$'000	Interest \$'000	Principal \$'000	Payment \$'000	Interest \$'000	Principal \$'000
Repayable within 1 year	230	19	211	359	31	328
Repayable after 1 year but within 5 years	10	1	9	228	20	208
	<u>240</u>	<u>20</u>	<u>220</u>	<u>587</u>	<u>51</u>	<u>536</u>
The Company	2003			2002		
Repayable within 1 year	214	15	199	326	26	300
Repayable after 1 year but within 5 years	-	-	-	211	17	194
	<u>214</u>	<u>15</u>	<u>199</u>	<u>537</u>	<u>43</u>	<u>494</u>

16. Share Capital

50

	The Group and The Company	
	2003 \$'000	2002 \$'000
Authorised:		
At 1 January		
- 1,000,000,000 (2002:500,000,000) ordinary shares of \$0.05 (2002:\$S0.10) each	50,000	50,000
Capital reduction by way of reducing nominal value of shares from \$S0.10 to \$0.05 each	-	(25,000)
Increase of 500,000,000 shares of \$0.05 each	-	25,000
	<u>50,000</u>	<u>50,000</u>
Issued and fully-paid:		
At 1 January		
- 480,000,000 (2002:160,000,000) shares of \$0.05 (2002:\$S0.10) each	24,000	16,000
Capital reduction by way of reducing nominal value of shares from \$S0.10 to \$0.05 each	-	(8,000)
Rights issue of 320,000,000 shares of \$0.05 each	-	16,000
Issue of 422,000 (2002: nil) shares under option scheme	21	-
At 31 December		
- 480,422,000 (2002: 480,000,000) shares of \$0.05 (2002: \$0.05) each	<u>24,021</u>	<u>24,000</u>

The nominal value of the ordinary shares was reduced from \$0.10 to \$0.05 each through capital reduction which was confirmed by the High Court of Singapore on 14 August 2002.

17. Reserves

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Share premium	6,090	6,086	6,090	6,086
Exchange translation reserve	61	(48)	-	-
Accumulated losses	(14,635)	(10,664)	(18,730)	(13,880)
	<u>(8,484)</u>	<u>(4,626)</u>	<u>(12,640)</u>	<u>(7,794)</u>

The application of the share premium account is governed by Section 69 of the Companies Act, Chapter 50.

The exchange translation reserve of the Group comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

18. 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.

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Sale of goods	25,781	57,210	11,880	14,220
Service revenue	9,780	7,124	5,461	4,466
	<u>35,561</u>	<u>64,334</u>	<u>17,341</u>	<u>18,686</u>

19. Loss from Operations

The following items have been included in arriving at loss from operations:

	The Group		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Interest income				
- bank	(40)	(98)	(29)	(79)
- subsidiaries	-	-	-	(554)
Loss/(Gain) on disposal of				
- subsidiary	44	(4,063)	-	(2,471)
- other investment	-	(1,387)	-	(1,387)
Staff costs	9,885	12,386	6,879	6,428
Contributions to defined contribution plans included in staff costs	979	1,194	771	693
Auditors' remuneration				
- auditors of the company	53	101	36	40
- other auditors	35	-	-	-
Non-audit fees paid to auditors of the Company	40	-	-	-
Depreciation of property, plant and equipment	1,199	1,498	793	1,021
Amortisation of intangible assets	59	73	-	-
Allowance for doubtful receivables				
- trade receivables	708	632	46	98
- subsidiaries	-	-	-	8,737
Bad debts recovered				
- amounts due from subsidiaries	-	-	-	(376)
Inventories written-down	2,024	5,516	1,626	1,289
Exchange loss, net	91	617	74	233
Impairment loss on investments in subsidiaries	-	-	-	490
Operating lease expense	807	954	571	714
Professional fee paid to a firm in which a director has an interest	58	22	16	-
Loss on disposal of property, plant and equipment	170	311	92	44
Impairment loss on intangible assets	-	247	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Number of employees as at 31 December	218	304	136	127
	<hr/>	<hr/>	<hr/>	<hr/>

20. Directors' Remuneration

	The Group		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Directors of the Company				
- remuneration	373	489	373	489
- directors' fees	258	196	258	196
Other directors	207	531	-	-
	<u>838</u>	<u>1,216</u>	<u>631</u>	<u>685</u>

Supplementary Information

Remuneration payable during the year by the Group to directors of the Company is summarised as follows:

	2003	2002
	Number	Number
\$500,000 and above	-	-
\$250,000 to \$499,999	1	1
Below \$250,000	7	11
	<u>8</u>	<u>12</u>

53

21. Finance Costs

	The Group		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Interest expense:				
- loan from subsidiary	-	-	-	145
- bank loan	41	298	69	216
- bonds	-	232	-	232
- finance lease	30	38	27	31
Amortisation of bond discount	-	557	-	557
	<u>71</u>	<u>1,125</u>	<u>96</u>	<u>1,181</u>

22. Taxation

	The Group		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
Under provided in prior years	27	87	-	89
Income tax expense	<u>27</u>	<u>87</u>	<u>-</u>	<u>89</u>

22. Taxation (cont'd)

Reconciliation of effective tax rate

	The Group		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Loss before tax	3,944	5,393	4,850	10,005
Income tax benefits using				
Singapore tax rate of 22%	(868)	(1,186)	(1,067)	(2,201)
Income not subject to tax	-	(998)	-	(600)
Deferred tax assets				
not recognised	1,208	1,855	988	2,451
Effect of reduction in tax rate	-	485	-	300
Group tax relief	(407)	(216)	-	-
Under provided in prior years	27	87	-	89
Others	67	60	79	50
	<u>27</u>	<u>87</u>	<u>-</u>	<u>89</u>

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	The Group		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Deductible temporary differences	1,159	1,178	-	-
Tax losses	39,303	36,615	27,232	22,741
Income tax expense	<u>40,462</u>	<u>37,793</u>	<u>27,232</u>	<u>22,741</u>

The tax losses and deductible temporary differences are primarily attributable to subsidiaries operating in Singapore and, the tax losses and deductible temporary differences do not expire under current year legislation. The unutilised tax losses are available for set-off against future profits subject to the provisions of Section 37 of the Income Tax Act.

23. Loss Per Share

The calculation of basic loss per share is based on the Group's net loss attributable to shareholders divided by the weighted average ordinary shares in issue during the financial year.

There is no dilutive effect on loss per share as all unissued potential ordinary shares are anti-dilutive as the Group incurred a loss during the financial year.

24. 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 Scheme is available to employees of the Company and its subsidiaries.

The life of the Scheme is ten years and options shall only be exercisable after the first anniversary of the Offer Date or such longer period (in the case of an option for exercise price at no discount) or after the second anniversary or such longer period (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.

Details of the options granted under the Scheme to subscribe for ordinary shares of \$0.05 each of the Company as at the end of the financial year are as follows:

Date of grant of options	Exercise price	Number of options outstanding 1 Jan 2003	Options granted	Options exercised
28-10-1999	\$0.267	1,218,000	-	-
10.11.2000	\$0.297	1,979,000	-	-
11.05.2001	\$0.154	234,000	-	-
01.11.2002	\$0.062	1,200,000	-	-
01.11.2002	\$0.062	1,200,000	-	-
01.11.2002	\$0.062	1,200,000	-	-
01.11.2002	\$0.062	1,200,000	-	-
11.11.2002	\$0.060	4,734,000	-	(422,000)
11.11.2002	\$0.060	9,468,000	-	-
17.02.2003	\$0.050	-	578,000	-
17.02.2003	\$0.050	-	1,157,000	-
31.05.2003	\$0.083	-	12,000,000	-
31.05.2003	\$0.083	-	12,000,000	-
31.05.2003	\$0.083	-	12,000,000	-
		<u>22,433,000</u>	<u>37,735,000</u>	<u>(422,000)</u>

Options cancelled/ lapsed	Number of options outstanding 31 Dec 2003	Number of options exercisable 1 Jan 2003	Number of options exercisable 31 Dec 2003	Proceeds on options exercised		Exercise period
				Credited to share capital	Credited to share premium	
(638,000)	580,000	1,218,000	580,000	-	-	28.10.00 to 27.10.09
(1,008,000)	971,000	1,979,000	971,000	-	-	10.11.01 to 09.11.10
(234,000)	-	234,000	-	-	-	11.05.02 to 10.05.11
-	1,200,000	-	1,200,000	-	-	01.11.03 to 31.10.12
-	1,200,000	-	-	-	-	01.11.04 to 31.10.12
-	1,200,000	-	-	-	-	01.11.05 to 31.10.12
-	1,200,000	-	-	-	-	01.11.06 to 31.10.12
(1,400,000)	2,912,000	-	2,912,000	21	4	11.11.03 to 10.11.12
(3,088,000)	6,380,000	-	-	-	-	11.11.04 to 10.11.12
-	578,000	-	-	-	-	17.02.04 to 16.02.13
-	1,157,000	-	-	-	-	17.02.05 to 16.02.13
(1,920,000)	10,080,000	-	-	-	-	31.05.04 to 30.05.13
(1,920,000)	10,080,000	-	-	-	-	31.05.05 to 30.05.13
(1,920,000)	10,080,000	-	-	-	-	31.05.06 to 30.05.13
<u>(12,128,000)</u>	<u>47,618,000</u>	<u>3,431,000</u>	<u>5,663,000</u>	<u>21</u>	<u>4</u>	

25. Significant Related Party Transactions

Significant transactions with related parties, other than those disclosed elsewhere in the financial statements, are as follows:

	The Group	
	2003 \$'000	2002 \$'000
Sales to substantial shareholder of holding company	13	3
Sales to affiliated companies	3,295	310
Professional fees payable to holding company	6	53
Rental payable to affiliated companies	-	79

The Group, in normal course of business, transacts with the holding company and affiliated companies on arms-length terms.

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\$3,295,000 (2002 : S\$310,000) with Intrawave Pte Ltd.

26. Lease Commitments

As at 31 December 2003, commitments of the Group and the Company for minimum lease payments under non-cancellable operating leases with terms of more than one year are as follows:

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Payable:				
Within 1 year	466	708	423	576
After 1 year but within 5 years	256	593	239	534
After 5 years	-	-	-	-
	<u>722</u>	<u>1,301</u>	<u>662</u>	<u>1,110</u>

27. Financial Instruments

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:

a) 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 financing its trading activities through the use of short and long-term bank borrowings and leasing arrangements.

b) 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 liabilities and firm and probable purchases and sales commitments.

c) 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. Cash and cash equivalents are placed with various reputable financial institutions.

d) Interest rate risk

The Group obtains additional financing through bank borrowings 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 borrowings.

27. Financial Instruments (cont'd)

e) Effective interest rate and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice.

The Group 2003	Effective Interest Rate %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000
Financial Assets				
Fixed deposits	0.52	3,288	3,288	-
Cash at bank	0.13	2,653	2,653	-
		<u>5,941</u>	<u>5,941</u>	<u>-</u>
Financial Liabilities				
Secured loan financing	3.72	(1,600)	(1,600)	-
Finance lease liabilities	3.63	(220)	(211)	(9)
		<u>(1,820)</u>	<u>(1,811)</u>	<u>(9)</u>

2002	Effective Interest Rate %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000
Financial Assets				
Fixed deposits	0.79	3,161	3,161	-
Cash at bank	0.03	2,636	2,636	-
		<u>5,797</u>	<u>5,797</u>	<u>-</u>
Financial Liabilities				
Secured loan financing	3.85	(1,900)	(1,900)	-
Finance lease liabilities	3.63	(536)	(328)	(208)
		<u>(2,436)</u>	<u>(2,228)</u>	<u>(208)</u>

27. Financial Instruments (cont'd)

e) Effective interest rate and repricing analysis (cont'd)

The Company 2003	Effective Interest Rate %	Total S'000	Within 1 year S'000	1 to 5 years S'000
Financial Assets				
Fixed deposits	0.52	3,125	3,125	-
Cash and bank balances	0.13	831	831	-
		<u>3,956</u>	<u>3,956</u>	<u>-</u>
Financial Liabilities				
Secured loan financing	3.72	(1,600)	(1,600)	-
Finance lease liabilities	3.63	(199)	(199)	-
		<u>(1,799)</u>	<u>(1,799)</u>	<u>-</u>
2002	Effective Interest Rate %	Total S'000	Within 1 year S'000	1 to 5 years S'000
Financial Assets				
Fixed deposits	0.79	2,933	2,933	-
Cash and bank balances	0.03	642	642	-
		<u>3,575</u>	<u>3,575</u>	<u>-</u>
Financial Liabilities				
Secured loan financing	3.85	(1,900)	(1,900)	-
Finance lease liabilities	3.63	(494)	(300)	(194)
		<u>(2,394)</u>	<u>(2,200)</u>	<u>(194)</u>

27. Financial Instruments (cont'd)

f) Fair value

The carrying amounts of financial assets and liabilities approximate fair values.

28. Contingent Liabilities

	The Company	
	2003 \$'000	2002 \$'000
Indemnities given to a bank in connection with unsecured performance guarantees issued for subsidiaries and associates	622	2,002

29. Segment Reporting

The activities of the Company and its subsidiaries are substantially in the telecommunication industry and, therefore, reporting by industry segment is not applicable. Geographical segment disclosure is therefore presented as the primary segment format. 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 years ended 31 December:

2003	Singapore \$'000	Asia (excluding Singapore) \$'000	Elimination \$'000	Consolidated \$'000
Revenue and Expense				
Sales to external customers	25,355	10,206	-	35,561
Inter-segment sales	2,403	52	(2,455)	-
Total revenue	27,758	10,258	(2,455)	35,561
Segment results	(3,630)	(243)		(3,873)
Finance costs				(71)
Loss before income tax				(3,944)
Income tax				(27)
Net loss				(3,971)

29. Segment Reporting (cont'd)

2003				
Assets and Liabilities	Singapore \$'000	Asia (excluding Singapore) \$'000	Elimination \$'000	Consolidated \$'000
Segment assets	36,625	7,692	(16,644)	27,673
Segment liabilities	31,050	10,009	(30,770)	10,289
Interest-bearing borrowings				1,820
Income tax liabilities				27
Total liabilities				12,136
Capital expenditure	94	82		176
Significant non-cash items				
Depreciation of property, plant and equipment	935	264		1,199
Amortisation of intangible assets	-	59		59
Loss / (Gain) on disposal / write-off of property, plant and equipment	186	(16)		170
Loss on disposal of subsidiary	44	-		44
2002				
Revenue and Expense	Singapore \$'000	Asia (excluding Singapore) \$'000	Elimination \$'000	Consolidated \$'000
Sales to external customers	49,937	14,397	-	64,334
Inter-segment sales	16,820	-	(16,820)	-
Total revenue	66,757	14,397	(16,820)	64,334
Segment results	(3,313)	(955)		(4,268)
Finance costs				(1,125)
Loss before income tax				(5,393)
Income tax				(87)
Minority interests, net of income tax				114
Net loss				(5,366)

29. Segment Reporting (cont'd)

2002 Assets and Liabilities	Singapore \$'000	Asia (excluding Singapore) \$'000	Elimination \$'000	Consolidated \$'000
Segment assets	47,857	8,648	(23,425)	33,080
Segment liabilities	38,771	11,859	(39,379)	11,251
Interest-bearing borrowings				2,436
Income tax liabilities				19
Total liabilities				13,706
Capital expenditure	6,455	198		6,653
Significant non-cash items				
Depreciation of property, plant and equipment	1,251	247		1,498
Amortisation of intangible assets	-	73		73
Impairment losses on intangible assets	247	-		247
Loss on disposal / write-off of property, plant and equipment	311	-		311
Amortisation of bond discount	557	-		557
Gain on disposal of investments	(1,387)	-		(1,387)
Gain on disposal of subsidiary	(4,063)	-		(4,063)

30. Comparative Figures

The comparatives for the year ended 31 December 2002 were audited by another firm of Certified Public Accountants. Comparative in the financial statements have been changed to conform to current year's presentation.

Exceptional items of a net gain of \$4,719,000, comprising gain on disposals of subsidiary and other investments of \$4,063,000 and \$1,387,000 respectively, and restructuring expenses and impairment loss on intangible assets of \$484,000 and \$247,000, respectively, are not presented in the consolidated profit and loss account as a separate line item but have been reclassified to other operating income and other operating expenses for the year ended 31 December 2002, respectively.

List of Top Twenty Shareholders

S/N	Name of Shareholder	No. of Shares	% of Holdings
1	Intraco Limited	243,881,256	50.71
2	DBS Nominees Pte Ltd	76,443,923	15.89
3	Raffles Nominees Pte Ltd	74,637,677	15.52
4	Shamsuddin Bin Abdul Kadir	7,980,000	1.66
5	United Overseas Bank Nominees Pte Ltd	3,675,040	0.76
6	DBS Vickers Securities (s) Pte Ltd	1,774,000	0.37
7	Oversea Chinese Bank Nominees Pte Ltd	1,519,080	0.32
8	Ng Siew Leng	1,087,472	0.23
9	Phillip Securities Pte Ltd	936,000	0.19
10	UOB Kay Hian Pte Ltd	894,000	0.19
11	OCBC Securities Private Ltd	802,000	0.17
12	Kim Eng Securities Pte. Ltd.	709,120	0.15
13	Han Meng Siew	600,404	0.12
14	Tan Han Tung	561,000	0.12
15	Citibank Consumer Nominees Pte Ltd	487,000	0.10
16	Ng Poo Tiang	468,000	0.10
17	BQS Private Ltd	400,000	0.08
18	Tan Soo Chong	400,000	0.08
19	Lim Hak Long Joseph	380,514	0.08
20	Citibank Nominees Singapore Pte Ltd	350,000	0.07
TOTAL:		417,986,486	86.91

64

Distribution of Shareholders by Size of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	39	0.78	10,148	0.00
1,000 - 10,000	3,755	74.56	17,098,228	3.56
10,001 - 1,000,000	1,234	24.5	52,829,176	10.98
1,000,001 - and above	8	0.16	410,998,448	85.46
Grand Total	5,036	100.00	480,936,000	100.00

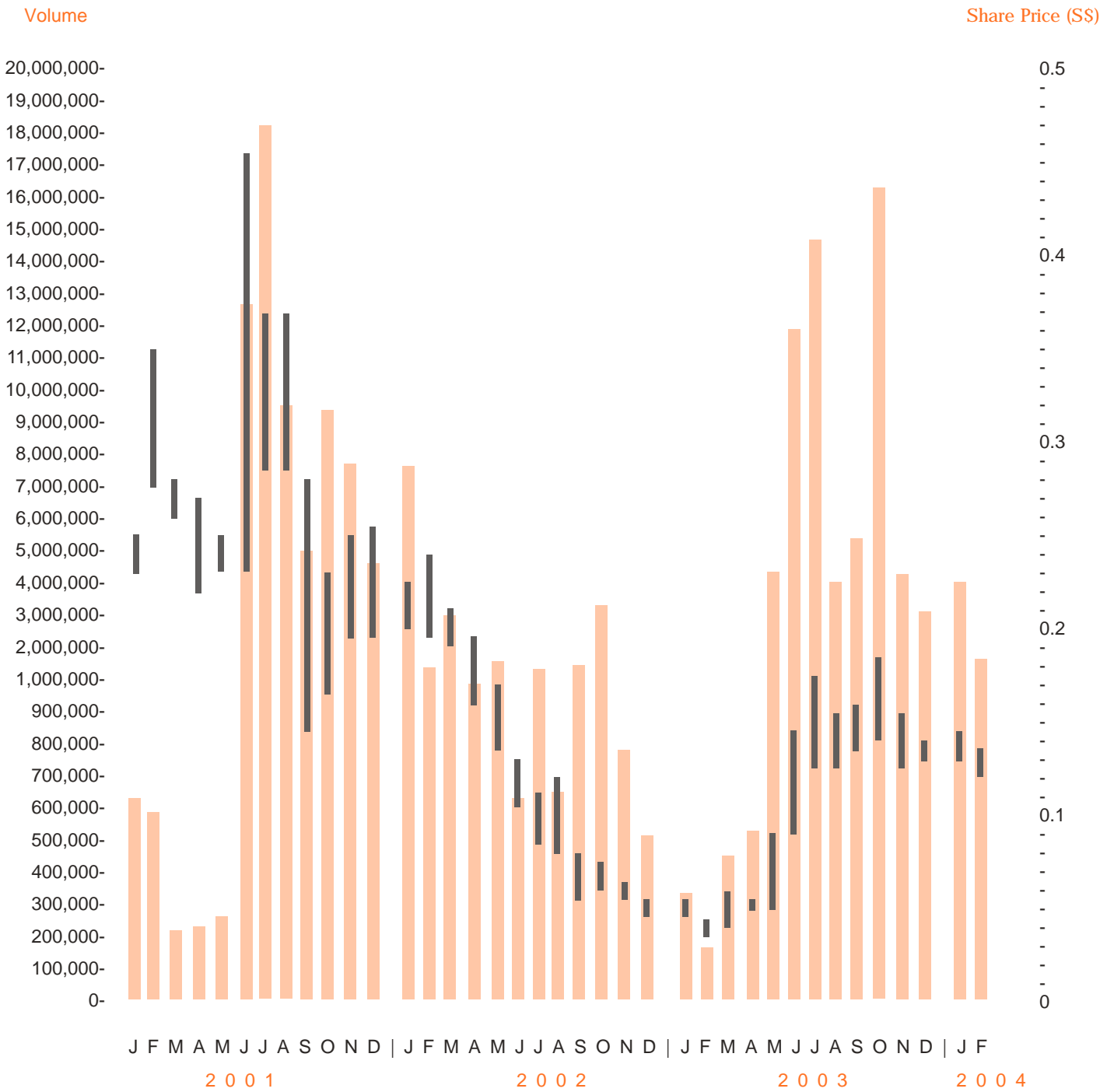
Substantial Shareholders

	Number of Shares			
	Direct Interest	%	Deemed Interest	%
Intraco Limited	243,881,256	50.71	0	0
PSC Corporation Ltd ⁽¹⁾ ("PSC")	0	0	243,881,256	50.71
Hanny Holdings Limited ⁽²⁾ ("Hanny Holdings")	0	0	243,881,256	50.71
Hanny Magnetics (B.V.I.) Limited ⁽²⁾ ("Hanny Magnetics")	0	0	243,881,256	50.71
Rich Life Holdings Pte Ltd ⁽²⁾ ("Rich Life")	0	0	243,881,256	50.71
Famex Investment Limited ⁽²⁾ ("Famex")	0	0	243,881,256	50.71
Mankar Assets Limited ⁽²⁾ ("Mankar")	0	0	243,881,256	50.71
ITC Investment Holdings Limited ⁽²⁾ ("ITC Investment")	0	0	243,881,256	50.71
ITC Corporation Limited ⁽²⁾ ("ITC Corporation")	0	0	243,881,256	50.71
Galaxyway Investments Limited ⁽²⁾ ("Galaxyway")	0	0	243,881,256	50.71
Chinaview International ⁽²⁾ ("Chinaview")	0	0	243,881,256	50.71
Chan Kwok Keung, Charles ⁽²⁾ ("Charles")	0	0	243,881,256	50.71
NTUC Income Insurance Cooperative Limited	74,337,677	15.46	0	0
The Development Bank of Singapore Ltd ("DBS")	72,850,923	15.15	0	0
DBS Group Holdings Ltd ⁽³⁾ ("DBS Group")	0	0	72,850,923	15.15
MND Holdings (Private) Limited ⁽⁴⁾ ("MND")	0	0	72,850,923	15.15
Temasek Holdings (Pte) Limited ⁽⁵⁾ ("Temasek")	0	0	72,930,923	15.15

notes:

- (1) PSC Corporation Ltd is deemed to have an interest through Intraco.
- (2) Hanny Holdings, Hanny Magnetics, Rich Life, Famex, Mankar, ITC Investment, ITC Corporation, Galaxyway, Chinaview and Charles are deemed to have an interest through PSC and Intraco.
- (3) DBS Group is deemed to have an interest through DBS.
- (4) MND is deemed to have an interest through DBS Group and DBS.
- (5) Temasek is deemed to have an interest through DBS Group, DBS and the PSA group of companies.
- (6) The Company has complied with Rule 723 of the listing manual on free float.

Teledata (Singapore) Limited
Share Price Volume and Price



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of the Company will be held at INTRACO Limited, 230 Victoria Street #12-00, Bugis Junction Towers Singapore 188024 on Friday, 16 April 2004 at 9.30am to transact the following business.

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts of the Company for the year ended 31 December 2003 and the Directors' Report and the Auditors Report thereon. (Resolution 1)
2. To approve the Directors' fees of up to S\$300,000 for the financial year ending 31 December 2004 (2003 : S\$ 300,000). (Resolution 2)
3. To re-elect the following Directors retiring pursuant to Articles 100 & 101 of the Company's Articles of Association:
Kwah Thiam Hock (Resolution 3a)
Chiu Sin Nang Aston (Resolution 3b)

Mr Kwah Thiam Hock will upon re-election as Director of the Company, remain as a member of the Audit committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of The Singapore Exchange Securities Trading Limited.

4. to re-appoint KMPG as Auditors of the company and to authorise the Directors to fix their remuneration. (Resolution 4)

AS SPECIAL BUSINESS

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

5. The Proposed Share issue Mandate
That authority be and is hereby given to the Directors of the Company to:-
 - a) i. issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
 - ii. make or grant offers, agreements or options (collectively, "Instruments") that might or would require share to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
 - b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:-
 - (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent. of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above:
- (i) the percentage of issued share capital shall be based on the issued share capital of the Company as at the date of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities or employee share options which are outstanding as at the date of the passing of this Resolution; and
 - (b) any subsequent consolidation or subdivision of shares; and
 - (ii) in relation to an Instrument, the number of shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. (Resolution 5)
6. Authority to grant options and to issue shares under Teledata 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.” (Resolution 6)
7. 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
31 March 2004

Explanatory Notes:

1. The ordinary resolution proposed in item 6 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.

Notes:

1. A Member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his behalf.
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 (Singapore) Limited
(Incorporated in the Republic of Singapore)



IMPORTANT

1. For Investors who have used their CPF monies to buy TELEDATA (SINGAPORE) LIMITED shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

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 *me/us on *my/our behalf and, if necessary, to demand a poll, at the Twenty-Eighth Annual General Meeting of the Company to be held at INTRACO Limited, 230 Victoria Street #12-00, Bugis Junction Towers Singapore 188024 on Friday, the 16th day of April 2004 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 adopt the Directors' Report and the Audited Accounts for the year ended 31 December 2003.		
2.	To approve Directors' fees for financial year ending 31 December 2004.		
3a.	To re-elect Mr Kwah Thiam Hock retiring by rotation pursuant to Article 100 and 101.		
3b.	To re-elect Mr Aston Chiu Sin Nang retiring by rotation pursuant to Article 100 and 101.		
4.	To re-appoint KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.		
5.	To authorize Directors to issue shares pursuant to Section 161 of the Companies Act, Cap.50 and the listing rules of the Singapore Exchange Trading Limited		
6.	To authorise Directors to issue shares pursuant to the Teledata Share Option Scheme.		

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 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

Teledata is a leading communications services company,
unique for the depth of our capabilities and the dedication of our people.