

The Company has always been committed to maintaining the highest standards of corporate governance, and endeavours to implement any new relevant guidelines swiftly. With the issuance of the Code on Corporate Governance (the "Code") on March 21, 2001 by the Corporate Governance Committee established by the Ministry of Finance, the Company has taken steps to revise its existing corporate governance practices to be in line with the guidelines set out in the Code.

In doing so, the Company continues with its aims to enhance long-term shareholder value through corporate performance, efficient conduct of principal activities and accountability, whilst taking into account the interests of other stakeholders.

BOARD OF DIRECTORS

The Board in fulfilling its stewardship responsibility for the Company met ten times during the financial period to supervise management in areas such as strategy, budgets and plans, organizational and financial performance, the achievement of strategic goals and objectives, risk management as well as reporting and communications for the Company and the Group.

Key information regarding the Directors is disclosed on pages 13 and 14 of the Annual Report.

The Company has internal guidelines on matters that require Board approval other than routine approvals concerning setting authority limits and operation of bank accounts. The types of material transactions requiring Board approval are as follows:

- Matters relating to the Group entities e.g. incorporation of new companies, acquisitions and disposals of subsidiaries.
- Budgets and financial planning.
- Projects with revenue over US\$20 million.

Currently, the Board consists of nine Directors of whom three are considered independent by the Board. The Board meets regularly on a quarterly basis and as warranted. However, ad hoc, non-scheduled Board meetings may be convened to deliberate on urgent substantive matters. The Code encourages listed companies to, *inter alia*, amend their articles of association to provide for telephonic and videoconference meetings of the board of directors of such companies. This will facilitate the attendance and participation of directors at board meetings of listed companies, even though they may not be in Singapore.

The Company proposes to amend Article 110(4) of the Company's Articles of Association (the "Articles"), to facilitate the participation of Directors in Board meetings even if they are not in Singapore, at an extraordinary general meeting of the Company to be held on February 27, 2003 (or such other date as the Directors may in their sole and absolute discretion decide) (the "EGM"), in compliance with the Code.

The Directors' attendance record at Board meetings are set out below:

<u>Directors</u>	<u>Attendance ##</u>
Executive Directors	
• Ronald John Cattell	10
• William Bruce Grahame Padfield	+
• Philip Chu Yan-Jy	#
Non-executive Directors	
• Patrick Keith Quarmby	9
• Jeremy John Ord	8
• Robert Keith Carden Taylor	3
Independent Directors*	
• Frank Yung-Cheng Yung	10
• Seet Ai Mee	10
• Robert Cecil Mansfield	9

Since the beginning of the financial period or date of appointment, whichever is later.

+ William Bruce Grahame Padfield was appointed as a Director on October 17, 2002.

Philip Chu Yan-Jy was appointed as a Director on September 16, 2002.

BOARD OF DIRECTORS (Cont'd)

Alternate Directors

- Malcolm Thomas Rutherford (alternate to Jeremy John Ord)
- Stephen Michael Joubert (alternate to Robert Keith Carden Taylor)

Robert Cecil Mansfield has been an independent Director of the Company's ultimate holding company, Dimension Data Holdings plc since July 2000. The Board considers Robert Cecil Mansfield to be an independent Director* of the Company.

* *The Code defines an "independent" director as one who has no relationship with the company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the company. A related company in relation to a company includes its subsidiaries, fellow subsidiaries, or parent company.*

In order to fulfill their responsibilities, the Company recognizes that Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis. As a general rule, Board papers are sent to Directors at least five days before the regular Board meeting so that the Directors may better understand the matters before the Board meeting and the Board meeting time may be conserved and discussion time focused on questions that the Board has about the Board papers. The information provided in the Board papers include background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts and monthly internal financial statements. The Directors are also provided with the names and contact details of the Company's senior management and company secretary to facilitate independent and separate access.

The Company fully recognises that the continual flow of relevant information on an accurate and timely basis is critical for the Board to be effective in the discharge of its duties. Management is therefore expected to provide the Board with information concerning the Company's progress or shortcomings in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues facing the Company accurately and in a timely manner. This will be one of the criteria, which the Nominating Committee would take into account in assessing the effectiveness of the Board as a whole.

The Directors (other than the Chief Executive Officer) currently submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Article 99 of the Articles provides that a Managing Director[^] (or any Director holding an equivalent appointment) shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be taken into account in determining the rotation of Directors. Pursuant to Article 104 of the Articles, at least one third of the Directors shall retire from office at the Company's Annual General Meeting.

The Company proposes to amend Articles 99 and 104 at the EGM so as to require all Directors, including persons holding office as Managing Director[^] (or any Director holding equivalent appointment) to retire by rotation. This is to comply with the Code.

[^] *The Company proposes to alter the Articles at the EGM by deleting all references to "Managing Directors" and replacing them with "Chief Executive Officer(s)" to align the Articles with the current designation adopted by the Company.*

The Directors who have been re-nominated for re-election are set out on page 37 of the Annual Report. The Board takes independent professional advice as and when necessary to enable it or the independent Directors to discharge their responsibilities effectively.

In addition to the Audit Committee, Remuneration Committee and the Committee administering the Datacraft Asia Share Option Scheme ("Share Option Committee") that were in place at the end of the previous financial year, the Board also established a Nominating Committee on October 16, 2002.

NOMINATING COMMITTEE

The members of the Nominating Committee are:

- Seet Ai Mee, Chairperson, Independent Director
- Frank Yung-Cheng Yung, Independent Director
- Robert Cecil Mansfield, Independent Director
- Patrick Keith Quarmby, Non-executive Director
- Ronald John Cattell, Executive Director

The Nominating Committee will assess the effectiveness of the Board as a whole as well as the contribution of each individual director to the effectiveness of the Board. The assessment process involves formal evaluation against performance criteria to be proposed to and approved by the Board. It will also determine annually whether or not a Director is independent.

REMUNERATION COMMITTEE

The members of the Remuneration Committee are:

- Frank Yung-Cheng Yung, Chairman, Independent Director
- Seet Ai Mee, Independent Director
- Patrick Keith Quarmby, Non-executive Director

The Remuneration Committee has met once since the last Annual General Meeting to determine and recommend to the Board remuneration packages for the Board and key executives. No Director participated in decisions on his/her own remuneration.

It is the Company's policy that the remuneration packages of senior executives, which are linked to corporate and individual performance and risk, are appropriate to attract, retain and motivate the executives needed to run the Company successfully. The remuneration packages of both senior executives and non-executives are commensurate to their responsibilities and contributions. The Remuneration Committee has access to expert advice in the field of executive compensation outside the Company when required.

REMUNERATION AND BENEFITS OF DIRECTORS AND FIVE KEY EXECUTIVES

- a) The following table shows a breakdown (in percentage terms) of the average remuneration of directors and five key executives during the financial period, which falls within broad bands for the 15 months ended September 30, 2002:

<u>Remuneration bands</u>	<u>Salary</u> %	<u>Performance bonus</u> %	<u>Directors' fees</u> %	<u>Others</u> %	<u>Total compensation</u> %
<u>Directors</u>					
\$750,000 - \$999,999					
Ronald John Cattell	70	-	-	30	100
\$500,000 - \$749,999					
Koh See Heong	71	-	-	29	100
\$250,000 - \$499,999					
Derek Peter Althorp	96	-	-	4	100
Below \$250,000					
Philip Chu Yan-Jy #	82	-	-	18	100
Frank Yung-Cheng Yung	-	-	100	-	100
Seet Ai Mee	-	-	100	-	100
Robert Cecil Mansfield	-	-	100	-	100
Jeremy John Ord	-	-	-	-	-
Patrick Keith Quarmby	-	-	-	-	-
Robert Keith Carden Taylor	-	-	-	-	-
<u>Five key executives</u>					
\$500,000 - \$749,999					
Philip Chu Yan-Jy #	84	-	-	16	100
Raymond So Lie Mo	71	-	-	29	100
Vincent Lum Kan Fai	100	-	-	-	100
William Bruce Grahame Padfield	81	-	-	19	100
Yutaka Aoki	93	-	-	7	100

Philip Chu Yan-Jy was appointed as a Director on September 16, 2002.

The above does not include benefits attached to share options granted to directors and employees, which have not been valued.

- b) Details of options granted
Details of options granted to directors are disclosed in paragraph 18 of the Report of the Directors.

SHARE OPTION COMMITTEE

A separate committee of Non-executive Directors administers the Company's long-term incentive share scheme for employees i.e. the Share Option Committee.

The Share Option Committee members are:

- Patrick Keith Quarmby, Chairman, Non-executive Director
- Frank Yung-Cheng Yung, Independent Director
- Seet Ai Mee, Independent Director
- Robert Cecil Mansfield, Independent Director

The Share Option Committee met three times since the last Annual General Meeting to approve the grant of share options to directors and employees under the terms of the Datacraft Asia Share Option Scheme. No Director is involved in any deliberation or decision making in respect of options offered or granted in which they have a benefit.

The details of the Datacraft Asia Share Option Scheme are contained in paragraph 18 of the Report of the Directors.

AUDIT COMMITTEE

The Audit Committee members are:

- Frank Yung-Cheng Yung, Chairman, Independent Director
- Seet Ai Mee, Independent Director
- Patrick Keith Quarmby, Non-executive Director

The Audit Committee met four times since the last Annual General Meeting; all members attended each meeting. During the 15-month financial period ended September 30, 2002, the Company has complied with the Best Practices Guide on Audit Committee issued by the Singapore Exchange Securities Trading Limited.

The Audit Committee reviewed the following, where relevant, with the Executive Directors, the external auditors, Deloitte & Touche, and the internal auditors, PricewaterhouseCoopers:

- the external audit plans and results of their examination and evaluation of the Group's system of internal accounting controls;
- the Group's financial and operating results and accounting policies;
- the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Board and the external auditors' report on those financial statements;
- the cooperation given by the management to the external and internal auditors;
- the scope and results of the internal audit procedures;
- the appointments of the external and internal auditors of the Company; and
- the effectiveness of the Company's material internal controls.

The Audit Committee has full access to and cooperation by the management. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence of the external auditors and has recommended to the Board, the nomination of Deloitte & Touche for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

INTERNAL CONTROLS

The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets. There is a clearly defined delegation of authority from the Board to the operating companies. Procedures are in place to identify major business risks and evaluate potential financial effects, as well as for the authorization of sales contracts, capital expenditure and investments. Comprehensive budgeting systems are in place to develop annual budgets covering key aspects of the business. Actual performance is compared to budgets and revised forecasts for the year are prepared on a regular basis.

During the period under review, a significant account receivable exposure had arisen in respect of the dealings by Datacraft Networks (China) Inc. (DNI), a subsidiary in China, with certain providers of import/export services in China. This contributed to the additional provision of doubtful debts taken in the financial statements for the period under review. Dealings with those providers of import/export services have stopped.

The Group is continually improving its internal controls and the Board is satisfied with the adequacy of the current system of internal controls.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the Audit Committee and that the transactions are on an arm's length basis. All interested person transactions are subject to review by the Audit Committee to ensure compliance with the established procedures.

MATERIAL CONTRACTS

Except as disclosed in the Report of the Directors and Financial Statements, no material contracts (including loans) of the Company or its subsidiaries involving the interests of the chief executive officer or any director or controlling shareholders subsisted at the end of the financial period or have been entered into since the end of the previous financial year.

DEALINGS IN SECURITIES

The Company has adopted an internal compliance code to provide guidance to its Directors and officers in relation to the dealings in its securities. This code is in line with the Best Practices Guide on Dealings in Securities issued by the Singapore Exchange Securities Trading Limited.

Directors, executives and any other employees who have access to price-sensitive information are prohibited from dealing in securities of the Company prior to the announcement of a matter that involves material unpublished price-sensitive information. They are required to report on all their dealings in securities of the Company to the company secretary. They are also prohibited from dealing in the Company's securities during the periods commencing at least one month before the announcement of the Company's annual or half year results and ending on the date of the announcement of the relevant results. With the introduction of quarterly reporting for listed companies whose market capitalization exceeds \$20 million as at September 30, 2002, for the financial year commencing on or after January 1, 2003, Directors, executives and other employees are prohibited from dealing in the Company's securities during the periods commencing at least one month before the announcement of the Company's financial statements for each of the first three quarters of its financial year, half year or financial year, as the case may be, and ending on the date of the announcement of the relevant results.

During the period under review, as a result of reports in the media regarding dealings in the Company's securities by certain Directors, the Board had conducted an inquiry into the matter and found no wrongdoings or contravention of the Company's internal compliance code.

FINANCIAL STATEMENTS

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The directors present their report to the members together with the audited financial statements of the Company and of the Group for the financial period ended September 30, 2002. During the financial period, the Company and the Group changed its financial year end from June 30 to September 30. Accordingly, the current financial period covers the period from July 1, 2001 to September 30, 2002.

1 DIRECTORS

The directors holding office at the date of this report are:

Patrick Keith Quarmby	
Ronald John Cattell	
Seet Ai Mee	
Frank Yung-Cheng Yung	
Jeremy John Ord	
Robert Cecil Mansfield	
Robert Keith Carden Taylor	(Appointed on May 9, 2002)
Philip Chu Yan-Jy	(Appointed on September 16, 2002)
William Bruce Grahame Padfield	(Appointed on October 17, 2002)
Malcolm Thomas Rutherford	(Alternate director to Jeremy John Ord)
Stephen Michael Joubert	(Alternate director to Robert Keith Carden Taylor)
	(Appointed on May 9, 2002)

In accordance with Article 104 of the Articles of Association, Seet Ai Mee retires by rotation at the forthcoming Annual General Meeting and, being eligible, offer herself for re-election.

Robert Keith Carden Taylor, Philip Chu Yan-Jy and William Bruce Grahame Padfield were appointed pursuant to Article 108 of the Articles of Association. They hold office until the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

2 PRINCIPAL ACTIVITIES

The principal activities of the Company are those of a management and investment holding company.

The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period.

3 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

a) Acquisition of subsidiaries

During the financial period, the Group acquired 100% equity interest in Dasan Electronics Co., Ltd, incorporated in Korea, for approximately \$48,094,000. Net tangible assets acquired was \$1,696,000.

In addition, the Group increased its equity interest in the following subsidiaries:

<u>Subsidiaries</u>	<u>Consideration</u> \$'000	<u>Group's share of net tangible assets acquired</u> \$'000	<u>Effective interests held by Group</u>	
			<u>Before</u> %	<u>After</u> %
DFI Consulting Sdn Bhd	4,425	270	60	100
Datacraft Japan Inc.	1	458	76.5	89.7

3 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES (Cont'd)

b) Incorporation of subsidiaries

The following subsidiaries were incorporated by the Company during the financial period:

	<i>Equity interest held by the Company</i>
	%
PlaNET Solutions (International) Ltd	60
Datacraft Company Ltd	100

c) Merger of subsidiaries

During the financial period, the Group merged the following subsidiaries to achieve greater efficiency and competitiveness in the industry by streamlining management and operations:

<i>Subsidiaries merged</i>	<i>Surviving entity</i>	<i>Shares issued by surviving entity for merger</i>
Datacraft (NZ) Limited and National Communication Services Limited	Datacraft (NZ) Limited	85,000 ordinary shares of NZ\$1 each at par
Datacraft Korea Inc. and Dasan Electronics Co., Ltd	Datacraft Korea Inc.	116,129 ordinary shares of Won5,000 each at par

National Communication Services Limited and Dasan Electronics Co., Ltd have been dissolved following the mergers.

Other than the above, there were no further acquisitions or disposals of subsidiaries.

4 RESULTS FOR THE FINANCIAL PERIOD

	<i>The Group</i>	<i>The Company</i>
	\$'000	\$'000
Loss attributable to the shareholders of the Company	(62,645)	(29,910)
Accumulated profits at beginning of financial period	<u>209,858</u>	<u>31,666</u>
Profit available for appropriation	147,213	1,756
Transfer to statutory reserves	<u>(131)</u>	<u>-</u>
Accumulated profits at end of financial period	<u>147,082</u>	<u>1,756</u>

5 MATERIAL TRANSFERS TO/FROM RESERVES AND PROVISIONS

During the financial period, there were no material transfers to or from reserves and provisions other than those disclosed in the attached financial statements.

6 ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company issued the following new ordinary shares of \$0.10 each fully paid ("Shares"):

- a) 1,242,000 Shares at US\$1.105 each for cash under the Datacraft Asia Share Option Scheme.
- b) 1,530,000 Shares at US\$1.375 each for cash under the Datacraft Asia Share Option Scheme.
- c) 668,000 Shares at US\$1.490 each for cash under the Datacraft Asia Share Option Scheme.
- d) 428,017 Shares at \$4.15 each in lieu of cash in respect of the dividend for the financial year ended June 30, 2001 under the Datacraft Scrip Dividend Scheme.

The above Shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

In addition to the shares issued for the merger purposes as described in paragraph 3(c) above, the following subsidiaries issued shares during the period:

<u>Name of subsidiary</u>	<u>Number and class of shares issued</u>	<u>Purpose</u>
PlaNET Solutions (International) Ltd	10,000 ordinary shares of US\$1 each at par for cash	Subscribers' shares
Datacraft Company Ltd	10,000 ordinary shares of US\$1 each at par for cash	Subscribers' shares
DFI Consulting Sdn Bhd	1,250,000 ordinary shares of RM1 each at par for cash	To provide working capital

The Company and the subsidiaries of the Group did not issue any debentures during the financial period.

7 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial period nor at any time during the financial period did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate except for the options rights mentioned below.

8 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial period had no interests in the share capital of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

<i>Name of director and company in which interests are held</i>	<i>Interest held</i>	
	<i>At beginning of financial period or date of appointment, if later</i>	<i>At end of financial period</i>
<i>The Ultimate Holding Company - Dimension Data Holdings plc</i>		
Ordinary shares of US1 cent each:		
Patrick Keith Quarmby	138,165	138,165
Patrick Keith Quarmby - deemed	256,460	256,460
Ronald John Cattell	29,067	29,067
Jeremy John Ord	1,602,125	1,602,125
Jeremy John Ord - deemed	8,679,733	8,679,733
Robert Cecil Mansfield	727	727
Robert Keith Carden Taylor	547,104	547,104
Robert Keith Carden Taylor - deemed	1,000,000	1,000,000
Malcolm Thomas Rutherford	975,184	975,184
Malcolm Thomas Rutherford - deemed	3,408,844	3,408,844
Stephen Michael Joubert	163,155	163,155
Options to acquire ordinary shares of US1 cent each:		
Patrick Keith Quarmby	2,095,800	2,095,800
Ronald John Cattell	200,000	200,000
Jeremy John Ord	5,207,222	5,207,222
Robert Cecil Mansfield	46,500	46,500
Robert Keith Carden Taylor	1,977,891	1,977,891
Malcolm Thomas Rutherford	2,260,561	2,260,561
Stephen Michael Joubert	2,098,914	2,098,914
<i>The Company - Datacraft Asia Ltd</i>		
Ordinary shares of \$0.10 each:		
Ronald John Cattell	403,411	404,072
Ronald John Cattell - deemed	1,810,142	1,410,157
Frank Yung-Cheng Yung - deemed	93,051	93,204
Koh See Heong (Resigned on October 16, 2002)	405,868	10,886
Options to acquire ordinary shares of \$0.10 each under the Datacraft Asia Share Option Scheme:		
Ronald John Cattell	2,800,000	3,000,000
Seet Ai Mee	190,000	200,000
Frank Yung-Cheng Yung	190,000	290,000
Robert Cecil Mansfield	95,000	120,000
Koh See Heong (Resigned on October 16, 2002)	1,362,000	705,000
Philip Chu Yan-Jy	-	600,000

There was no change in any of the abovementioned interests between the end of the financial period and October 21, 2002, except for 2,250,000 share options previously granted to Ronald John Cattell for him to acquire ordinary shares of \$0.10 each in the Company under the Datacraft Asia Share Option Scheme which have lapsed or become otherwise non-exercisable.

9 DIVIDENDS

Dividends paid or declared since the end of the Company's last financial year were as follows:

A final dividend of 9% less tax at 24.5% totalling \$3,133,703 in respect of the previous year and included in the previous report of the directors was paid. The Datacraft Scrip Dividend Scheme, under which shareholders may elect to receive shares instead of cash for their dividend entitlements applied to this final dividend. Accordingly, 428,017 ordinary shares of \$0.10 each were issued at the prevailing market price of \$4.15 per share to shareholders who elected for scrip dividend.

The directors of the Company do not recommend that a final dividend be paid for the financial period just ended.

10 DIRECTORS' ACTIONS RELATING TO BAD AND DOUBTFUL DEBTS

Before the profit and loss statement and the balance sheet were made out, the directors of the Company took reasonable steps to ascertain that proper action had been taken in relation to the writing off and providing for bad and doubtful debts of the Company and have satisfied themselves that all known bad debts of the Company have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors of the Company are not aware of any circumstances which would render any amounts written off or provided for bad and doubtful debts for the group of companies in the consolidated financial statements inadequate to any substantial extent.

11 DIRECTORS' ACTIONS RELATING TO CURRENT ASSETS

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

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

12 CHARGES ON ASSETS AND EXISTENCE OF CONTINGENT LIABILITIES AFTER YEAR END DATE

At the date of this report:

- a) there does not exist any charge on the assets of the Company or any corporation in the Group which has arisen since the end of the financial period which secures the liability of any other person; and
- b) there does not exist any contingent liability of the Company or any corporation in the Group which has arisen since the end of the financial period.

13 ABILITY TO MEET OBLIGATIONS

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

14 OTHER CIRCUMSTANCES AFFECTING FINANCIAL STATEMENTS

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

15 UNUSUAL ITEMS

In the opinion of the directors of the Company, the results of the operations of the Company and of the Group have not been substantially affected by any item, transaction or event of a material and unusual nature during the financial period, except for those disclosed in the notes to the financial statements.

16 UNUSUAL ITEMS AFTER YEAR END DATE

In the opinion of the directors of the Company, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period 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 period in which this report is made.

17 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial period, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, 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 except that certain directors have received remuneration from related corporations in their capacity as directors and/or executives of those related corporations and as disclosed in the financial statements.

18 SHARE OPTIONS

i) Datacraft Asia Share Option Scheme

- a) During the financial period, options were granted pursuant to the scheme in respect of 22,783,000 unissued shares of \$0.10 each in the Company, and 3,440,000 ordinary shares of \$0.10 each were issued by virtue of the exercise of options.

The subscription price for shares of the Company ("Shares") upon the exercise of an option was equal to the market price of the Shares based on the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication by the Singapore Exchange Securities Trading Limited ("SGX-ST") for the last three consecutive days on which there were transactions done for the Shares on the SGX-ST immediately preceding the date of grant of that option.

Based on the current Singapore Accounting Standards, there is no requirement to recognise and measure the potential costs of share options. Furthermore, the grant of options did not impact the Company's profitability as no cash expenditure was incurred at the time of the grant of options. Accordingly, no such costs were recognised in the Company's books.

Since the implementation of the scheme in August 1996, a total of 51.96 million options (excluding those options that have lapsed or become otherwise unexercisable) have been granted, leaving a balance of 17.75 million options available for grant. The Company believes that the terms of the scheme as adopted operate as a means to acknowledge and reward the valuable contributions of Directors and employees and to motivate them to optimise their performance standards, dedication and efficiency as well as to retain them.

The details of the share options of the directors of the Company are as follows:

<i>Name of directors</i>	<i>Options granted during the financial period</i>	<i>Aggregate options granted since commencement to September 30, 2002</i>	<i>Aggregate options exercised since commencement to September 30, 2002</i>	<i>Aggregate options cancelled as at September 30, 2002</i>	<i>Aggregate options outstanding as at September 30, 2002</i>
Ronald John Cattell	2,000,000	7,000,000	2,450,000	1,550,000	3,000,000
Seet Ai Mee	200,000	390,000	-	190,000	200,000
Frank Yung-Cheng Yung	250,000	440,000	-	150,000	290,000
Robert Cecil Mansfield	120,000	215,000	-	95,000	120,000
Koh See Heong ⁽¹⁾	530,000	3,107,000	1,340,000	1,062,000	705,000
Philip Chu Yan-Jy	600,000	600,000	-	-	600,000

⁽¹⁾ Resigned as a director on October 16, 2002.

18 SHARE OPTIONS (Cont'd)

- b) 25,400,000 options were cancelled resulting in a balance of 29,809,000 options outstanding at September 30, 2002 as follows:

<i>Date of grant</i>	<i>Balance at July 1, 2001/ date of grant</i>	<i>Number of Share Options</i>		<i>Balance at September 30, 2002</i>	<i>Subscription price US\$</i>	<i>Expiry date</i>
		<i>Exercised</i>	<i>Cancelled</i>			
October 5, 1997	1,169,000	(668,000)	(70,000)	431,000	1.490	October 5, 2002
March 4, 1998	3,189,000	(1,530,000)	(44,000)	1,615,000	1.375	March 4, 2003
September 9, 1998	2,641,000	(1,242,000)	(585,000)	814,000	1.105	September 9, 2003
January 28, 1999	500,000	-	-	500,000	1.770	January 28, 2004
September 3, 1999	4,686,000	-	(3,231,000)	1,455,000	3.920	September 3, 2004
March 3, 2000	845,000	-	(830,000)	15,000	8.130	March 3, 2005
April 10, 2000	758,000	-	(497,000)	261,000	8.080	April 10, 2005
August 28, 2000	7,043,000	-	(6,084,000)	959,000	7.880	August 28, 2005
December 5, 2000	288,000	-	(242,000)	46,000	6.200	December 5, 2005
February 13, 2001	2,416,000	-	(1,948,000)	468,000	5.880	February 13, 2006
April 12, 2001	1,974,000	-	(1,300,000)	674,000	3.950	April 12, 2006
June 29, 2001	10,357,000	-	(7,229,000)	3,128,000	4.100	June 29, 2006
January 25, 2002	22,783,000	-	(3,340,000)	19,443,000	2.180	January 25, 2007
	<u>58,649,000</u>	<u>(3,440,000)</u>	<u>(25,400,000)</u>	<u>29,809,000</u>		

Statutory information regarding the options is as follows:

- a) The options may be exercised in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.
- b) The options may be exercised in the following manner:
- i) 25% of the option amount at any time after the first anniversary of the date of the grant;
 - ii) a further 25% of the option amount at any time after the second anniversary of the date of the grant;
 - iii) a further 25% of the option amount at any time after the third anniversary of the date of the grant; and
 - iv) the final 25% of the option amount at any time after the fourth anniversary of the date of the grant.
- c) The options, to the extent unexercised, shall lapse upon the employee ceasing to be employed by the Company or its subsidiaries.

The members of the Committee administering the Datacraft Asia Share Option Scheme are:

- a) Patrick Keith Quarmby
 - b) Frank Yung-Cheng Yung
 - c) Seet Ai Mee
 - d) Robert Cecil Mansfield
- ii) During the financial period, no option was granted to take up unissued ordinary shares of the subsidiaries and no ordinary shares of the subsidiaries were issued by virtue of the exercise of an option to take up unissued ordinary shares.
- iii) At the end of the financial period, there were no unissued ordinary shares of the subsidiaries under option.

19 AUDITORS

The auditors, Deloitte & Touche, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Frank Yung-Cheng Yung

Ronald John Cattell

November 25, 2002

**AUDITORS' REPORT TO
THE MEMBERS OF
DATACRAFT ASIA LTD**

We have audited the financial statements of Datacraft Asia Ltd and the consolidated financial statements of the Group for the financial period from July 1, 2001 to September 30, 2002 set out on pages 46 to 79. 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the accompanying financial statements of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act (the "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 September 30, 2002 and of the results and changes in equity of the Company and of the Group and cash flows of the Group for the financial period then ended; and
 - ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;
- b) the accounting and other records and the registers required by the Act to be kept by the Company and those subsidiaries incorporated in Singapore of which we the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all the subsidiaries of which we have not acted as auditors and the financial statements of subsidiaries of which an audit is not required by law in their country of incorporation, being financial statements included in the consolidated financial statements. The names of these subsidiaries are indicated in Note 7 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that are consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for those purposes.

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

DELOITTE & TOUCHE
Certified Public Accountants

Philip Yuen Ewe Jin
Partner

Singapore
November 25, 2002

	Notes	The Group		The Company	
		September 30, 2002 \$'000	June 30, 2001 \$'000	September 30, 2002 \$'000	June 30, 2001 \$'000
ASSETS					
Non-current assets:					
Plant and equipment	6	38,699	47,921	7,545	10,516
Subsidiaries	7	-	-	382,952	349,704
Associates	8	7	7	-	-
Deferred expenditure	9	2,430	3,392	-	-
Goodwill	10	37,326	-	-	-
Negative goodwill	11	(435)	-	-	-
Deferred tax asset	20	6,725	-	-	-
Total non-current assets		<u>84,752</u>	<u>51,320</u>	<u>390,497</u>	<u>360,220</u>
Current assets:					
Inventories	12	30,318	56,785	-	-
Other receivables and prepayments	13	99,615	67,080	1,146	2,411
Trade receivables	14	234,513	377,595	139,860	159,044
Cash and bank balances		89,768	154,323	7,293	27,994
Total current assets		<u>454,214</u>	<u>655,783</u>	<u>148,299</u>	<u>189,449</u>
Total assets		<u>538,966</u>	<u>707,103</u>	<u>538,796</u>	<u>549,669</u>
LIABILITIES AND EQUITY					
Current liabilities:					
Bank loans	15	18,852	25,279	-	-
Trade and other payables	16	137,538	196,388	35,429	3,245
Provisions	17	2,849	-	404	-
Deferred purchase consideration	18	10,923	68,265	8,852	17,378
Current portion of finance leases	19	35	34	-	-
Income tax payable		19,492	25,267	3,112	3,261
Total current liabilities		<u>189,689</u>	<u>315,233</u>	<u>47,797</u>	<u>23,884</u>
Non-current liabilities:					
Deferred purchase consideration	18	1,616	15,770	1,616	6,235
Finance leases	19	104	110	-	-
Deferred income tax	20	2,322	1,925	1,392	1,008
Total non-current liabilities		<u>4,042</u>	<u>17,805</u>	<u>3,008</u>	<u>7,243</u>
Minority interests		<u>4,546</u>	<u>3,058</u>	<u>-</u>	<u>-</u>
Capital and reserves:					
Issued capital	21	46,471	46,084	46,471	46,084
Dividend reserve		-	3,134	-	3,134
Reserves		294,218	321,789	441,520	469,324
Total equity		<u>340,689</u>	<u>371,007</u>	<u>487,991</u>	<u>518,542</u>
Total liabilities and equity		<u>538,966</u>	<u>707,103</u>	<u>538,796</u>	<u>549,669</u>

See notes to financial statements set out on pages 52 to 79.

**PROFIT AND LOSS
STATEMENTS
FINANCIAL PERIOD FROM
JULY 1, 2001
TO SEPTEMBER 30,
2002**

	Notes	The Group		The Company	
		15 months ended September 30, 2002 \$'000	12 months ended June 30, 2001 \$'000	15 months ended September 30, 2002 \$'000	12 months ended June 30, 2001 \$'000
Revenue	22	918,417	997,802	67,769	35,926
Cost of sales		(750,612)	(788,838)	-	-
Gross profit		167,805	208,964	67,769	35,926
Add: Other operating income	23	5,927	9,061	3,242	2,205
Less: Other expenses:					
Distribution and Sales		(93,035)	(77,392)	(19,283)	(14,123)
Administrative		(44,600)	(35,312)	(22,608)	(5,920)
Amortisation of goodwill (net)		(9,050)	-	-	-
Profit from operating activities		27,047	105,321	29,120	18,088
Finance costs		(1,677)	(1,226)	(380)	-
Exceptional items	24	(74,451)	-	(51,183)	-
(Loss) Profit before income tax	25	(49,081)	104,095	(22,443)	18,088
Income tax expense	26	(12,372)	(24,945)	(7,467)	(3,270)
(Loss) Profit after income tax		(61,453)	79,150	(29,910)	14,818
Minority interests		(1,192)	(1,405)	-	-
(Loss) Profit attributable to the shareholders of the Company		(62,645)	77,745	(29,910)	14,818
(Loss) Earnings per ordinary share of \$0.10 each (cents)					
Basic	27	(13.53)	16.97		
Fully diluted	27	(13.48)	16.68		

See notes to financial statements set out on pages 52 to 79.

STATEMENTS OF
CHANGES IN EQUITY
FINANCIAL PERIOD FROM
JULY 1, 2001
TO SEPTEMBER 30,
2002

	Share capital \$'000	Dividend reserve \$'000	Reserves						Sub-total \$'000	Total \$'000
			Share premium \$'000	Statutory reserve \$'000	Exchange difference reserve \$'000	Goodwill on consolidation \$'000	Accumulated profits \$'000			
The Group										
Balance at June 30, 2000:										
As previously reported	45,350	-	395,691	298	212	(256,786)	135,322	274,737	320,087	
Change in accounting policy (Note 28)										
- Proposed dividend	-	3,084	-	-	-	-	-	-	3,084	
As restated	45,350	3,084	395,691	298	212	(256,786)	135,322	274,737	323,171	
Acquisition of additional interests in subsidiaries	-	-	-	-	-	(41,557)	-	(41,557)	(41,557)	
Acquisition of businesses	-	-	-	-	-	(22,331)	-	(22,331)	(22,331)	
Adjustments to purchase consideration arising from acquisition and merger of subsidiaries	-	-	-	-	-	14,625	-	14,625	14,625	
Exchange differences arising during the financial period	-	-	-	-	1,612	-	-	1,612	1,612	
Transfer from accumulated profits to statutory reserve	-	-	-	75	-	-	(75)	-	-	
Dividend paid	-	(3,084)	-	-	-	-	-	-	(3,084)	
Net profit for the financial period	-	-	-	-	-	-	77,745	77,745	77,745	
Proposed dividend (Note 28)	-	3,134	-	-	-	-	(3,134)	(3,134)	-	
Issue of shares	734	-	20,092	-	-	-	-	20,092	20,826	
Balance at June 30, 2001	46,084	3,134	415,783	373	1,824	(306,049)	209,858	321,789	371,007	
Adjustments to purchase consideration	-	-	-	-	-	14,773	-	14,773	14,773	
Exchange differences arising during the financial period	-	-	-	-	1,042	-	-	1,042	1,042	
Transfer from accumulated profits to statutory reserve	-	-	-	131	-	-	(131)	-	-	
Transfer to profit and loss statement due to substantial winding down of subsidiary's business (shown as exceptional item)	-	-	-	-	-	9,783	-	9,783	9,783	
Net loss for the financial period	-	-	-	-	-	-	(62,645)	(62,645)	(62,645)	
Dividend paid	-	(3,134)	-	-	-	-	-	-	(3,134)	
Issue of shares	387	-	9,476	-	-	-	-	9,476	9,863	
Balance at September 30, 2002	46,471	-	425,259	504	2,866	(281,493)	147,082	294,218	340,689	

Exchange difference reserve at end of financial period includes an amount of \$7,577,000 (2001 : \$9,411,000) for the Group arising on translation of long-term monetary items, that, in substance, form part of the Group's net investment in foreign entities.

See notes to financial statements set out on pages 52 to 79.

STATEMENTS OF
CHANGES IN EQUITY
FINANCIAL PERIOD FROM
JULY 1, 2001
TO SEPTEMBER 30,
2002 (CONT'D)

	Share capital \$'000	Dividend reserve \$'000	Reserves				Sub-total \$'000	Total \$'000
			Share premium \$'000	Exchange difference reserve \$'000	Accumulated profits \$'000			
<u>The Company</u>								
Balance at June 30, 2000:								
As previously reported	45,350	-	395,691	5,977	19,982	421,650	467,000	
Change in accounting policy (Note 28)								
- Proposed dividend	-	3,084	-	-	-	-	3,084	
As restated	45,350	3,084	395,691	5,977	19,982	421,650	470,084	
Exchange differences arising during the financial period	-	-	-	15,898	-	15,898	15,898	
Net profit for the financial period	-	-	-	-	14,818	14,818	14,818	
Dividend paid	-	(3,084)	-	-	-	-	(3,084)	
Proposed dividend (Note 28)	-	3,134	-	-	(3,134)	(3,134)	-	
Issue of shares	734	-	20,092	-	-	20,092	20,826	
Balance at June 30, 2001	46,084	3,134	415,783	21,875	31,666	469,324	518,542	
Exchange differences arising during the financial period	-	-	-	(7,370)	-	(7,370)	(7,370)	
Net loss for the financial period	-	-	-	-	(29,910)	(29,910)	(29,910)	
Issue of shares	387	-	9,476	-	-	9,476	9,863	
Dividend paid	-	(3,134)	-	-	-	-	(3,134)	
Balance at September 30, 2002	46,471	-	425,259	14,505	1,756	441,520	487,991	

Exchange difference reserve at end of financial period includes an amount of \$7,417,000 (2001 : \$9,411,000) for the Company arising on translation of long-term monetary items, that, in substance, form part of the Company's net investment in foreign entities.

**CONSOLIDATED CASH
FLOW STATEMENT
FINANCIAL PERIOD FROM
JULY 1, 2001
TO SEPTEMBER 30,
2002**

	<i>15 months ended September 30, 2002</i> \$'000	<i>12 months ended June 30, 2001</i> \$'000
Cash flows from operating activities:		
(Loss) Profit before income tax	(49,081)	104,095
Adjustments for:		
Amortisation of deferred expenditure	875	238
Amortisation of goodwill	9,072	-
Depreciation	24,490	16,916
Impairment in value of a subsidiary due to substantial winding down of its business	4,155	-
Specific allowance for doubtful trade debts	46,620	-
Interest income	(2,664)	(8,557)
Interest expense	1,677	1,226
Inventories written off (Note 24)	4,390	-
Gain on disposal of plant and equipment	(325)	(8)
Plant and equipment written off (Note 24)	1,586	-
Release of negative goodwill	(22)	-
Operating profit before working capital changes	<u>40,773</u>	<u>113,910</u>
Inventories	29,126	(1,737)
Trade and other receivables	92,925	(144,869)
Trade and other payables	(67,613)	27,910
Other non-current liabilities	-	(1,122)
Cash generated from (used in) operations	<u>95,211</u>	<u>(5,908)</u>
Interest paid	(1,677)	(1,226)
Interest received	2,664	8,557
Income tax paid	(35,867)	(18,617)
Dividends paid	(1,360)	(1,263)
Net cash from (used in) operating activities	<u>58,971</u>	<u>(18,457)</u>
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	902	452
Purchase of plant and equipment	(16,311)	(34,026)
Acquisition of subsidiaries net of cash acquired (Note a)	(39,511)	-
Payment for acquisition of internet business to business platform	-	(2,727)
Payment for acquisition of new businesses (Note b)	-	(10,477)
Payment for acquisition of additional interest in subsidiaries	(17,089)	(33,747)
Payment for deferred purchase consideration	(50,524)	(11,084)
Net cash used in investing activities	<u>(122,533)</u>	<u>(91,609)</u>
Cash flows from financing activities:		
Net proceeds from issue of shares	8,089	19,006
(Repayment of) increase in bank loans	(9,261)	2,523
Payment of finance leases	(5)	(200)
Net cash (used in) from financing activities	<u>(1,177)</u>	<u>21,329</u>
Net effect of exchange rate changes in consolidating subsidiaries	<u>184</u>	<u>(290)</u>
Net decrease in cash and cash equivalents	(64,555)	(89,027)
Cash and cash equivalents at beginning of financial period	154,323	243,350
Cash and cash equivalents at end of financial period	<u>89,768</u>	<u>154,323</u>

CONSOLIDATED CASH
FLOW STATEMENT
FINANCIAL PERIOD FROM
JULY 1, 2001
TO SEPTEMBER 30,
2002 (CONT'D)

Notes

a) Acquisition of subsidiary

The fair values of assets acquired and liabilities assumed were as follows:

	<u>15 months ended</u> <u>September 30, 2002</u>	<u>12 months ended</u> <u>June 30, 2001</u>
	\$'000	\$'000
Cash	3,767	-
Inventories	7,049	-
Trade and other receivables	18,414	-
Plant and equipment	1,095	-
Trade and other payables	(24,987)	-
Bank loans	(2,834)	-
Income tax	(808)	-
Goodwill arising on consolidation	46,398	-
Purchase consideration	48,094	-
Purchase consideration payable	(4,816)	-
Consideration paid	43,278	-
Less: Cash acquired of subsidiary	(3,767)	-
Cash flow on acquisition of subsidiary net of cash acquired	<u>39,511</u>	<u>-</u>

b) Acquisition of new businesses

The fair values of assets and liabilities assumed were as follows:

	<u>15 months ended</u> <u>September 30, 2002</u>	<u>12 months ended</u> <u>June 30, 2001</u>
	\$'000	\$'000
Other receivables and prepayments	-	105
Goodwill on acquisition	-	22,331
Purchase consideration	-	22,436
Purchase consideration payable	-	(11,959)
Cash flow on acquisition of new businesses	<u>-</u>	<u>10,477</u>

1 GENERAL

The Company is incorporated in the Republic of Singapore with its registered office and principal place of business at 6 Shenton Way, #24-11, DBS Building Tower Two, Singapore 068809. The financial statements are expressed in Singapore dollars.

During the financial period, the Company and the Group changed its financial year end from June 30 to September 30. Accordingly, the current financial period covers the period from July 1, 2001 to September 30, 2002.

The principal activities of the Company are those of a management and investment holding company. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The financial statements of the Company and of the Group for the period ended September 30, 2002 were authorised for issue by the Board of Directors on November 25, 2002.

2 SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost convention and the provisions of the Singapore Companies Act and Singapore Statements of Accounting Standard ("SAS").

The Company and the Group have adopted all the applicable new/revised SAS which become effective during the period. The adoption of new/revised SAS does not affect the results of current or prior periods except for SAS 22 on *Business Combinations (Revised)*.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) made up to September 30 each year (2001: June 30). The accounting year ends of the subsidiaries are co-terminous with that of the Company except as disclosed in Note 7 to the financial statements. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. The results of subsidiaries acquired or disposed of during the period are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group. All significant intercompany transactions and balances between group enterprises are eliminated on consolidation.

In the Company's financial statements, investments in unquoted equity shares of subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

FINANCIAL ASSETS

Financial assets include cash and bank balances, trade receivables, other receivables and prepayments. Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

FINANCIAL LIABILITIES AND EQUITY

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities include trade and other payables, bank loans, finance lease obligations and liabilities arising from deferred purchase consideration. Trade and other payables are stated at their nominal value. Bank loans are recorded at proceeds received, net of transaction costs. The accounting policy adopted for finance lease obligations is outlined below. Liabilities arising from deferred purchase consideration are recorded at their nominal value under the sale and purchase agreements and are subject to variations based on the future performance of the respective subsidiaries. Equity instruments are recorded at the fair value of the consideration received, net of direct issue costs. Dividends on ordinary shares are recognised in shareholders' equity in the period in which they are declared. Share options are recorded when exercised and the exercise price is allocated between issued capital and share premium accordingly.

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

PLANT AND EQUIPMENT

Plant and equipment are carried at cost, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Depreciation is charged so as to write off the cost of assets on a straight-line basis over the estimated useful lives of the assets concerned. The annual rates used for this purpose are:

Motor vehicles	- 16 $\frac{2}{3}$ % to 25%
Maintenance, workshop and demonstration equipment	- 10% to 40%
Furniture, fittings and equipment	- 15% to 30%

Fully depreciated assets are retained in the financial statements until they are no longer in use.

ASSOCIATES

An associate is an enterprise over which the Group exercises significant influence, through participation in the financial and operating policy decisions of the investee. The equity method of accounting is used. The carrying amount of such investments is reduced to recognise any decline in the net recoverable value of individual investments. Where a Group enterprise transacts with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

DEFERRED EXPENDITURE

Deferred expenditure is amortised using the straight-line method over a period for which the benefits are expected to accrue of 5 to 10 years. Deferred expenditure is stated at cost, less amortisation and any impairment loss where the recoverable amount of the deferred expenditure is estimated to be lower than its carrying amount.

GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Prior to July 1, 2001, goodwill arising from acquisition of subsidiaries was directly adjusted against shareholders' equity. With effect from July 1, 2001, the Group has adopted SAS 22 on *Business Combinations (Revised)* ("SAS 22") and now amortises goodwill over a period of 7 years.

Goodwill on acquisition arising prior to July 1, 2001 has been charged in full to shareholders' equity; such goodwill has not been retrospectively capitalised and amortised, as allowed under revised SAS 22.

Negative goodwill represents the excess of fair value of the Group's share of the net assets acquired over the cost of acquisition. Negative goodwill is presented in the same balance sheet classification as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that can be reliably measured, but do not represent identifiable liabilities, the portion of negative goodwill is recognised in the profit and loss statements when the future losses and expenses are incurred. Any remaining negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss statements over the remaining weighted average useful lives of those assets. Negative goodwill in excess of the fair value of those assets is recognised in the profit and loss statements immediately.

IMPAIRMENT OF ASSETS

At each balance sheet date, the Company and the Group review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company and the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INVENTORIES

Inventories, comprising data communication equipment and spare parts, are stated at the lower of cost and net realisable value. In general, cost is determined on the first-in, first-out basis and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

LEASES

Assets held under finance leases are recognised as assets and liabilities in the balance sheet at amounts equal at the inception of the lease to the fair value of the leased asset or, if lower, at the present value of the lease payments based on the interest rate implicit in the lease. The excess of the lease payments over the recorded lease obligations are treated as finance charges which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations. The assets are depreciated as owned depreciable assets.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

PROVISIONS

Provisions are recognised when the Company and the Group have a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

Provisions for restructuring costs are recognised when the Company and the Group have a detailed formal plan for the restructuring.

Provisions for expected cost of short term employee benefits relating to accumulating compensated absences are recognised by the Company and the Group when the employees render service that increases their entitlement to future compensated absences.

FOREIGN CURRENCIES

The accounting records of the Company are maintained in United States dollars. Transactions arising in currencies other than United States dollars are converted into the United States dollars at rates of exchange approximating those ruling at transaction dates. Recorded monetary items in currencies other than United States dollars at the balance sheet date are converted into United States dollars at rates of exchange approximating to those ruling at that date. Foreign exchange adjustment differences are taken up in the profit and loss statement except that foreign exchange adjustment differences arising on monetary items that, in substance, form part of the Group's net investment in foreign entities are adjusted against shareholders' equity.

For the purpose of the financial statements, the accounting records of the Company maintained in United States dollars are translated into Singapore dollars using the following procedures:

- a) Profit and loss items are translated into Singapore dollars at average rates of exchange;
- b) Assets and liabilities at balance sheet date are translated into Singapore dollars at rates of exchange approximating those ruling at that date; and
- c) Shareholders' equity is translated into Singapore dollars at historical exchange rates.

Foreign exchange adjustment gains or losses arising from the above translation of United States dollars into Singapore dollars are taken to shareholders' equity.

For the purpose of consolidation:

- i) the balance sheets of the foreign subsidiaries are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date;
- ii) the results of foreign subsidiaries are translated into Singapore dollars using average monthly exchange rates;
- iii) goodwill arising on acquisition of subsidiaries are translated into Singapore dollars at rates of exchange prevailing at the date of acquisition; and
- iv) all foreign exchange adjustments arising on translation into Singapore dollars are taken directly to shareholders' equity.

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

REVENUE RECOGNITION

- i) Revenue from sale of products is recognised upon acceptance of delivery by the customer when revenue and costs of transaction (including future costs) can be measured reliably.
- ii) Income from maintenance contracts is apportioned over the period covered by the maintenance contracts.
- iii) Service income is recognised by reference to the stage of completion of the transaction at the balance sheet date determined by services performed to date as a percentage of total services.
- iv) Revenue from training is deferred and recognised when earned.
- v) Management and technical fee income is recognised when services are rendered.
- vi) Dividend income is recognised gross when the right to receive payment has been established.

RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans (including state-managed retirement benefit schemes) are charged as an expense when incurred.

INCOME TAX

Tax expense is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, except that a debit to the deferred tax balance is not carried forward unless there is a reasonable expectation of realisation in the foreseeable future.

Deferred tax is charged or credited to the profit and loss statement. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority.

3 FINANCIAL RISKS AND MANAGEMENT

The Group is exposed to financial risks including currency, interest rate, credit and liquidity risks. Risk management policies are adopted to mitigate these risks in a cost effective manner.

- i) Foreign currency risk
Exchange risk occurs as a result of the Group's transactions that are not denominated in its functional currencies. These transactions arise from the Group's ordinary course of business. The Group's sale and purchase transactions are denominated mainly in US Dollars. Exposure to exchange fluctuation risks is managed as far as possible by natural hedges of matching assets and liabilities. Forward contracts are used to hedge the net exposure to foreign currency movements. Such forward contracts have maturities of less than twelve months and are purchased from financial institutions.

The Group has a number of direct investments in the Asia Pacific region, whose net assets are exposed to currency translation risk. The Group currently does not seek to hedge this exposure.
- ii) Interest rate risk
The Group's exposure to interest rate risk is minimal. The Group's interest-bearing financial assets and liabilities are all short-term in nature.
- iii) Credit risk
In its management of credit risk, the Group sets policies to ensure that sales transactions are made to customers with an appropriate credit history or assessment. The Group has no significant concentration of credit risk with any single or group of customers although it has some concentration of debts in the People's Republic of China.

3 FINANCIAL RISKS AND MANAGEMENT (Cont'd)

- iv) Liquidity risk
The Group's ability to fund its existing and prospective obligations is managed by maintaining sufficient cash and adequate committed funding lines with banks.
- v) Fair values
The fair values of financial assets and financial liabilities reported in the balance sheet approximate the carrying amounts of those assets and liabilities. The aggregate value of forward foreign exchange contracts outstanding at the end of the financial period is disclosed in Note 31 and the contracts generally expire within a year.

4 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Dimension Data International Limited, incorporated in Malta, which is a subsidiary of Dimension Data Holdings plc ("DDH"), a company incorporated in the United Kingdom. Related companies in these financial statements refer to members of DDH, the ultimate holding company's group of companies.

Many of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are without fixed repayment terms and interest unless stated otherwise.

Significant intercompany transactions:

	<i>The Group</i>		<i>The Company</i>	
	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Management and technical assistance				
fee income from subsidiaries	-	-	45,528	27,228
Dividend income from subsidiaries	-	-	22,241	8,698
Interest income from subsidiaries	-	-	3,039	2,152
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Company's transactions and arrangements and terms thereof are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are without fixed repayment terms and interest unless stated otherwise.

Significant related party transactions:

	<i>The Group</i>		<i>The Company</i>	
	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Sales of goods to a related party	(23,182)	(9,290)	-	-
Sales of services to related parties	(5,424)	(6,574)	-	-
Rental expense to a related party	282	226	-	-
Loan from director	302	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

6

PLANT AND EQUIPMENT

	<i>Motor vehicles</i> \$'000	<i>Maintenance, workshop and demonstration equipment</i> \$'000	<i>Furniture, fittings and equipment</i> \$'000	<i>Total</i> \$'000
<u>The Group</u>				
Cost:				
At beginning of financial period	1,689	83,814	21,526	107,029
Exchange rate adjustment	(1)	(851)	120	(732)
On acquisition of new subsidiary	153	-	1,949	2,102
Additions	334	12,479	3,498	16,311
Transfer	-	(3,325)	3,325	-
Disposals	(308)	(5,895)	(3,413)	(9,616)
At end of financial period	<u>1,867</u>	<u>86,222</u>	<u>27,005</u>	<u>115,094</u>
Accumulated depreciation:				
At beginning of financial period	1,086	46,597	11,425	59,108
Exchange rate adjustment	(2)	(821)	66	(757)
On acquisition of new subsidiary	115	-	892	1,007
Charge for the financial period	291	18,333	5,866	24,490
Transfer	-	(530)	530	-
Disposals	(222)	(4,830)	(2,401)	(7,453)
At end of financial period	<u>1,268</u>	<u>58,749</u>	<u>16,378</u>	<u>76,395</u>
Depreciation for last financial year	<u>219</u>	<u>13,843</u>	<u>2,854</u>	<u>16,916</u>
Net book value at beginning of financial period	<u>603</u>	<u>37,217</u>	<u>10,101</u>	<u>47,921</u>
Net book value at end of financial period	<u>599</u>	<u>27,473</u>	<u>10,627</u>	<u>38,699</u>
<u>The Company</u>				
Cost:				
At beginning of financial period	-	483	18,531	19,014
Exchange rate adjustment	(8)	(10)	(413)	(431)
Additions	238	-	2,225	2,463
Disposals	-	-	(745)	(745)
At end of financial period	<u>230</u>	<u>473</u>	<u>19,598</u>	<u>20,301</u>
Accumulated depreciation:				
At beginning of financial period	-	164	8,334	8,498
Exchange rate adjustment	-	(5)	(224)	(229)
Charge for the financial period	16	100	4,371	4,487
At end of financial period	<u>16</u>	<u>259</u>	<u>12,481</u>	<u>12,756</u>
Depreciation for last financial year	<u>-</u>	<u>72</u>	<u>2,789</u>	<u>2,861</u>
Net book value at beginning of financial period	<u>-</u>	<u>319</u>	<u>10,197</u>	<u>10,516</u>
Net book value at end of financial period	<u>214</u>	<u>214</u>	<u>7,117</u>	<u>7,545</u>

Certain items of the Group with a total net book value of \$208,000 (2001 : \$227,000) are under hire purchase and finance lease agreements.

7 SUBSIDIARIES

	<i>The Company</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	<u>\$'000</u>	<u>\$'000</u>
Unquoted equity shares, at cost	268,889	210,113
Less: Pre-acquisition dividend from unquoted equity investment in a subsidiary	(134)	(134)
Add: Exchange rate adjustment	4,316	8,892
Add: Amount due from subsidiaries - non-trade	157,172	130,833
	<u>430,243</u>	<u>349,704</u>
Less: Impairment loss	(47,291)	-
Net	<u>382,952</u>	<u>349,704</u>
Movement in impairment loss:		
Balance at beginning of financial period	-	-
Exchange rate adjustment	(531)	-
Charge to profit and loss statement	47,822	-
Balance at end of financial period	<u>47,291</u>	<u>-</u>

The amounts due by subsidiaries are unsecured and are not expected to be repaid within the next 12 months and bear interest at rates ranging from 1.5% to 12% (2001 : 4.8% to 12%) per annum.

The subsidiaries are:

<u>Name of subsidiary</u>	<u>Principal activities</u>	<u>Country of incorporation/ Place of business</u>	<u>Issued and paid-up capital</u>	<u>Cost of investments</u>		<u>Group's effective equity interest</u>	
				<u>September 30, 2002</u>	<u>June 30, 2001</u>	<u>September 30, 2002</u>	<u>June 30, 2001</u>
				<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>%</u>
Beijing Datacraft Development Network Ltd ⁽²⁾ [Shares held by Datacraft (China) Limited]	Designing, marketing and selling communications products and systems and provisions of maintenance and installation services	The People's Republic of China	Registered capital US\$150,000	-	-	75	75
Communication Power and Design Pte Ltd ⁽¹⁾	Investment holding	Singapore	Ordinary US\$2	100	100	100	100
Datacraft Asia Investments B.V. ⁽⁴⁾	As above	Netherlands	Ordinary Euro20,000	14,669	14,669	100	100

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Name of subsidiary	Principal activities	Country of incorporation/ Place of business	Issued and paid-up capital	Cost of investments		Group's effective equity interest	
				September 30, 2002	June 30, 2001	September 30, 2002	June 30, 2001
				\$'000	\$'000	%	%
Datacraft Asia Trust Pte Ltd ⁽¹⁾	Trustees to employees of the Group in their acquisition or proposed acquisition of fully-paid shares of Datacraft Asia Ltd pursuant to the Datacraft Asia Share Option Scheme	Singapore	Ordinary \$2	5	5	100	100
Datacraft (China) Limited ⁽²⁾	Designing, development, marketing and servicing of data communication systems	Hong Kong ⁽⁵⁾	Ordinary HK\$10,000	119	119	100	100
Datacraft Communications Systems Inc. ⁽²⁾	As above	Philippines	Ordinary Peso5.2 million	285	285	100	100
Datacraft Company Ltd ⁽⁴⁾	Sale and servicing of data communication systems	Malaysia	Ordinary US\$10,000	18	-	100	-
Datacraft Holdings (NZ) Limited ⁽²⁾	Investment holding	New Zealand	Ordinary NZ\$1.6 million	1,891	1,891	100	100
Datacraft Holdings (Thailand) Ltd ⁽²⁾	As above	Thailand	Ordinary Baht111,750 Preference Baht38,250	13	13	49 ⁽⁶⁾	49 ⁽⁶⁾
Datacraft (Hong Kong) Limited ⁽²⁾	Designing, development, marketing and servicing of data communication systems	Hong Kong	Ordinary HK\$3.6 million	16,838	16,838	100	100

7 SUBSIDIARIES (Cont'd)

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Name of subsidiary	Principal activities	Country of incorporation/ Place of business	Issued and paid-up capital	Cost of investments		Group's effective equity interest	
				September 30, 2002	June 30, 2001	September 30, 2002	June 30, 2001
				\$'000	\$'000	%	%
Datacraft India Limited ⁽²⁾	Designing, development, marketing and servicing of data communication systems	India	Ordinary Rpe86 million	58,035	58,035	100	100
Datacraft Japan Inc. ⁽²⁾ [Shares held by Datacraft Asia Investments B.V.]	As above	Japan	Ordinary Yen320 million	-	-	89.7	76.5
Datacraft Korea Inc. ⁽²⁾⁽⁷⁾	Sale and servicing of data communication systems	Korea	Ordinary Won10.68 billion (2001: Won10.1 billion)	78,180 ⁽⁷⁾	30,357	100	100
Datacraft (Malaysia) Sdn Bhd ⁽²⁾	Designing, development, marketing and servicing of data communication systems	Malaysia	Ordinary RM2 million	1,244	1,244	100	100
Datacraft Networks (China) Inc. ⁽²⁾ [Shares held by Datacraft (China) Limited]	Designing, marketing, selling and servicing communication products and systems	Republic of Mauritius ⁽⁵⁾	Ordinary US\$2	-	-	100	100
Datacraft (NZ) Limited ⁽²⁾⁽⁸⁾ [Merger between Datacraft (NZ) Limited and National Communications Services Limited]	Designing, development, marketing and servicing of data communication systems	New Zealand	Ordinary NZ\$86,000 (2001: NZ\$1,000)	-	-	100	100
Datacraft Opsis, Inc. ⁽²⁾ [Shares held by Datacraft Communications System Inc.]	Sale and installation of cabling related products	Philippines	Ordinary Peso9.9 million	-	-	100	100

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SUBSIDIARIES (Cont'd)

Name of subsidiary	Principal activities	Country of incorporation/ Place of business	Issued and paid-up capital	Cost of investments		Group's effective equity interest	
				September 30, 2002	June 30, 2001	September 30, 2002	June 30, 2001
				\$'000	\$'000	%	%
Datacraft (Singapore) Pte Ltd ⁽¹⁾	Designing, development, marketing and servicing of data communication systems	Singapore	Ordinary \$300,000	1,045	1,045	100	100
Datacraft Taiwan Limited ⁽²⁾	As above	Taiwan	Ordinary NT\$50 million	583	583	100	100
Datacraft (Thailand) Limited ⁽²⁾ [Preference shares held by Datacraft Holdings (Thailand) Ltd]	As above	Thailand	Ordinary Baht4.41 million Preference Baht4.59 million	1,016	1,016	100	100
Datacraft Vietnam Ltd ⁽²⁾ [Shares held by Communication Power and Design Pte Ltd]	Provision of information technology services, computer system and software design consultancy services	The Socialist Republic of Vietnam	Ordinary US\$300,000	-	-	100	100
DFI Consulting Philippines Inc ⁽²⁾ [Shares held by DFI Consulting Sdn Bhd]	Provision of software consultancy services	Philippines	Ordinary Peso 8 million	-	-	100	60
DFI Consulting Sdn Bhd ⁽²⁾	As above	Malaysia	Ordinary RM1,750,000 (2001: RM500,000)	14,607	14,033	100	60

7 SUBSIDIARIES (Cont'd)

Name of subsidiary	Principal activities	Country of incorporation/ Place of business	Issued and paid-up capital	Cost of investments		Group's effective equity interest	
				September 30, 2002	June 30, 2001	September 30, 2002	June 30, 2001
				\$'000	\$'000	%	%
DFI Consulting (Thailand) Co., Ltd ⁽³⁾⁽¹⁰⁾ [Ordinary shares held by DFI Consulting Sdn Bhd Preference shares held by Datacraft Holdings (Thailand) Ltd]	Provision of software consultancy services	Thailand	Ordinary Baht 12,250 Preference Baht 12,750	-	-	74	54
EMS Wiring Systems Pte Ltd ⁽¹⁾ [Shares held by Datacraft (Singapore) Pte Ltd]	Sale and installation of cabling related products	Singapore	Ordinary \$235,002	-	-	100	100
iSquare Asia Limited ⁽²⁾	Provision of internet and intranet consultancy services	Hong Kong	Ordinary HK\$9,000	24,095	20,592	80	80
JQ Network Pte Ltd ⁽¹⁾	Sale of data communication systems	Singapore	Ordinary \$2	-(9)	-(9)	100	100
Multisoft IT Solutions Pte Ltd ⁽¹⁾ [Shares held by Datacraft (Singapore) Pte Ltd]	Sale of computer hardware, software and licences and the provision of ancillary services	Singapore	Ordinary \$300,000	-	-	100	100
National Communication Services Limited ⁽²⁾⁽⁸⁾ [Shares held by Datacraft Holdings (NZ) Limited]	Dissolved	New Zealand	Ordinary NZ\$850,000	-	-	-	100
Netcorp Systems (S) Pte Ltd ⁽¹⁾	Sale of data communication systems	Singapore	Ordinary \$200,000	3,802	3,802	100	100

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Name of subsidiary	Principal activities	Country of incorporation/ Place of business	Issued and paid-up capital	Cost of investments		Group's effective equity interest	
				September 30,	June 30,	September 30,	June 30,
				2002	2001	2002	2001
			\$'000	\$'000	%	%	
PlaNET Solutions (International) Ltd ⁽⁴⁾	Computer systems consultants	Malaysia	Ordinary US\$10,000	11	-	60	-
PlaNET Solutions (M) Sdn Bhd ⁽²⁾ [Shares held by PlaNET Technology Solutions Pte Ltd]	As above	Malaysia	Ordinary RM2	-	-	60	60
PlaNET Technology Solutions Pte Ltd ⁽¹⁾	As above	Singapore	Ordinary \$800,000	22,101	15,369	60	60
P.T. Datacraft Indonesia ⁽²⁾	Designing, development, marketing and servicing of data communication systems	Indonesia	Ordinary Rp2,367,348,305	30,182	30,067	100	100
Training Partners Co., Ltd ⁽²⁾ [Shares jointly held by Datacraft Asia Ltd and Datacraft Holdings (Thailand) Ltd]	Provision of training, consultancy, system development and project management in computers, computer software and communications	Thailand	Ordinary Baht300,000	-	-	100	100
Training Partners Pte Ltd ⁽¹⁾	Provision of training	Singapore	Ordinary \$50,000	50	50	100	100
UCS Communications Limited ⁽²⁾ [Shares held by Datacraft (China) Limited]	Inactive	Hong Kong ⁽⁵⁾	Ordinary HK\$10,000	-	-	100	100
				<u>268,889</u>	<u>210,113</u>		

7 SUBSIDIARIES (Cont'd)

- (1) Audited by Deloitte & Touche, Singapore
- (2) Audited by overseas practices of Deloitte Touche Tohmatsu
- (3) Audited by Audit Point Co., Ltd in Thailand in 2002 and 2001.
- (4) Not required to be audited in the country of incorporation.
- (5) These subsidiaries carry on business in the People's Republic of China.
- (6) Datacraft Holdings (Thailand) Ltd is treated as a subsidiary as the Company controls the composition of the board of directors and its financing and operating decisions.
- (7) Datacraft Korea Inc. and Dasan Electronics Co., Ltd ("Dasan"), a 100% subsidiary acquired during the financial period, were merged and Datacraft Korea Inc. remains as the surviving company. After the merger, Dasan was dissolved.
- (8) Datacraft (NZ) Limited and National Communication Services Limited ("NCS") were merged during the financial period and Datacraft (NZ) Limited remains as the surviving company. After the merger, NCS was dissolved.
- (9) This subsidiary has an issued and paid-up capital of \$2.
- (10) The financial year end of this subsidiary (which is June 30) is not co-terminous with that of the Company. A waiver from the Registrar of Companies and Businesses of Singapore was obtained.

8 ASSOCIATES

	<i>The Group</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	<u>\$'000</u>	<u>\$'000</u>
Unquoted equity shares, at cost	<u>7</u>	<u>7</u>

The associates are:

<u>Name of associate</u>	<u>Principal activities</u>	<u>Country of incorporation/ Place of business</u>	<u>Group's effective interest</u>	
			<u>September 30, 2002</u>	<u>June 30, 2001</u>
			%	%
Transys (M) Sdn Bhd ⁽¹⁾	Network system installation	Malaysia	49	49
Network Solution Services (1995) Limited ⁽¹⁾	Investment holding	New Zealand	50	50
Network Solution Services Limited ⁽¹⁾	Provision of consultancy services	New Zealand	50	50
Education Resource Centre Ltd ⁽¹⁾	Provision of training	New Zealand	50	50

(1) Audited by overseas practices of Deloitte Touche Tohmatsu.

The shares in Transys (M) Sdn Bhd are held by Datacraft (Malaysia) Sdn Bhd. The shares in Network Solution Services (1995) Limited and Education Resource Centre Ltd are held by Datacraft (NZ) Limited. The shares of Network Solution Services Limited are held by Network Solution Services (1995) Limited. The results of the associates are not equity accounted for by the Group because the effect on the consolidated financial statements is immaterial.

9 DEFERRED EXPENDITURE

	<i>The Group</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	\$'000	\$'000
Deferred expenditure on the use of office infrastructure, customer database and support network [see Note 9(a) below]		
Balance at beginning of financial period	636	788
Exchange rate adjustment	(30)	(2)
Less: Amortisation	(178)	(150)
Balance at end of financial period	<u>428</u>	<u>636</u>
Deferred expenditure on acquisition of an internet business to business platform [see Note 9(b) below]		
Balance at beginning of financial period	2,727	-
Exchange rate adjustment	(57)	-
Additions during the financial period	-	2,727
Less: Amortisation	(668)	-
Balance at end of financial period	<u>2,002</u>	<u>2,727</u>
Deferred expenditure on organisation expenses arising from acquisition of subsidiaries		
Balance at beginning of financial period	29	131
Exchange rate adjustment	-	(14)
Less: Amortisation	(29)	(88)
Balance at end of financial period	<u>-</u>	<u>29</u>
Total	<u>2,430</u>	<u>3,392</u>

- a) This represents payment made to a former minority shareholder for the use of their office infrastructure, customer database and support network to be amortised over the period of the agreement of 10 years.
- b) This represents payment made to a third party for the acquisition of an internet business to business platform. Amortisation commenced from July 1, 2001 over a period of 5 years.

10 GOODWILL

	<i>The Group</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	\$'000	\$'000
At beginning of financial period	-	-
Acquisition of subsidiaries	50,553	-
At end of financial period	<u>50,553</u>	<u>-</u>
Accumulated amortisation:		
At beginning of financial period	-	-
Charge to profit and loss statement	9,072	-
Impairment in value of a subsidiary due to substantial winding down of its business	4,155	-
At end of financial period	<u>13,227</u>	<u>-</u>
Net book value:		
At beginning of financial period	-	-
At end of financial period	<u>37,326</u>	<u>-</u>

11 NEGATIVE GOODWILL

	<i>The Group</i>	
	<u>September 30,</u> <u>2002</u>	<u>June 30,</u> <u>2001</u>
	\$'000	\$'000
Acquisition of additional interest in a subsidiary and at end of financial period	<u>457</u>	<u>-</u>
Released to profit and loss statement and at end of financial period	<u>22</u>	<u>-</u>
Net book value at end of financial period	<u>435</u>	<u>-</u>

The negative goodwill arose on the Group's acquisition of an additional 13.2% in Datacraft Japan Inc. during the financial period.

12 INVENTORIES

	<i>The Group</i>	
	<u>September 30,</u> <u>2002</u>	<u>June 30,</u> <u>2001</u>
	\$'000	\$'000
Inventories carried at net realisable value after the following allowance	<u>30,318</u>	<u>56,785</u>
Movements in allowance:		
Balance at beginning of financial period	8,282	5,228
Exchange rate adjustment	(21)	3
Charge to profit and loss statement	<u>3,861</u>	<u>3,051</u>
Balance at end of financial period	<u>12,122</u>	<u>8,282</u>

13 OTHER RECEIVABLES AND PREPAYMENTS

	<i>The Group</i>		<i>The Company</i>	
	<u>September 30,</u> <u>2002</u>	<u>June 30,</u> <u>2001</u>	<u>September 30,</u> <u>2002</u>	<u>June 30,</u> <u>2001</u>
	\$'000	\$'000	\$'000	\$'000
Other receivables	38,592	32,095	60	35
Less: Allowance for doubtful debts	<u>-</u>	<u>(19)</u>	<u>-</u>	<u>-</u>
	38,592	32,076	60	35
Related company	-	-	302	-
Related party	13	2,742	-	-
Deposits	9,467	7,594	205	124
Prepaid maintenance costs	32,869	3,336	-	-
Other prepayments	<u>18,674</u>	<u>21,332</u>	<u>579</u>	<u>2,252</u>
	<u>99,615</u>	<u>67,080</u>	<u>1,146</u>	<u>2,411</u>
Movements in above allowance:				
Balance at beginning of financial period	19	154	-	19
Exchange rate adjustment	-	(4)	-	1
Amount written back	<u>(19)</u>	<u>(131)</u>	<u>-</u>	<u>(20)</u>
Balance at end of financial period	<u>-</u>	<u>19</u>	<u>-</u>	<u>-</u>

Included in the other prepayments balance of the Group as at September 30, 2002 are payments of withholding tax and income taxes amounting to approximately \$5,200,000. The directors believe that, based on the tax advisors' opinion, the amount is recoverable.

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14 TRADE RECEIVABLES

	<i>The Group</i>		<i>The Company</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Outside parties	286,571	380,653	-	-
Ultimate holding company	762	458	414	-
Subsidiaries	-	-	141,872	159,044
Associates	18	36	-	-
Related parties	3,637	870	-	-
	<u>290,988</u>	<u>382,017</u>	<u>142,286</u>	<u>159,044</u>
Less: Allowance for doubtful debts				
- Outside parties	(56,475)	(4,422)	-	-
- Subsidiaries	-	-	(2,426)	-
Net	<u>234,513</u>	<u>377,595</u>	<u>139,860</u>	<u>159,044</u>

Movements in above allowances:

Outside parties

Balance at beginning of financial period	4,422	4,521	-	-
Exchange rate adjustment	(407)	(67)	-	-
Charge to profit and loss statement	52,460	370	-	-
Utilised during the financial period	-	(402)	-	-
Balance at end of financial period	<u>56,475</u>	<u>4,422</u>	<u>-</u>	<u>-</u>

Subsidiaries

Balance at beginning of financial period	-	-	-	-
Exchange rate adjustment	-	-	(27)	-
Charge to profit and loss statement	-	-	2,453	-
Balance at end of financial period	<u>-</u>	<u>-</u>	<u>2,426</u>	<u>-</u>

15 BANK LOANS

The loans are unsecured and bear interests ranging from 1.38% to 2.00% (2001 : 0.911% to 3.78%) per annum.

16 TRADE AND OTHER PAYABLES

	<i>The Group</i>		<i>The Company</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Trade payables	136,017	196,340	3,868	2,527
Due to ultimate holding company - trade	156	-	-	-
Due to subsidiaries - non-trade	-	-	-	718
Due to related companies - trade	1,063	48	31,561	-
Loan from director	302	-	-	-
	<u>137,538</u>	<u>196,388</u>	<u>35,429</u>	<u>3,245</u>

The loan from director bears interest of 3.29% per annum, has no fixed repayment terms and is unsecured.

17 PROVISIONS

	<u>The Group</u>		<u>The Company</u>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Restructuring (a)	2,208	-	304	-
Employees' benefits (b)	641	-	100	-
	<u>2,849</u>	<u>-</u>	<u>404</u>	<u>-</u>

a) Movements in restructuring provision:

	<u>The Group</u>	<u>The Company</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of financial period	-	-
Charge to profit and loss statement	7,917	908
Utilised	(5,709)	(604)
Balance at end of financial period	<u>2,208</u>	<u>304</u>

The above restructuring provision of the Group and the Company is expected to be utilised within the next financial year.

- b) With effect from July 1, 2001, the Group and the Company adopted SAS 17 on *Employee Benefits*. SAS 17 allows the recognition of provision for employees' benefits under the transitional provision as an expense on a straight-line basis up to a period of 5 years. Accordingly, the Group and the Company has recognised \$641,000 and \$100,000 respectively during the financial period just ended and has liabilities amounting to \$2,564,000 and \$402,000 unrecognised at balance sheet date.

18 DEFERRED PURCHASE CONSIDERATION

	<u>The Group</u>		<u>The Company</u>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Deferred purchase consideration in respect of the acquisition of equity interests in subsidiaries [see Note 18(a) below]	11,041	69,169	10,468	23,613
Deferred purchase consideration in respect of the acquisition of businesses [see Note 18(b) below]	1,498	14,866	-	-
	<u>12,539</u>	<u>84,035</u>	<u>10,468</u>	<u>23,613</u>
Less: Payments due within 12 months	(10,923)	(68,265)	(8,852)	(17,378)
	<u>1,616</u>	<u>15,770</u>	<u>1,616</u>	<u>6,235</u>

- a) These represent the balances owing to the vendors of the respective subsidiaries under sale and purchase agreements for their acquisitions. The deferred payments are to be paid over a period ranging from 1 to 3 years and are subject to variations based on the future performance of the respective subsidiaries.
- b) These represent the balances owing to the vendors under the respective purchases of business agreements for the acquisitions of businesses. The deferred payments are to be paid over a period of up to 3 years and are subject to variations based on the future performance of the respective businesses.

19 FINANCE LEASES

	<i>The Group</i>			
	<i>Minimum lease payment</i>		<i>Present value of minimum lease payment</i>	
	<i>September 30, 2002</i>	<i>June 30, 2001</i>	<i>September 30, 2002</i>	<i>June 30, 2001</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Amounts payable under finance leases:				
Within one year	42	52	35	34
In the second to fifth years inclusive	117	109	96	90
After five years	<u>10</u>	<u>24</u>	<u>8</u>	<u>20</u>
	169	185	139	144
Less: Future finance charges	<u>(30)</u>	<u>(41)</u>	<u>N/A</u>	<u>N/A</u>
Present value of lease obligations	<u>139</u>	<u>144</u>	139	144
Less: Amount due for settlement within twelve months			<u>(35)</u>	<u>(34)</u>
Amount due for settlement after twelve months			<u>104</u>	<u>110</u>

The rate of interest for finance leases is about 6.2% (2001 : 3.2% to 11.8%) per annum.

20 DEFERRED INCOME TAX

	<i>The Group</i>		<i>The Company</i>	
	<i>September 30, 2002</i>	<i>June 30, 2001</i>	<i>September 30, 2002</i>	<i>June 30, 2001</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Deferred tax asset	<u>6,725</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities	<u>2,322</u>	<u>1,925</u>	<u>1,392</u>	<u>1,008</u>
The movement for the financial period in deferred tax assets is as follows:				
At beginning of financial period	-	-	-	-
Transfer from profit and loss statement	6,801	-	-	-
Exchange rate adjustment	(76)	-	-	-
At end of financial period	<u>6,725</u>	<u>-</u>	<u>-</u>	<u>-</u>
The movement for the financial period in deferred tax liabilities is as follows:				
At beginning of financial period	1,925	1,983	1,008	961
Transfer from (to) profit and loss statement	462	(83)	409	-
Exchange rate adjustment	(65)	25	(25)	47
At end of financial period	<u>2,322</u>	<u>1,925</u>	<u>1,392</u>	<u>1,008</u>

20 DEFERRED INCOME TAX (Cont'd)

The following are the major components of deferred tax assets and liabilities recognised by the Company and the Group and movements thereon during the financial period:

Deferred tax assets

	<i>Tax losses</i>	<i>Accelerated tax depreciation</i>	<i>Provisions</i>	<i>Unrealised foreign exchange differences</i>	<i>Other temporary differences</i>	<i>Total</i>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>The Group</u>						
At beginning of financial period	-	-	-	-	-	-
Credit to profit and loss statement	6,008	70	428	169	126	6,801
Exchange rate adjustment	(66)	(1)	(4)	(3)	(2)	(76)
At end of financial period	<u>5,942</u>	<u>69</u>	<u>424</u>	<u>166</u>	<u>124</u>	<u>6,725</u>

Deferred tax liabilities

	<i>Accelerated tax depreciation</i>	<i>Other temporary differences</i>	<i>Total</i>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>The Group</u>			
At beginning of financial period	2,137	(212)	1,925
(Credit) Charge to profit and loss statement	(85)	609	524
Exchange differences	(61)	(4)	(65)
Effect of change in tax rate	(75)	13	(62)
At end of financial period	<u>1,916</u>	<u>406</u>	<u>2,322</u>
<u>The Company</u>			
At beginning of financial period	1,107	(99)	1,008
(Credit) Charge to profit and loss statement	(138)	609	471
Exchange differences	(21)	(4)	(25)
Effect of change in tax rate	(68)	6	(62)
At end of financial period	<u>880</u>	<u>512</u>	<u>1,392</u>

No deferred tax asset has been recognised in respect of \$85,686,000 (2001 : \$2,818,000) due to the unpredictability of future profit streams.

21 SHARE CAPITAL OF DATACRAFT ASIA LTD

	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	\$'000	\$'000
Authorised:		
600,000,000 ordinary shares of \$0.10 each	<u>60,000</u>	<u>60,000</u>
Issued and fully paid:		
464,706,683 (2001 : 460,838,666) ordinary shares of \$0.10 each	<u>46,471</u>	<u>46,084</u>

During the financial period, the Company issued the following new ordinary shares of \$0.10 each fully paid ("shares"):

- a) 1,242,000 shares at US\$1.105 each for cash under the Datacraft Asia Share Option Scheme.
- b) 1,530,000 shares at US\$1.375 each for cash under the Datacraft Asia Share Option Scheme.
- c) 668,000 shares at US\$1.490 each for cash under the Datacraft Asia Share Option Scheme.
- d) 428,017 shares at \$4.15 each in lieu of cash in respect of the dividend for the financial year ended June 30, 2001 under the Datacraft Scrip Dividend Scheme.

The above shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

22 REVENUE

	<u>The Group</u>		<u>The Company</u>	
	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Hardware product sales	571,031	682,708	-	-
Software product sales and services	347,386	315,094	-	-
Management and technical fee income	-	-	45,528	27,228
Dividend income (gross)	-	-	<u>22,241</u>	<u>8,698</u>
	<u>918,417</u>	<u>997,802</u>	<u>67,769</u>	<u>35,926</u>

Revenue of the Group which excludes sales between group companies, represents sales of data communication systems at invoiced value, pro-rated maintenance income, training and installation fees received, net of goods and services tax.

23 OTHER OPERATING INCOME

	<u>The Group</u>		<u>The Company</u>	
	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Interest income	2,664	8,557	3,242	2,205
Exchange gain	3,263	504	-	-
	<u>5,927</u>	<u>9,061</u>	<u>3,242</u>	<u>2,205</u>

24 EXCEPTIONAL ITEMS

	<i>The Group</i>		<i>The Company</i>	
	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Restructuring costs (Note 17)	7,917	-	908	-
Write off of plant and equipment	1,586	-	-	-
Write off inventories	4,390	-	-	-
Specific allowance for doubtful trade debts	46,620	-	-	-
Impairment in value of a subsidiary due to substantial winding down of its business:				
- Charge to profit and loss statement	4,155	-	15,197	-
- Transfer from reserves (goodwill on consolidation previously charged against shareholders' equity)	9,783	-	-	-
Impairment in value of subsidiaries	-	-	35,078	-
	<u>74,451</u>	<u>-</u>	<u>51,183</u>	<u>-</u>

25 (LOSS) PROFIT BEFORE INCOME TAX

This item includes the following charges (credits):

	<i>The Group</i>		<i>The Company</i>	
	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Allowance for doubtful trade debts:				
Outside parties	52,460	370	-	-
Subsidiaries	-	-	2,453	-
Allowance for inventories	3,861	3,051	-	-
Amortisation of deferred expenditure	875	238	-	-
Amortisation of goodwill	9,072	-	-	-
Auditors of the Company:				
Current financial period	450	241	215	90
Underprovision in prior financial year	144	55	125	45
Other auditors	590	401	-	-
Bad trade debts written off (back)	981	(40)	-	-
Depreciation	24,490	16,916	4,487	2,861
Dividend income from unquoted subsidiaries (gross)	-	-	(22,241)	(8,698)
Fees payable for non-audit services rendered by:				
Auditors of the Company	118	-	98	-
Other auditors	579	259	460	43
Plant and equipment written off	1,586	-	-	-
Foreign exchange adjustment (gain) loss	(3,263)	(504)	1,086	555
Gain on disposal of plant and equipment	(325)	(8)	-	-
Impairment loss on:				
Investment in subsidiaries	-	-	32,625	-
Substantial winding down of the business of a subsidiary:				
- Charge to profit and loss	4,155	-	15,197	-
- Transfer from reserves (goodwill on consolidation previously charged against shareholders' equity)	9,783	-	-	-
Interest income from:				
Advances to subsidiaries	-	-	(3,039)	(2,152)
Bank deposits	(2,391)	(8,534)	(203)	(53)
Others	(273)	(23)	-	-

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25 (LOSS) PROFIT BEFORE INCOMETAX (Cont'd)

	<i>The Group</i>		<i>The Company</i>	
	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Interest paid on:				
Bank loans	928	565	380	-
Overdrafts	135	661	-	-
Others	614	-	-	-
Inventories written off (back)	4,390	(603)	-	-
Release of negative goodwill	(22)	-	-	-
Remuneration of directors of the Company (Note 30(a))	2,266	3,118	904	805
Remuneration of other directors of subsidiaries	5,948	5,074	329	635
Provision for restructuring (Note 17)	7,917	-	908	-
Provision for employees' benefits (Note 17)	641	-	100	-
Write back of allowance for doubtful non-trade debts	(19)	(131)	-	(20)

26 INCOME TAX EXPENSE

	<i>The Group</i>		<i>The Company</i>	
	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Current - Singapore	5,813	8,818	5,823	3,270
- Foreign	12,563	16,971	-	-
Deferred	(6,339)	(83)	409	-
Under (Over) provision in prior financial years	335	(761)	1,235	-
	<u>12,372</u>	<u>24,945</u>	<u>7,467</u>	<u>3,270</u>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 22% (2001 : 24.5%) to (loss) profit before income tax as a result of the following differences:

	<i>The Group</i>		<i>The Company</i>	
	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Income tax (benefit) expense at statutory rate	(10,798)	25,503	(4,937)	4,432
Non-allowable (taxable) items	2,051	(952)	6,483	-
Under (Over) provision in prior financial years	335	(761)	1,235	-
Tax exempt income	(1,723)	-	(727)	(1,077)
Income subject to concessionary tax rate	-	-	4,518	(140)
Tax benefits not recognised	21,663	664	-	-
Tax rate differentials between				
Singapore and foreign countries	-	1,215	-	-
Other items	844	(724)	895	55
	<u>12,372</u>	<u>24,945</u>	<u>7,467</u>	<u>3,270</u>

26 INCOME TAX EXPENSE (Cont'd)

The effective tax rate of the Group is higher than the Singapore income tax rate of 22%. This is mainly because based on the local tax laws of the subsidiaries, the losses of a subsidiary cannot be offset against the profits of other subsidiaries within the Group.

The Company was granted the Operational Headquarters ("OHQ") status on July 1, 1994 for a period of 6 years. The Company's OHQ status expired on June 30, 2000. The Company had agreed the terms and conditions of renewal of OHQ status with EDB. Application had been submitted to the Ministry of Trade and Industry for approval. For the current and last financial period, the income tax provision is determined on the assumption that the OHQ status will be renewed.

Under the terms of the OHQ scheme, the Company is entitled to:

- i) a concessionary rate of tax of 10% on qualifying service income arising from the provision of management services to qualifying regional subsidiaries; and
- ii) tax exemption on overseas dividends from qualifying regional subsidiaries received in Singapore by the Company under the provision of Section 13(8) of the Singapore Income Tax Act.

27 (LOSS) EARNINGS PER ORDINARY SHARE

Basic loss per ordinary share of 13.53 cents (2001 : basic earnings per ordinary share of 16.97 cents) each is calculated on the Group's loss after income tax and minority interests of \$62,645,000 (2001 : profit after income tax and minority interests of \$77,745,000) divided by the weighted average of 463,142,512 (2001 : 458,135,069) ordinary shares in issue during the financial period.

Fully diluted loss per ordinary share of 13.48 cents (2001 : fully diluted earnings per ordinary share of 16.68 cents) each is calculated on the Group's loss/profit after income tax and minority interests as described above divided by the weighted average of 464,717,116 (2001 : 465,995,232) ordinary shares adjusted for the effects of all dilutive potential ordinary shares.

28 DIVIDENDS

With effect from July 1, 2001, the Group and the Company adopted SAS 10 (2000) *Events After The Balance Sheet Date*, which states that proposed dividends that are subject to approval by shareholders at the annual general meeting are not a liability, they are part of shareholders' equity. Accordingly, proposed dividends of \$3,083,778 and \$3,133,073 respectively for the years ended June 30, 2000 and June 30, 2001, which were shown as liabilities in those years have been reclassified to shareholders' equity for presentation in the current period financial statements.

The directors do not recommend that a dividend be paid for the financial period ended September 30, 2002.

29 NUMBER OF EMPLOYEES AND STAFF COSTS

	<i>The Group</i>		<i>The Company</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>	<u>September 30, 2002</u>	<u>June 30, 2001</u>
Number of persons employed on a full time basis at end of financial period	<u>1,502</u>	<u>1,821</u>	<u>94</u>	<u>104</u>

	<i>The Group</i>		<i>The Company</i>	
	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Staff costs	<u>136,260</u>	<u>101,451</u>	<u>16,606</u>	<u>12,723</u>
Costs of defined contribution plans included in staff costs	<u>5,948</u>	<u>3,840</u>	<u>1,134</u>	<u>679</u>

30 REMUNERATION OF THE DIRECTORS

a) Directors' remuneration by category:

	<i>The Group</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	<u>\$'000</u>	<u>\$'000</u>
Executive directors	2,086	2,983
Non-executive directors	180	135
	<u>2,266</u>	<u>3,118</u>

b) Number of directors in remuneration bands:

	<i>The Group</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	<u>\$'000</u>	<u>\$'000</u>
\$500,000 and above	2	3
\$250,000 to \$499,999	1	-
Below \$250,000	7	6
	<u>10</u>	<u>9</u>

31 COMMITMENTS

NOTES TO FINANCIAL
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a) Capital expenditure commitments:

	<i>The Group</i>		<i>The Company</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Estimated amounts committed for future capital expenditure but not provided for in the financial statements	<u>120</u>	<u>111</u>	<u>54</u>	<u>101</u>

b) Operating lease commitments:

	<i>The Group</i>		<i>The Company</i>	
	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>	<u>15 months ended September 30, 2002</u>	<u>12 months ended June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Minimum lease payments paid under operating lease	<u>17,164</u>	<u>13,428</u>	<u>1,204</u>	<u>783</u>

The Group and the Company have commitments for non-cancellable operating leases of premises and assets. The minimum rental commitments are as follows:

	<i>The Group</i>		<i>The Company</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	\$'000	\$'000	\$'000	\$'000
Payable within 1 year	9,327	5,629	599	793
Payable between 2 to 5 years	8,056	7,920	244	643
Payable after 5 years	162	-	-	-
	<u>17,545</u>	<u>13,549</u>	<u>843</u>	<u>1,436</u>

c) The aggregate value of forward foreign exchange contracts outstanding at end of financial period (converted at rates ruling at end of financial period) were as follows:

	<i>The Group</i>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	\$'000	\$'000
Bought		
United States Dollar	<u>1,223</u>	<u>8,344</u>
Equivalent in Singapore Dollar	<u>2,177</u>	<u>15,169</u>
Sold		
India Rupee	26,429	-
Malaysia Ringgit	-	3,017
New Taiwan Dollar	-	152,735
Singapore Dollar	-	2,171
Thai Baht	<u>29,267</u>	<u>74,472</u>
Equivalent in Singapore Dollar	<u>2,172</u>	<u>14,685</u>

32 CONTINGENT ITEMS (UNSECURED)

	<u>The Group</u>		<u>The Company</u>	
	<u>September 30, 2002</u>	<u>June 30, 2001</u>	<u>September 30, 2002</u>	<u>June 30, 2001</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Guarantees given by the Company to banks in connection with bank facilities provided to subsidiaries	<u>-</u>	<u>-</u>	<u>71,959</u>	<u>71,485</u>
Guarantee given by the Company to a leasing company in connection with leasing facilities provided to a subsidiary	<u>-</u>	<u>-</u>	<u>2,926</u>	<u>2,651</u>
Performance bond given by the Company on behalf of a subsidiary	<u>100</u>	<u>2,321</u>	<u>100</u>	<u>2,321</u>
Performance guarantees	<u>598</u>	<u>2,029</u>	<u>-</u>	<u>256</u>
Letters of credit obtained on behalf of subsidiaries	<u>-</u>	<u>-</u>	<u>2,236</u>	<u>2,585</u>

As at September 30, 2002, a subsidiary submitted a request for refunds on custom duties paid amounting to approximately \$3,700,000 (June 30, 2001: \$2,460,000). The directors believe that, based on the tax advisors' opinion, a favourable outcome is probable, and have accordingly treated the amount paid as recoverable.

The maximum estimated amount the Company and Group could become liable is as shown above.

33 GEOGRAPHICAL AND BUSINESS SEGMENTS INFORMATION

For management purposes, the Group operates primarily in three geographical areas - Asean, Greater China and East Asia.

(a) By geographical areas based on location of assets:

	Asean		Greater China		East Asia		India, New Zealand and Netherlands		Eliminations		Consolidated	
	15 months ended September 30, 2002 \$'000	12 months ended June 30, 2001 \$'000	15 months ended September 30, 2002 \$'000	12 months ended June 30, 2001 \$'000	15 months ended September 30, 2002 \$'000	12 months ended June 30, 2001 \$'000	15 months ended September 30, 2002 \$'000	12 months ended June 30, 2001 \$'000	15 months ended September 30, 2002 \$'000	12 months ended June 30, 2001 \$'000	15 months ended September 30, 2002 \$'000	12 months ended June 30, 2001 \$'000
REVENUE												
External sales	325,968	315,496	234,539	340,301	252,754	256,360	105,156	85,645	-	-	918,417	997,802
Inter-segment sales	14,024	43,921	11,693	-	-	-	5,133	99	(30,850)	(44,020)	-	-
Total revenue	<u>339,992</u>	<u>359,417</u>	<u>246,232</u>	<u>340,301</u>	<u>252,754</u>	<u>256,360</u>	<u>110,289</u>	<u>85,744</u>	<u>(30,850)</u>	<u>(44,020)</u>	<u>918,417</u>	<u>997,802</u>
RESULT												
Segment result	<u>48,751</u>	<u>59,401</u>	<u>(1,293)</u>	<u>16,277</u>	<u>(7,027)</u>	<u>20,488</u>	<u>9,544</u>	<u>9,295</u>	<u>(25,592)</u>	<u>(8,697)</u>	<u>24,383</u>	<u>96,764</u>
Interest income											<u>2,664</u>	<u>8,557</u>
Profit from operating activities											<u>27,047</u>	<u>105,321</u>
Finance costs											<u>(1,677)</u>	<u>(1,226)</u>
Exceptional items											<u>(74,451)</u>	<u>-</u>
(Loss) Profit before income tax											<u>(49,081)</u>	<u>104,095</u>
Income tax											<u>(12,372)</u>	<u>(24,945)</u>
(Loss) Profit after income tax											<u>(61,453)</u>	<u>79,150</u>
Minority interests											<u>(1,192)</u>	<u>(1,405)</u>
(Loss) Profit attributable to the shareholders of the Company											<u>(62,645)</u>	<u>77,745</u>
OTHER INFORMATION												
Segment assets	220,430	207,153	133,951	306,761	141,350	145,742	36,510	47,447	-	-	532,241	707,103
Deferred tax asset											<u>6,725</u>	<u>-</u>
											<u>538,966</u>	<u>707,103</u>
Segment liabilities	49,343	49,613	59,115	90,780	41,931	63,934	8,850	17,340	-	-	159,239	221,667
Deferred purchase consideration											<u>12,539</u>	<u>84,035</u>
Finance leases											<u>139</u>	<u>144</u>
Income tax payable											<u>19,492</u>	<u>25,267</u>
Deferred income tax											<u>2,322</u>	<u>1,925</u>
											<u>193,731</u>	<u>333,038</u>
Capital expenditure (tangible and intangible assets)	54,886	16,561	3,585	7,639	4,539	10,428	1,344	2,125	-	-	64,354	36,753
Depreciation and amortisation of deferred expenditure and goodwill	21,763	7,833	6,364	5,530	4,711	2,559	1,577	1,232	-	-	34,415	17,154

33 GEOGRAPHICAL AND BUSINESS SEGMENTS INFORMATION (Cont'd)

(b) By business segments:

	<i>Sales revenue</i>	
	<u>15 months ended</u> <u>September 30, 2002</u>	<u>12 months ended</u> <u>June 30, 2001</u>
	<u>\$'000</u>	<u>\$'000</u>
Hardware product sales	571,031	682,708
Software product sales and services	347,386	315,094
Total	<u>918,417</u>	<u>997,802</u>

Notes:

- i) The above segmental information has been compiled in a consistent manner. Sales revenue is based on the country in which the assets are located. It would not be materially different if based on the country in which the customer is located. Inter-segment sales were carried out in the normal course of business on terms agreed between the parties.
- ii) Composition of each geographical segment are as follows:
Asean - Singapore, Malaysia, Thailand, Indonesia, Philippines, Vietnam
Greater China - The People's Republic of China, Hong Kong, Taiwan
East Asia - Japan, Korea
- iii) No split of assets and capital expenditure by business segments has been presented, as the directors do not consider that this information would be meaningful.

34 SUBSEQUENT EVENTS

- i) In October 2002, the Group incorporated a company in Malaysia with 30% equity interests, Aliran Info Sdn Bhd ("Aliran") making it an associate. The principal activities of Aliran are those of trading in communications and computer products and provision of services in Malaysia. It has an authorised, issued and paid up capital of RM100,000.
- ii) In November 2002, the Company acquired 1,800 shares in iSquare Asia Limited ("iSquare") from the minority shareholders for a consideration of approximately \$6.6 million making iSquare a wholly-owned subsidiary. Goodwill arising from this acquisition is approximately \$5 million.
- iii) In November 2002, the Company obtained business licenses for two wholly-owned foreign enterprises in the People's Republic of China, Datacraft Information Technology (Beijing) Limited and TP Network Consulting (Shanghai) Co. Ltd, with registered capital of US\$200,000 each.

35 COMPARATIVE FIGURES

During the financial period, the Company and the Group changed its financial year end from June 30 to September 30. The financial statements for 2001 cover the twelve months from July 1, 2000 to June 30, 2001. The financial statements for 2002 cover the fifteen months from July 1, 2001 to September 30, 2002.

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current period's financial statements. As a result, certain line items have been reclassified in the balance sheet and related notes to the financial statements. Comparative figures have been adjusted to conform with current period's presentation.

In the opinion of the directors, the financial statements and consolidated financial statements set out on pages 52 to 79 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 September 30, 2002 and of the results of the business, changes in equity of the Company and of the Group and of the cash flows of the Group for the financial period from July 1, 2001 to September 30, 2002 and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS

Frank Yung-Cheng Yung

Ronald John Cattell

November 25, 2002

**SHAREHOLDERS'
INFORMATION**

Number of ordinary shares in issue as at 13 January 2003	:	464,706,683
Voting rights	:	One vote per share

Analysis of shareholders by range of balances as at 13 January 2003

<i>Size of holdings</i>	<i>Number of shareholders</i>	<i>Percentage</i>	<i>Number of shares</i>	<i>Percentage</i>
1 to 999	229	1.43	9,863	0.00
1,000 to 10,000	13,788	86.03	49,012,556	10.55
10,001 to 1,000,000	1,990	12.42	68,061,314	14.65
1,000,001 and above	20	0.12	347,622,950	74.80
Total	16,027	100.00	464,706,683	100.00

Twenty largest registered shareholders as at 13 January 2003

<i>Shareholder's name</i>	<i>Number of shares</i>	<i>Percentage of holdings</i>
1 Dimension Data International Limited	240,633,669	51.78
2 DBS Nominees Pte Ltd	23,166,662	4.98
3 Raffles Nominees Pte Ltd	19,170,808	4.12
4 Citibank Nominees Singapore Pte Ltd	15,381,552	3.31
5 DB Nominees (Singapore) Pte Ltd	9,453,199	2.03
6 HSBC (Singapore) Nominees Pte Ltd	9,131,760	1.97
7 OCBC Securities Private Ltd	5,158,565	1.11
8 UOB Kay Hian Pte Ltd	4,220,481	0.91
9 Phillip Securities Pte Ltd	3,355,658	0.72
10 United Overseas Bank Nominees Pte Ltd	3,206,820	0.69
11 Kim Eng Ong Asia Secs Pte Ltd	2,818,129	0.61
12 DBS Vickers Securities (Singapore) Pte Ltd	1,992,511	0.43
13 Morgan Stanley Asia (Singapore) Securities Pte Ltd	1,783,051	0.38
14 Citibank Consumer Nominees Pte Ltd	1,297,265	0.28
15 Tjendri Anastasia	1,201,000	0.26
16 Oversea Chinese Bank Nominees Pte Ltd	1,198,360	0.26
17 Lim & Tan Securities Pte Ltd	1,176,016	0.25
18 G K Goh Stockbrokers Pte Ltd	1,152,363	0.25
19 Singapore Nominees Pte Ltd	1,113,079	0.24
20 Hong Leong Finance Nominees Pte Ltd	1,012,002	0.22
Total	347,622,950	74.80

Substantial shareholders as at 13 January 2003 (as recorded in the register of substantial shareholders)

<i>Shareholder's name</i>	<i>Direct interest</i>	<i>Deemed interest</i>
Dimension Data International Limited	240,633,669	93,164
Dimension Data Holdings plc	-	240,726,833
Spectrum Holdings Inc	-	240,726,833

Directors' interests in Datacraft Asia Ltd as at 21 October 2002
Ordinary shares of \$0.10 each

<i>Name of Directors</i>	<i>Direct interest</i>	<i>Deemed interest</i>
Ronald John Cattell	404,072	1,410,157
Frank Yung-Cheng Yung	-	93,204

Options to acquire ordinary shares of \$0.10 each under the Datacraft Asia Share Option Scheme

<i>Name of Directors</i>	<i>Direct interest</i>	<i>Deemed interest</i>
Ronald John Cattell	750,000	-
Seet Ai Mee	200,000	-
Frank Yung-Cheng Yung	290,000	-
Robert Cecil Mansfield	120,000	-
Philip Chu Yan-Jy	600,000	-
William Bruce Grahame Padfield	880,000	-

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of Datacraft Asia Ltd will be held at The Regent Singapore, 1 Cuscaden Road, Singapore 249715 on Thursday, February 27, 2003 at 2.00 p.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial period from July 1, 2001 to September 30, 2002, together with the Auditors' Report thereon.
(Resolution 1)
2. To re-elect Dr Seet Ai Mee, a Director retiring under the provisions of Article 104 of the Articles of Association and who, being eligible, offers herself for re-election.
Note: Dr Seet Ai Mee, an independent director, when re-elected, will remain as a member of the Audit Committee.
(Resolution 2)
3. To re-elect Mr. Robert Keith Carden Taylor, a Director retiring under the provisions of Article 108 of the Articles of Association and who, being eligible, offers himself for re-election.
(Resolution 3)
4. To re-elect Mr. Philip Chu Yan-Jy, a Director retiring under the provisions of Article 108 of the Articles of Association and who, being eligible, offers himself for re-election.
(Resolution 4)
5. To re-elect Mr. William Bruce Grahame Padfield, a Director retiring under the provisions of Article 108 of the Articles of Association and who, being eligible, offers himself for re-election.
(Resolution 5)
6. To approve the payment of Directors' Fees of S\$180,000 for the financial period from July 1, 2001 to September 30, 2002.
(Resolution 6)
7. To approve the payment of Directors' Fees of S\$144,000 for the financial year from October 1, 2002 to September 30, 2003.
(Resolution 7)
8. To re-appoint Messrs Deloitte & Touche as auditors and to authorise the Directors to fix their remuneration.
(Resolution 8)
9. To transact any other business that may be transacted at an Annual General Meeting.

As Special Business

10. To consider and, if thought fit, to pass with or without any amendments the following resolutions as ordinary resolutions:-
 - a) That pursuant to Section 161 of the Companies Act, Chapter 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors to:
 - l) i) issue shares in the capital of the Company ("shares") (whether by way of rights, bonus or otherwise); and/or

**NOTICE OF NINTH
ANNUAL GENERAL
MEETING (CONT'D)**

- ii) (that subject to and contingent upon the passing of Resolution 5 (referred to in the Circular dated on or about February 4, 2003 in relation to, *inter alia*, the proposed alterations to the Articles of Association of the Company) at an extraordinary general meeting of the Company to be held on Thursday, February 27, 2003) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible or exchangeable 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

- II) (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 but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument), 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 but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 20 per cent. of the issued share capital of the Company (as calculated in accordance with sub-paragraph 2) below);
- 2) 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 calculated based on the issued share capital of the Company as at the date of the passing of this Resolution after adjusting for:
 - (aa) new shares arising from the conversion or exercise of any convertible securities and share options that have been issued pursuant to any previous shareholder approval and which are outstanding as at the date of the passing of this Resolution; and
 - (bb) 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 power to make or grant Instruments (including the making of any adjustments under any relevant Instrument), 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 9)

- b) That approval be and is hereby given to the Directors to offer and grant options from time to time in accordance with the provisions of the Datacraft Asia Share Option Scheme (the "Share Option Scheme"), and, pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of shares in the capital of the Company (the "Scheme Shares") as may be required to be issued pursuant to the exercise of options granted under the Share Option Scheme and to do all such acts and things as may be necessary or expedient to carry the same into effect, provided always that the aggregate number of Scheme Shares shall not exceed 15 per cent. of the issued share capital of the Company from time to time.

(Resolution 10)

- c) That pursuant to Section 161 of the Companies Act, Cap. 50, authority be and is hereby given to the Directors to allot and issue from time to time such number of shares in the Company as may be required to be allotted and issued pursuant to the Datacraft Scrip Dividend Scheme.

(Resolution 11)

By Order of the Board of Directors

Evelyn Wee Kim Lin
Company Secretary

Singapore,
February 11, 2003

Note: A Member of the Company entitled to attend and vote at the above meeting may appoint a proxy (or in the case of a corporation, to appoint its authorised representative or proxy) to attend and vote on his behalf. Such proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company at 6 Shenton Way, #24-11 DBS Building Tower Two, Singapore 068809 not less than 48 hours before the time for holding the Meeting.

Statement pursuant to Article 64 of the Company's Articles of Association

Ordinary Resolution 9

Resolution 9, if passed, will empower the Directors to issue shares in the capital of the Company and/or Instruments (as defined above). 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 but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) shall not exceed 50 per cent. of the issued share capital of the Company, with a sub-limit of 20 per cent. for shares issued other than on a pro rata basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued share capital will be calculated 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 convertible securities and share options that have been issued pursuant to any previous shareholder approval and which are outstanding as at the date of the passing of this Resolution; and
- b) any subsequent consolidation or subdivision of shares.

This calculation is in accordance with Rule 806(3) of the Listing Manual of the Singapore Exchange Securities Trading Limited. The authority will continue in force until 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, unless previously revoked or varied at a general meeting.

Ordinary Resolution 10

Resolution 10, if passed, will empower the Directors to offer and grant options under the Datacraft Asia Share Option Scheme (the "Share Option Scheme") which was approved at the Extraordinary General Meeting of the Company on August 19, 1996 (as from time to time amended, modified or supplemented), and to allot and issue shares in the capital of the Company, pursuant to the exercise of options under the Share Option Scheme provided that the aggregate number of shares to be issued does not exceed 15 per cent. of the issued share capital of the Company for the time being.

Ordinary Resolution 11

Resolution 11, if passed, will empower the Directors to allot and issue shares in the Company pursuant to the Datacraft Scrip Dividend Scheme (as from time to time amended, modified, or supplemented) which was implemented following shareholders' approval at an Extraordinary General Meeting held on October 23, 1998.

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PROXY FORM

I/We* _____

of _____

being a member/members* of DATA CRAFT ASIA LTD (the "Company"), hereby appoint
Name _____

Address _____

NRIC/Passport Number _____

Proportion of Shareholdings _____

and/or (delete as appropriate)

Name _____

Address _____

NRIC/Passport Number _____

Proportion of Shareholdings _____

as my/our* proxy/proxies* to vote on my/our* behalf, at the Ninth Annual General Meeting of the Company, to be held at The Regent Singapore, 1 Cuscaden Road, Singapore 249715 on Thursday February 27, 2003 at 2.00 p.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the Meeting.

No.	Resolutions	For	Against
1.	To receive the Directors' Report and the Audited Accounts for the financial period from July 1, 2001 to September 30, 2002, together with the Auditors' Report thereon.		
2.	To re-elect Dr Seet Ai Mee (under Article 104).		
3.	To re-elect Mr. Robert Keith Carden Taylor (under Article 108).		
4.	To re-elect Mr. Philip Chu Yan-Jy (under Article 108).		
5.	To re-elect Mr. William Bruce Grahame Padfield (under Article 108).		
6.	To approve Directors' Fees for the financial period from July 1, 2001 to September 30, 2002.		
7.	To approve Directors' Fees for the financial year from October 1, 2002 to September 30, 2003.		
8.	To re-appoint Messrs Deloitte & Touche as auditors and to authorise Directors to fix their remuneration.		
9.	To authorise Directors to issue shares and/or Instruments pursuant to Section 161 of the Companies Act, Chapter 50.		
10.	To authorise Directors to offer and grant options and to issue shares pursuant to the grant of the options.		
11.	To authorise Directors to issue shares pursuant to the Scrip Dividend Scheme.		

Dated this _____ day of _____ 2003.

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

Total Number of Shares	
-------------------------------	--

Notes:

- Please insert the total number of ordinary shares in the capital of the Company ("Shares") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all Shares held by you.
- A member of the Company entitled to attend and vote at a Meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- This instrument appointing a proxy or proxies must be deposited at the registered office of the Company not less than 48 hours before the time appointed for the Annual General Meeting.
- The instrument appointing a proxy or proxies must be under the hand of the appointer 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 seal or under the hand of an officer or attorney duly authorised.
- A corporation which is a member 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 Section 179 of the Companies Act, Chapter 50 of Singapore.
- 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 appointer are not ascertainable from the instructions of the appointer specified in this instrument appointing a proxy or proxies.
- In the case of members 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.

* Delete accordingly

Fold & Paste

Affix postage
stamp

The Company Secretary
Datacraft Asia Ltd
6 Shenton Way #24-11
DBS Building Tower Two
Singapore 068809

Fold