MIND PURPOSE

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of



Annual Report 2004

 The image of a rope represents strength, endurance and tenacity. A rope is a strong cord comprising strands of hemp or other fibers twisted together. Essentially, the strength of a rope is determined by the sum of its resilient parts entwined together. Likewise, TeleChoice is empowered and strengthened by its 3 dynamic core divisions which are inextricably bound and driven by one mind and purpose.

CONTENTS

Corporate Profile	1
Letter to Shareholders	3
Board of Directors	5
Executive Management Team	8
Review of Operations	11
Four-Year Financial Summary	16
Four-Year Segmental Results	18
Corporate Governance	21
Financial Statements	28

1

About Us

Incorporated in Singapore on 28 April 1998 and listed on the MainBoard of the Singapore Exchange ("SGX") on 25 June 2004, TeleChoice International Limited ("TeleChoice") is a leading regional provider of mobile telecommunications equipment and solutions. TeleChoice is a subsidiary of Singapore Technologies Telemedia Pte Ltd, a leading information-communications company with operations in Asia-Pacific, the Americas and Europe.

Headquartered in Singapore, TeleChoice has operations in the Asia-Pacific region, including Indonesia, Australia and Malaysia and has established a presence in Thailand.

TeleChoice offers a comprehensive suite of equipment and solutions for various segments of the telecommunications industry under three core businesses – Distribution Services, Telecommunications Services and Mobile Network and Engineering Services.

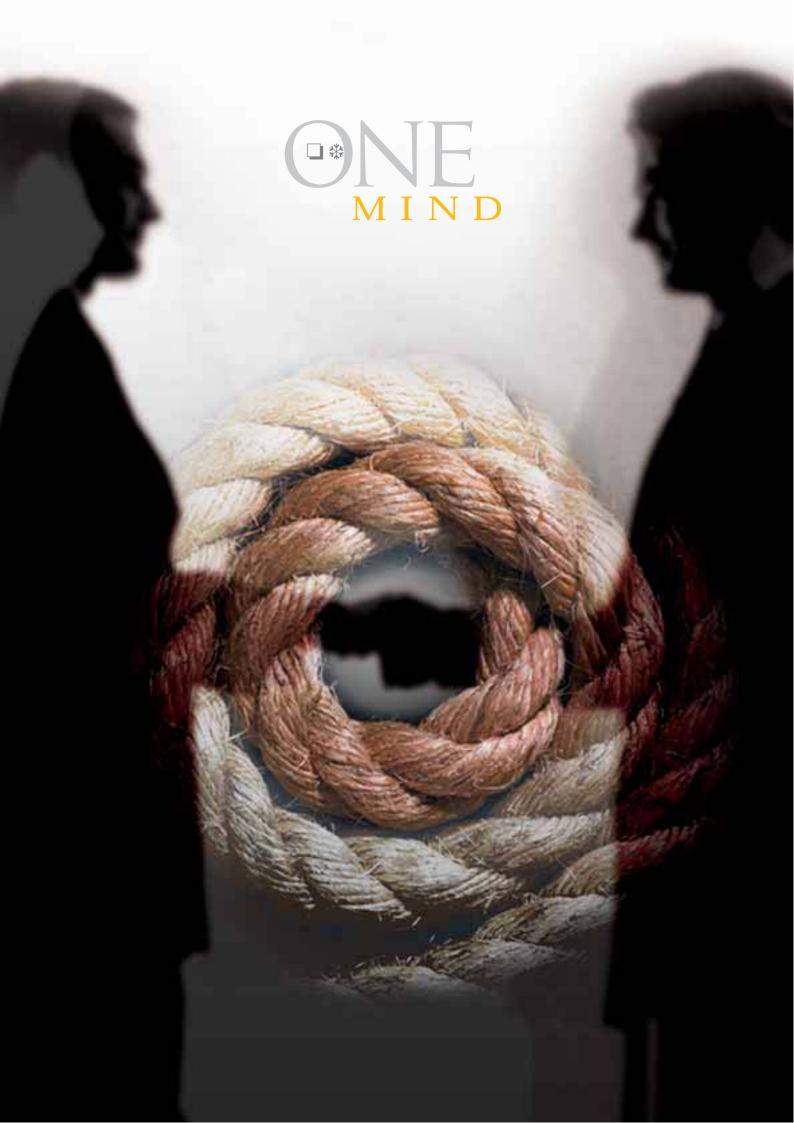
- Distribution Services: We distribute mobile handsets and accessories from major principals through our distribution network of over 1,000 retailers, dealers and sub-distributors.
- Telecommunications Services: We provide international long-distance call services in Singapore.
- Mobile Network and Engineering Services: We provide mobile network and engineering services to mobile network equipment vendors, operators, service providers and other enterprises.

Our major customers and principals include StarHub Ltd and PT Indosat Tbk, and Mitsubishi, Motorola, Nokia, Samsung and Sony Ericsson respectively.

In recognition of our achievement for continuous and sustained corporate growth, we were ranked amongst the Fastest Growing 50 in 2004. The Fastest Growing 50 award is an accolade reserved for Singapore companies with the highest 3-year compounded annual growth rates.

For more information, please visit our website at www.telechoice.com.sg







Dear Shareholders

We are pleased to present our Annual Report for 2004, following our initial public offering ("IPO") and admission to the Official List of the Singapore Exchange Securities Trading Ltd ("SGX-ST") on 25 June 2004.

Our IPO

Our IPO was well-received by institutional and retail investors. The public offer tranche of 15M shares was 28 times over-subscribed. In addition, 97M placement shares were fully taken up by institutional investors. The net IPO proceeds of S\$10.7M, backed by our track record of consistent, sound business performance and profitability, puts us in a good position to take advantage of growth opportunities in the regional telecommunications arena, and strengthen our position as a leading regional provider of telecommunications equipment and solutions.

Our Performance in 2004

TeleChoice was ranked amongst Singapore's Fastest Growing 50* in 2004. The Fastest Growing 50 award is an accolade reserved for Singapore companies with the highest 3-year compounded annual growth rates.

We performed well in 2004. Total Group revenue rose 66% to \$\$530.1M, and net profit rose 22% to \$\$17.3M.

The rise in Group revenue was mainly due to Distribution Services (revenue rose by 69%, or S\$192M), and Mobile Network and Engineering Services (revenue rose by 109%, or S\$15.9M, due to new engineering projects from Indonesia and Singapore). Geographically, in line with the Group's strategy to expand and grow beyond the Singapore market, overseas operations accounted for 48% of revenue in 2004, compared to 34% in 2003.

Earnings per share rose from 3.59 cents in 2003 to 4.11 cents in 2004, while net asset value also improved from 6.52 cents per share in 2003 to 10.2 cents per share in 2004.

The Group generated \$\$8.6M of net cash from operations in 2004. Our strong cash position of \$\$29.3M makes us well-placed to take advantage of growth opportunities in all our 3 business segments, and deliver good returns to all our shareholders.

* compiled by DP Information Group

 TeleChoice was ranked amongst Singapore's Fastest Growing 50 in 2004. The Fastest Growing 50 award is an accolade reserved for Singapore companies with the highest 3-year compounded annual growth rates.



Our Commitment to Shareholders

We are committed to maximising value and returns for our shareholders. In November 2004, we announced an interim gross dividend of 2.5 cents per share, or 2 cents per share net of Singapore income tax of 20%, amounting to S\$8.8M. No final dividend was declared for 2004.

Going forward, we expect to declare and pay annual dividends of up to 25-30% of our annual net profit after tax. This is subject to our Group's earnings, cash flow, financial condition, capital requirements and other relevant factors.

Our Future

As a leading regional provider of mobile telecommunications equipment and solutions, we will continue to seek to grow our businesses around the region. We will continuously strengthen the performance of our businesses with a keen focus on innovative, quality offerings that meet the needs of our customers, backed by strong financial discipline and sound corporate governance. Our proven track record in driving and managing business growth, coupled with our financial strength, puts us in an excellent position to take advantage of growth opportunities in Singapore and throughout the region.

Our Appreciation to All

On behalf of the Board, we express our heartfelt appreciation to all our shareholders, employees and business partners, for making possible our business achievements over the past several years. We certainly look forward to your continuing support, as TeleChoice moves ahead in 2005 and beyond.

Bertie Cheng Chairman

Clive C.H. Lin

Clive Lim Chai Hock President & Executive Director



Bertie Cheng Chairman and Independent Director

Mr Cheng is the Chairman of the Board. He is also the Chairman of the Executive Committee and the Remuneration Committee. Mr Cheng is an independent director of STT Communications Ltd and Singapore Technologies Telemedia Pte Ltd.

Mr Cheng was active in the financial services industry, and retired as the Chief Executive Officer of POSBank in July 1997. He was Chairman of the NTUC Thrift & Loan Co-operative Ltd from Aug 1998 to Sep 2004. He currently holds directorships in several corporations including Singapore Petroleum Company Limited, Hong Leong Finance Limited and Tee International Limited.

Mr Cheng holds a Bachelor of Arts Degree in Economics (Honours) from the University of Malaya in Singapore. He received the Public Administration Medal (Silver) in 1984 and the Public Service Medal in 2001.



Mr Lim serves as a member of the Executive Committee. Mr Lim is credited with having successfully spearheaded the strategic development and growth of the Group since inception into a leading regional provider of telecommunications equipment and solutions. His leadership of the management team has been instrumental to the Group's consistent, sound business performance and profitability.

Mr Lim, who oversees the strategic development and management of our Group, has over 13 years' of experience in the telecommunications market, including establishing Cellstar Pacific Pte Ltd. Prior to undertaking his current appointment in January 2004, he held the position of Managing Director of our Company from March 1999 to December 2003 where he was responsible for the Group's distribution business. Mr Lim is also currently a Director and Managing Director of Leap International Pte Ltd, a private investment holding company. Mr Lim holds a Diploma in Marine Engineering from the Singapore Polytechnic, a Diploma in Administrative Management from the Institute of Administrative Management in the United Kingdom and a Master of Business Management in Marketing and Finance from the Asian Institute of Management in the Philippines.

Clive Lim Chai Hock President and Executive Director



Yap Boh Pin

Independent Director

Mr Yap is the Chairman of the Audit Committee, and is a member of the Nominating Committee. He is currently managing director of B.P.Y. Private Limited, a firm of management consultants which provides financial planning, financial accounting, reviewing internal control systems as well as corporate secretarial services. Between July 1975 and January 1999, Mr Yap was a senior partner at Yap Boh Pin & Co which provided advice on auditing, taxation, liquidation and corporate restructuring matters. He is also a director of MAE Engineering Limited.

He has also held directorships in various public companies between 1975 and 2000, including Singapore Land Limited, L&M Investments Limited and Pan Pacific Public Company Limited. During his appointment by these companies, Mr Yap was a member of their executive committee and/or audit committee, assisting in the evaluation and recommendation of changes to their system of internal controls as well as corporate governance.

Beyond the corporate sector, Mr Yap is actively involved in various non-profit, educational and social welfare organisations. He is a member of the Board of Governors of the Singapore Hokkien Huay Kuan, and is also a member of the Board of Management and Chairman of the Endowment Fund of the Anglo-Chinese School (Independent). He was recently appointed as Honorary Treasurer on the Board of Directors of the Singapore Heart Foundation.

Mr Yap qualified as an accountant from the Institute of Chartered Accountants in England and Wales in 1966 and is also a member of the Institute of Certified Public Accountants of Singapore.

Mrs Choo, who serves as a member of the Audit Committee, brings with her over 30 years' of management experience in the banking and financial services industries. From 1976 to 2001, she held senior management positions at Overseas Union Bank Ltd ("OUB"), including as Executive Vice-President (National Banking), Executive Committee Member and as Director and Chief Operating Officer of International Bank of Singapore Ltd, a subsidiary of OUB. She also served as Chairman and Director of OUB Factors Pte Ltd, OUB Bullion and Futures Pte Ltd and OUB Optimix Funds Management Limited. Following the merger of OUB with United Overseas Bank Ltd ("UOB"), she was appointed Executive Vice-President and Special Assistant to the Deputy Chairman and President of UOB in 2002. Mrs Choo retired from UOB on 1 July 2002. Between 2001 and 2003, Mrs Choo held directorships in various companies

Gracy Choo Independent Director

including Pacific Internet Ltd, where she served as a member of the audit committee and the nominating committee, assisting in overseeing financial management, internal controls and corporate governance matters. Mrs Choo also served as Vice-Chairman of the Mastercard International Asia Pacific Board, and was a member of the Inquiry Panel and Disciplinary Committee of the Law Society of Singapore from 1993 to 2001. She was also the Chairman of the Permanent Committee on Cooperation in Finance, Investment and Trade of the ASEAN Banking Council from 1991 to 1998. Mrs Choo, who graduated with a Bachelor Degree in Business Administration (Hons) from the then University of Singapore in 1970, began her career in 1970 with Citibank, N.A., working in its London and Singapore offices during her 6 years there.





Stewart Yen Se-Hua

ndependent Directo

Mr Yen is the Chairman of the Nominating Committee, and serves as a member of the Remuneration Committee. Mr Yen is currently the Chief Executive Officer of SECOM (Singapore) Pte Ltd, a company which engages in the provision of security services. SECOM was previously an associate company of Singapore Technologies Pte Ltd until a management buy-out led by Mr Yen in 1996. Mr Yen has over 30 years of experience in varied industries including defence marketing, construction and development, security, hospitality and aviation services. He began his career with the Ministry of Defence ("MINDEF") as a systems engineer in their logistics and finance divisions before being posted to the Singapore Embassy in Washington to open MINDEF's first overseas procurement mission in the USA in 1977. He was also involved in the second mission in Paris, France before leaving MINDEF in 1979. Mr Yen was the regional sales manager of an American leisure and amusement equipment company before joining Chartered Industries of Singapore Pte Ltd ("CIS") in 1982. At CIS, he was part of a team that established CDC-Construction and

Development Pte Ltd (now known as SembCorp Engineers & Constructors Pte Ltd), a leading design-and-build contractor in Singapore for civil engineering, residential and commercial building projects. In 1988, Mr Yen was transferred to Unicorn International Pte Ltd as General Manager in charge of international marketing of Singapore-made defence equipment. While there, he founded Pacific Flight Services Pte Ltd, a private executive jet operator that became a major air ambulance company in Singapore, and SECOM, which provides 24-hour security services to commercial clients. He was also involved in the development and management of a business hotel in Yangon, Myanmar. Mr Yen is currently also an independent director and member of the audit committee of Hersing Corporation Ltd, a company listed in Singapore. He is also an advisor to SembCorp Industries Ltd on their hotel investments in Bintan Island. Mr Yen obtained a Bachelor Degree in Engineering from the McMaster University in 1972 and also holds a Diploma in financial management from the New York University.

Lee Theng Kiat Non-Executive Director

Kwek Buck Chye Non-Executive Director

Mr Kwek, who serves as an alternate director to

Mr Lee Theng Kiat, has over 20 years of financial

experience. He joined the Singapore

Technologies group in 1992. He has served as

Chief Financial Officer in various major operating

units within the group including Chartered

Semiconductor Manufacturing Ltd, ST Assembly

Test and Services Ltd, Vickers Capital Limited

and Singapore Technologies Telemedia Pte Ltd.

Prior to joining the Singapore Technologies

group, Mr Kwek spent 10 years at United

Technologies Carrier Asia Pacific Operation

Mr Lee serves as a member of the Executive Committee, Remuneration Committee and Nominating Committee. Mr Lee is currently the President and Chief Executive Officer of Singapore Technologies Telemedia Pte Ltd where he is responsible for steering the strategic growth and development as well as investments of the Singapore Technologies Telemedia group of companies. Mr Lee joined the Singapore Technologies group of companies in 1985 and held senior positions overseeing legal and strategic business development. In 1994, recognising the potential in the telecommunications sector, Mr Lee spearheaded the creation of Singapore Technologies Telemedia Pte Ltd as a new business area for the Singapore Technologies group. Since then, he has led the company's growth through overseeing their investments in and managing info-communications businesses. Under his

leadership, Singapore Technologies Telemedia Pte Ltd has evolved into a leading informationcommunications company, with operations and investments in Asia-Pacific, the Americas and Europe. Currently, the Company's business focus is in two distinct sectors, namely, wireless and internet protocol. The Singapore Technologies Telemedia group of companies, which include PT Indosat, Global Crossing Limited, StarHub Limited and Equinix, Inc, offer a wide range of communications and information services including fixed and mobile communications, Internet exchange and data communications, satellite, broadband and pay television. Mr Lee began his career as an officer with the Singapore Legal Service where he served for more than eight years. He obtained a Bachelor of Laws Degree from the then University of Singapore in 1976.

Mr Sio serves a member of the Audit Committee. Mr Sio has over 20 years of financial and management experience, and is currently the Executive Vice-President of Singapore Technologies Telemedia Pte Ltd, a position he has held since November 1995. In 1991, Mr Sio joined Singapore Technologies Holdings Pte Ltd as Vice-President of Corporate Finance, overseeing the treasury and investment management functions of the Singapore

Sio Tat Hiang Non-Executive Director

Technologies group of companies. Between 1993 and 1997, Mr Sio held the position of Director of Strategic Investment and Group Treasurer and was part of the team which formed Singapore Technologies Telemedia Pte Ltd as the telecommunications branch of the Singapore Technologies group. Mr Sio obtained a Bachelor Degree in Business Administration from the then University of Singapore in 1970.

> where he assumed various regional responsibilities in planning, business development and joint venture start-ups. Mr Kwek is currently the Chief Financial Officer of StarHub Ltd, a position he has held since September 2002. Mr Kwek obtained a Bachelor Degree in Accountancy from the then University of Singapore in 1975. He also attended the Advanced Management Program at Harvard Business School in 1997. Mr Kwek is a member of the Institute of Certified Public Accountants of Singapore.







Led by our President and Executive Director, Mr Clive Lim, our Executive Management Team comprises:



Tay Kiong Hong Senior Vice-President

Mr Tay is Senior Vice-President of TeleChoice International Limited. He supports the President in developing and executing all business strategies. Mr Tay also holds overall responsibility for TeleChoice's day-to-day management, a role that encompasses Business Operations, Investor Relations, Information Technology, Corporate Marketing & Communications, and Product Development.

Mr Tay has held senior management positions in various Singapore Technologies Telemedia group of companies including the Group Managing Director of ST Mobile Data Pte Ltd, ST SunPage Pte Ltd, ST Teleport Pte Ltd and Digital Network Access Communications Pte Ltd, and Chief Operating Officer of i-STT (now known as Equinix Singapore Pte Ltd).

Before joining Singapore Technologies Telemedia in July 1994, Mr Tay spent more than a decade with Hewlett Packard Singapore Pte Ltd ("HP") where he undertook responsibilities in data centre management, sales management and worldwide product marketing. During his tenure at HP, he was assigned to overseas postings in China and the USA.

Mr Tay holds a Bachelor of Business (Information Process) Degree from the Western Australian Institute of Technology.

Wong Loke Mei Vice-President, Finance

Ms Wong Loke Mei is Vice-President, Finance of TeleChoice International Limited. She is responsible for overseeing the entire accounting and financial operations of our Group.

She has over 15 years' of experience in finance and accounting, most of which were with the Singapore Technologies Telemedia Group of Companies. Ms Wong joined our Group in June 1995 as Accountant, and served in various financial management roles. In January 2005, she was appointed Vice President, Finance.

Ms Wong holds a Bachelor of Accountancy Degree from the National University of Singapore and a Master in Business Administration from Heroit Watt University, Edinburgh, United Kingdom. Ms Wong is also a member of the Institute of Certified Public Accountants of Singapore.





Goh Song Puay Vice-President, Human Resource

Mr Goh is Vice-President, Human Resource of TeleChoice International Limited. He is responsible for the management of local and regional human resource functions for the Group, including human capital development, leadership and organisation development. He is also responsible for the building of a single corporate culture and identity across all our business units.

Mr Goh brings with him more than 16 years of experience in a broad spectrum of industries, most of which in the Human Resource arena. An Engineer by training, he started as a Process Engineer with National Semiconductor Manufacturing. In 1994, Mr Goh soon embarked on a career in Human Resource when he joined Chartered Semiconductor Manufacturing Ptd Ltd as Human Resource Development Engineer.

Prior to joining our Group in 2004, Mr Goh has held various senior positions including Assistant Vice-President (HR) at StarHub Pte Ltd and Director (HR) at i-STT Pte Ltd, a subsidiary of ST Telemedia. He was also Director (HR) for the National Healthcare Group, based in the National University Hospital.

Mr Goh holds a Bachelor Degree in Mechanical Engineering from the National University of Singapore.

Francis Chok

Vice-President, Business and Strategy Development

Mr Chok is Vice-President, Business and Strategy Development of TeleChoice International Limited. He is responsible for assisting our senior management in the business and strategic growth and development of our Group.

Mr Chok has more than 23 years' of experience in the telecommunications industry. Prior to joining TeleChoice, Mr Chok has served as a Regional Marketing Manager at Willowglen Services Pte Ltd and Senior Manager for China Projects with ST Telecommunications.

Mr Chok holds a Bachelor of Science Degree in Electrical Engineering (Hons) from the Bolton Institute of Technology in the United Kingdom, and a Master of Science in Electronic and Electrical Systems (Radiocommunications) (Hons) from Birmingham University in the United Kingdom.



Mr Lok is Managing Director, Distribution Services of TeleChoice International Limited. He is responsible for the planning and implementation of the company's distribution channels and services.

Mr Lok has over 15 years of experience in the mobile telecommunications industry and was instrumental in the expansion of TeleChoice's distribution network into the Asia-Pacific region including Australia, Indonesia and Malaysia.

Lok Kwok Leong Managing Director, Distribution Services

Prior to his current appointment, Mr Lok was the General Manager of the company for over five years. From 1995 to June 1998, Mr Lok was with CellStar Pacific Pte Ltd where he held various positions including regional marketing manager, sales operations manager.

Mr Lok holds a Bachelor of Engineering (Civil) Degree from the National University of Singapore, and a Diploma of Marketing Management from the Ngee Ann Polytechnic in Singapore.





Danny Lai

Managing Director, Telecommunication Services

Mr Lai is Managing Director, Telecommunication Services of TeleChoice International Limited, with an overall responsibility, for identifying new market opportunities, planning and developing business strategies and managing the operations for the business unit. Mr Lai was instrumental in driving innovative marketing activities as well as successfully transforming the paging service business into the international long-distance call service business.

Mr Lai holds a Degree in Business Administration from De La Salle University, Philippines.

Chia Boon Tat Managing Director, Mobile Network and Engineering Services

Dr Chia is Managing Director, Mobile Network and Engineering Services of TeleChoice International Limited. He is responsible for the overall growth and strategic development of the company's mobile network and engineering services.

Prior to assuming his current role in August 2003, Dr Chia has performed management functions in several companies. He spent six years, between 1996 and 2002, with Keppel Telecommunications and Transportation Ltd, holding various senior positions including Director of Business Development, Executive Vice-President of Technology and Strategy, and Chief Executive

Officer of Keppel Communications Pte Ltd. From 1991 to 1994, he was with the Defence Science Organisation where his last held position was Laboratory Head.

Dr Chia's academic qualifications include a Diplôme d'Ingénieur from the Ecole Nationale Supérieure d'Ingénieurs Electricians de Grenoble, France, a Diplôme d'Etudes Approfondies from the Institut National Polytechnique de Grenoble in France, and a Docteur de l'INPG from the Institut National Polytechnique de Grenoble in France.





Hon Wei Seng

Legal Counsel

Mr Hon is Legal Counsel of TeleChoice International Limited, and is responsible for the Group's legal functions, including support for contracts management, mergers and acquisitions, corporate governance, regulatory and compliance matters.

In 2003, Mr Hon joined Singapore Technologies Telemedia Pte Ltd and participated in various projects, including the listing of TeleChoice International Limited on the Main Board of the SGX-ST in June 2004. Mr Hon was previously Group Legal Counsel of regional IT services provider Frontline Technologies Corporation Ltd.

After graduating with a Bachelor of Laws Degree from the National University of Singapore ("NUS") in 1994, Mr Hon joined the Singapore Legal Service. Mr Hon holds a Master of Laws Degree from NUS and a Master of Technology Management Degree from the University of Queensland, Australia.



OVERVIEW: OUR CORE BUSINESSES

Our businesses comprise of 3 core segments: Distribution Services, Telecommunications Services and Mobile Network and Engineering Services. We are well-positioned to provide a comprehensive and integrated suite of telecommunications products and solutions to meet the needs of different segments of the telecommunications market including mobile telecommunications operators, telecommunications equipment manufacturers, distributors and retailers. We draw strength from our diversified business segments, customer base and markets which helps mitigate the impact of downturn in any one of our business segments.

Despite the challenging operating environment, we have consistently maintained steady growth and profitability over the years. We crossed the finishing line for 2004 with strong revenue and profit figures driven by growth in all our business segments. Total Group revenue rose 66% to \$\$530.1*M*, and net profit rose 22% to \$\$17.3*M*.

The rise in Group revenue was mainly due to Distribution Services (revenue rose by 69%, or S\$192M), and Mobile Network and Engineering Services (revenue rose by 109%, or S\$15.9M, due to new engineering projects from Indonesia and Singapore). Geographically, in line with the Group's strategy to expand and to grow beyond the Singapore market, overseas operations accounted for 48% of revenue in 2004, compared to 34% in 2003.

We once again demonstrated the scalability and success of our business model in penetrating the regional markets in 2004. Our Indonesian and Australian operations registered the strongest revenue increases of 188% and 159%, respectively.



Distribution Services

We distribute a wide range of mobile handsets and accessories from major principals, including Nokia, Motorola, Sony Ericsson and Samsung, through our distribution network of over 1,000 retailers, dealers and sub-distributors in Singapore, Indonesia, Malaysia and Australia. In addition, we provide sales and marketing support, product training and technical and after-sales services. Since 2000, we have provided StarHub Ltd with customer order fulfilment and supply chain management services, including inventory planning, procurement and logistics support.

Performance

Distribution Services contributed S\$468.5M in revenue and S\$10.4M in PBT (accounting for 88% and 48% of total Group revenue and PBT respectively) in 2004.

Revenues and PBT for Distribution Services increased in 2004 by 69% or \$\$192.0M and 33% or \$\$2.6M, respectively, compared to 2003. Geographically, the revenue contributions by country are: Singapore-53%, Indonesia-15%, Australia-13%, Malaysia-11%, Other Countries-8%. We sold approximately 1.4M handsets in 2004, compared to 1M in 2003, with higher average prices due to increasing sales of higher value, premium-feature handsets.

REVIEW OF OPERATIONS

Despite stiffer competition in 2004, we continued to grow and strengthen our position in Singapore with a 42% improvement in revenue. We renewed our Mobile Telecommunications Distribution Services Contract with StarHub Ltd for a further 2-year period with effect from 1 April 2004. The annual revenue from this contract is projected at around \$\$100M.

Telecommunications Services

We provide international long-distance call services in Singapore comprising IDD and international calling card and paging services. Our IDD service branded as, 'SunPage iDD 1521', reaches over 300 destinations and has approximately 220,000 registered fixed and mobile lines. Our pre-paid 'SunPage International Calling Card' covers over 300 destinations and is distributed at some 1,000 retail outlets throughout Singapore.

Telecommunications Services contributed S\$31.1M in revenue and S\$6.4M in PBT, (accounting for 6% and 30% of total Group revenue and PBT respectively) in 2004.

Performance

Total IDD minutes clocked by Telecommunications Services rose 26% from 106M in 2003 to 134M in 2004. SunPage's IDD subscribers grew by 15% from 75,100 in December 2003 to 86,200 in December 2004, of which about half are active subscribers.

To stay ahead in the highly competitive IDD market, SunPage continued on its strategy of running innovative and high profile marketing campaigns leveraging on television, radio and print media. These included sponsorship of various programmes on MediaCorp TV's Channel 8, such as "Who Wants to be a Millionaire?" (November 2003 to February 2004), "Winner Takes All" and "True Colours" (from April to June 2004).

In September 2004, SunPage rolled out IDD Premium, a value-added premium service to meet the needs of customers requiring flawless call quality.





Mobile Network and Engineering Services

We provide engineering services and solutions to mobile network equipment vendors, operators and service providers, including the planning, design and building of mobile networks, enhancing the coverage and performance of existing mobile networks and assisting the migration to 3G networks.

We also provide public mobile data network services in Singapore. Leveraging on our expertise in mobile data network services, we also deliver innovative wireless application services for small and medium-sized enterprises for whom the cost of customised wireless communications solutions may be prohibitive. These services enable companies to track the location of their assets or employees (Smart Track) or allocate work orders (Smart Dispatch).

Performance

In 2004, Mobile Network and Engineering Services contributed S\$30.5M in revenue and S\$4.8M in PBT (accounting for 6% and 22% of total Group revenue and PBT respectively). The business is organised under 2 subsidiaries, NexWave Technologies Pte Ltd (which focuses on Network Engineering Services) and NexWave Solutions Pte. Ltd. (which focuses on mobile network services, innovative mobility and wireless solutions).

NexWave Technologies Pte Ltd

2004 was a year of rapid growth. Revenue increased from S\$2.6M in 2003 to nearly S\$21M in 2004. Project and service offerings were expanded, from GSM in-building into 3G in-building and implementation of related services.

Regionally, we consolidated our position as a leading regional network engineering service provider, with several new contracts in Indonesia. We also incorporated our Indonesian subsidiary, PT NexWave, and commenced project deployments in Jakarta, Surabaya, Semarang and Bali in 2004.

NexWave Solutions Pte. Ltd.

(formerly known as "ST Mobile Data Pte Ltd")

2004 marked our rapid transformation from a predominantly *Mobitex*-based public mobile data network service provider, to a provider of innovative mobility and wireless solutions.

2004 saw an overall decline in revenue for Mobitex, mainly due to decline in usage from the Land Transport Authority.

Note: *Mobitex* is a trunked, mobile radio system using pocket-switching data technology developed by Ericsson AB. Comprising base radio stations, local and area switches and a network control centre, the network provides automatic nation-wide roaming, negative and positive acknowledgment and an open application programming interface.

By end-2004, our pool of Smart Track and Smart Despatch subscribers increased to more than 500, from less than 20 at end-2003.

Note: Smart Track is our proprietary web-based vehicle tracking service, which enables companies to monitor their vehicles with up-to-the-minute position throughout Singapore. Smart Despatch is our proprietary web-based work despatch management service, which allows companies to manage their workflow more effectively by despatching jobs to their mobile workforce wirelessly and having real-time status update.

REVIEW OF OPERATIONS

In 2004, our PBX business continued to focus on implementation projects, equipment sales and maintenance contracts for corporate customers.

In January 2005, we re-named "ST Mobile Data Pte Ltd" as "NexWave Solutions Pte. Ltd." The name change is designed to sharpen the Group's focus on mobile network engineering services and innovative mobility and wireless solutions, under the "NexWave" brand identity. NexWave Solutions Pte. Ltd. will focus on innovative mobile network services, mobility and wireless solutions, while its sister company, NexWave Technologies Pte Ltd will focus on Mobile Network Engineering Services. Together, NexWave Technologies Pte Ltd and NexWave Solutions Pte. Ltd. form the cornerstones of TeleChoice's Mobile Network and Engineering Services division, which will target opportunities in the telecommunications sector around the region. They will continually leverage and build on each other's strengths, as well as those of other entities within the Group, in providing innovative mobility solutions and services to meet the needs of our customers throughout the region.

OVERVIEW: COMPETITIVE STRENGTHS & PROSPECTS

We are a leading regional provider of telecommunications equipment and solutions. We have demonstrated our ability to tap growth opportunities in South Asia Pacific mobile telecommunications markets with diversified products and services. In addition, we have an experienced management team with strong execution track record and have achieved consistent profitability.

Overall, we possess a comprehensive set of core competencies and intend to leverage on them to support our growth around the region to meet the diverse requirements of the different segments within the telecommunications industry in Asia. While we believe we occupy leading market positions in our various businesses, our continued success depends on our ability to continually sharpen our competitive edge to stay ahead of the competition, and to exploit new business opportunities.

In 2004, we generated S\$8.6M of net cash from operations. With our strong cash position of S\$29.3M, we are well-placed to take advantage of growth opportunities in all 3 of our business segments, and deliver good returns for all our shareholders.

Barring unforeseen circumstances, we expect the business outlook for our Group to remain positive with growth opportunities in all our three business segments. We expect to maintain our performance in FY2005. How well we perform also depends on overall market conditions and trends, and how quickly we are able to seize opportunities and move ahead of the competition. For 2005, we intend to focus on the following areas:



Distribution Service

We expect to maintain our operating performance in Distribution Services for FY2005.

We plan to improve profit contributions from regional operations through increasing operational efficiencies, and explore regional fulfillment and other services-related opportunities.

In February 2005, Distribution Services commenced operations in Thailand. We have secured distribution rights in Thailand for Sony Ericsson mobile phones. We intend to further tie up with other leading mobile handset manufacturers to strengthen our presence there.We target to increase sales volume, product models range, and distribution coverage and hope to see good business growth over the near to medium term.

Where suitable opportunities arise, we plan to leverage on mergers and acquisitions for growth. We will also continue to grow organically, by replicating our proven business model in new regional markets.

Telecommunications Services

We expect to maintain our Telecommunications Services performance in FY2005. To stay ahead of the competition, we will continue to focus on innovative and competitive service offerings that meet our customers' needs.

We seek to strengthen Telecommunications Services with innovative, value-added product & service offerings to augment our 'SunPage iDD 1521' service. We are also keen to expand into the regional markets such as Malaysia and Thailand through acquisitions and joint ventures.

Mobile Network and Engineering Services

We have secured new network engineering projects from major telecommunications operators and vendors in Singapore and Indonesia. We also anticipate to secure additional projects for the roll-out and implementation of 3G networks in Singapore. These projects are expected to continue to contribute to the Group's performance for FY2005.

With growing opportunities in the telecommunications sector in the region, we anticipate continued growth in Mobile Network and Engineering Services.

Our proven expertise and track record puts us in an excellent position to take advantage of regional telecommunications infrastructure opportunities. We will continue to build on our track record for best of breed, cost-effective deliverables and high service quality, with a special focus on opportunities in Singapore and Indonesia. While we seek to maximise margin opportunities wherever possible, we will continue to satisfy the needs of our customers through consistent and high quality deliverables, by maintaining and deploying our proven project management expertise and resources.

To meet the evolving and fast-growing telecommunications needs of our customers, we will focus on providing innovative mobility and wireless solutions, including tracking applications and IP-based solutions.

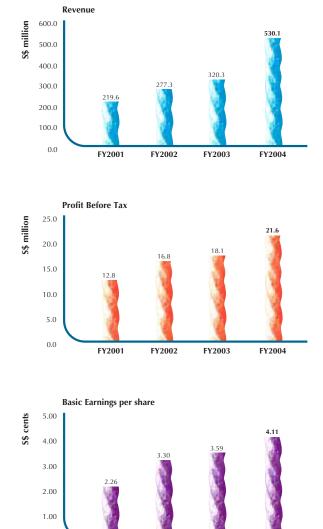


Operating Results of the Group

In S\$ million	FY2001	FY2002	FY2003	FY2004
Revenue	219.6	277.3	320.3	530.1
Profit from operations	12.9	16.9	18.2	21.6
Profit from ordinary activities before taxation	12.8	16.8	18.1	21.6
Profit from ordinary activities after taxation	9.2	13.5	14.7	17.4
Net profit for the year	8.9	13.0	14.2	17.3
Financial Position of the Group				
In S\$ million	FY2001	FY2002	FY2003	FY2004
Non-current assets	6.8	3.3	2.0	3.4
Current assets	58.3	88.3	82.4	120.2
Total assets	65.1	91.6	84.4	123.6
Current liabilities	26.5	46.3	57.8	78.1
Net current assets	31.8	42.0	24.6	42.1
Non-current liabilities	1.2	1.2	0.6	0.4
Net Tangible Assets	37.2	44.0	26.0	44.9
Shareholders' equity	37.4	44.1	26.1	45.1
Key Financial Data of the Group				
	FY2001	FY2002	FY2003	FY2004
Return on Equity (%)	23.9	29.6	54.5	38.4
Return on Total Assets (%)	13.7	14.2	16.8	14.0
Basic Earnings per ordinary share (cents) (1)	2.26	3.30	3.59	4.11
Net tangible assets per ordinary share (cents) (2)	9.40	11.12	6.50	10.17
Net assets value per ordinary share (cents) (2)	9.46	11.15	6.52	10.20
Net dividend per ordinary share (cents) (2)	0.19	1.60	1.52	2.00

Note ⁽¹⁾ The number of shares used for the purpose of calculating the EPS for FY2001, FY2002, FY2003 and FY2004 were 395,752,000, 395,752,000, 396,147,000 and 421,803,000 respectively.

Note ⁽²⁾ The number of shares used for the purpose of calculating the NTA per share, NAV per share and dividend per ordinary share for FY2001, FY2002, FY2003 and FY2004 were 395,752,000, 395,752,000, 400,000,000 and 442,000,000 respectively.



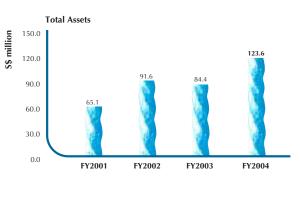
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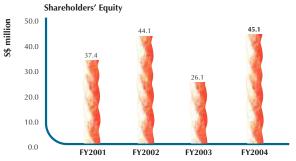
FY2001

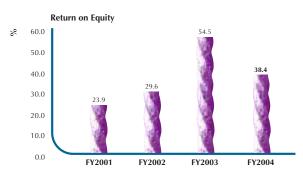
FY2002

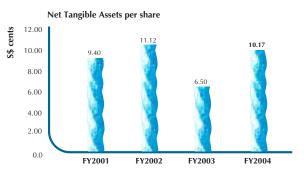
FY2003

FY2004



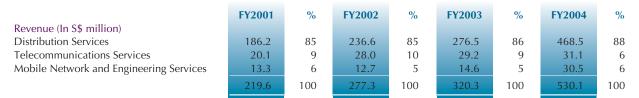


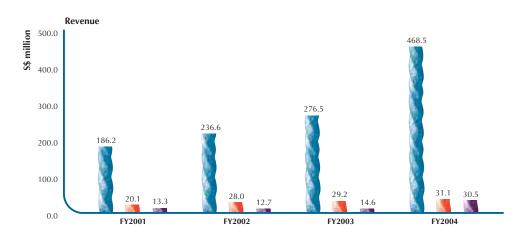




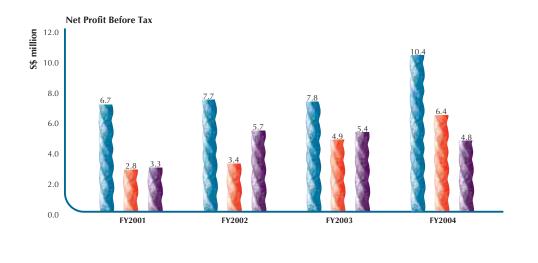
1) Breakdown of Financial Performance by Business Activities

Breakdown of Revenue and Net Profit Before Tax by Business Activitites:





	FY2001	%	FY2002	%	FY2003	%	FY2004	%
Net Profit Before Tax (In S\$ million)								
Distribution Services	6.7	52	7.7	46	7.8	43	10.4	48
Telecommunications Services	2.8	22	3.4	20	4.9	27	6.4	30
Mobile Network and Engineering Services	3.3	26	5.7	34	5.4	30	4.8	22
	12.8	100	16.8	100	18.1	100	21.6	100



Distribution Services

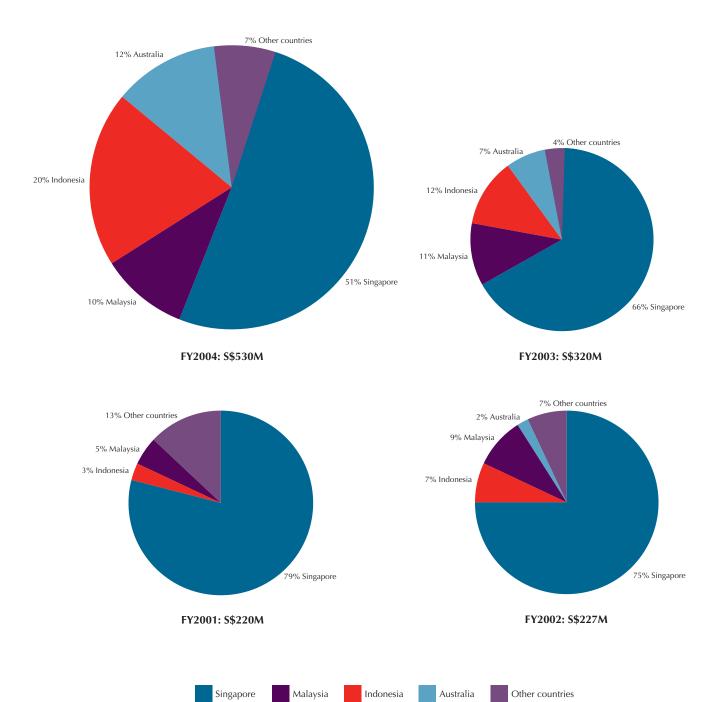
Telecommunications Services

Mobile Network and Engineering Services

2) Breakdown of Financial Performance by Geographical Segments

Breakdown of Revenue by Geographical Segments:

	FY2001	FY2002	FY2003	FY2004
In S\$ million				
Singapore	173.2	207.6	210.6	274.0
Malaysia	10.5	23.7	36.5	51.7
Indonesia	5.9	18.9	37.4	107.5
Australia	0.4	6.9	23.6	61.3
Other countries	29.6	20.2	12.2	35.6
	219.6	277.3	320.3	530.1



urpose

... MAKE MY JOY COMPLETE BY BEING LIKE-MINDED, HAVING THE SAME LOVE, BEING ONE IN SPIRIT & PURPOSE

The AS

IDJ-

Our commitment to observing sound corporate governance practices reflect our focus on consistent good business performance, and helps establish firm foundations for future business growth. The integrity, professionalism, passion and commitment of our people, supported by sound corporate governance systems underpin our consistent track record in delivering good business performance and tangible returns for all our shareholders.

This Report sets out how we have sought to observe the principles of good corporate governance set out in the Singapore Code of Corporate Governance:-

(a) Board Matters

Principle 1 : Board's Conduct of its Affairs

Our Board is responsible for guiding our overall corporate strategy and directions, ensuring effective management leadership of the highest quality and integrity, and providing oversight in the proper conduct of our businesses.

Every Director is required to act in good faith and always in the interest of all the shareholders.

The Board meets to review our key activities and business strategies. Regular Board Meetings are held quarterly to deliberate on strategic matters and policies including significant acquisitions and disposals, the annual budget, review the performance of the business and approve the release of the quarterly and year-end results. Where necessary, we convene additional Board sessions to address significant transactions or developments.

Our President and Executive Director, Clive Lim Chai Hock is charged with full executive responsibility for the running of our businesses, making operational decisions and implementing business directions, strategies and policies. The Board has also established the Executive Committee to oversee major business and operational matters. The Executive Committee comprises Bertie Cheng, Clive Lim Chai Hock and Lee Theng Kiat. Management regularly consults and updates the Executive Committee on all major business and operational issues.

The Board is supported by Board committees which are delegated specific responsibilities, as described under "*Principle 4: Board Membership*" of this Report.

The Board, upon the recommendation of the Audit Committee, has adopted a comprehensive set of internal controls, which sets out authority and approval limits for capital and operating expenditure, investments and divestments, bank borrowings and cheque signatories arrangements at Board level. Authority and approval sub-limits are also provided at Management levels to facilitate operational efficiency.

Management monitors changes to regulations and accounting standards closely. Updates and briefings on regulatory requirements are conducted either during Board sessions or by circulation of papers.

Newly-appointed Directors are given briefings by Management on the business activities of the Group and its strategic directions, as well as their statutory and other duties and responsibilities as directors.

To help ensure compliance with the applicable securities and insider trading laws, including the Best Practices Guide of the SGX Listing Manual, we have adopted and implemented our *Guidelines on Dealing in Securities of TeleChoice*. We send regular compliance notices to all Directors and staff. All our Directors and employees are prohibited from dealing in our securities two weeks before the respective announcements of first three quarters results, and one month before the announcement of our full year results. Restrictions are lifted from the date of the announcement of the respective results. All our Directors and employees are also required to observe the insider trading laws at all times.

Principle 2 : Board Composition and Balance

To be effective, we believe our Board should comprise a majority of Non-Executive Directors independent of Management, with the right core competencies and diversity of experience to enable them to contribute effectively.

Our Board comprises seven Directors, six of whom are Non-Executive Directors and independent of Management. The Executive Director is Clive Lim Chai Hock, who is the President. Of the six Non-Executive Directors, four are Independent Directors. Our Board comprises a majority of Independent Directors, namely Bertie Cheng, Yap Boh Pin, Stewart Yen Se-Hua & Gracy Choo, which helps ensure a strong element of independence in all our Board deliberations.

Our Board has further determined that its size is appropriate to meet the objective of bringing a balance of expertise, skills and experience to bear on the deliberations of the various Board committees that its Directors sit on. Our Board comprises experienced and proven business and corporate leaders, and professionals with strong financial backgrounds. The composition of our Board enables Management to benefit from an outside diverse and objective perspective of issues that are brought before our Board. It also enables our Board to interact and work with Management through a robust exchange of ideas and views to help shape the strategic direction. This coupled with a clear separation of the roles of our Chairman and our President provides a healthy professional relationship between our Board and Management, with clarity of roles and robust oversight.

Profiles of each Director are found on pages 5 to 7 of this Annual Report.

Principle 3 : Chairman and Chief Executive Officer

We believe there should be a clear separation of the roles and responsibilities between our Chairman and President. Our Chairman and the President are separate persons in order to maintain an effective balance of power and responsibilities.

Our Chairman is Bertie Cheng, an Independent, Non-Executive Director. Our Chairman leads the Board and ensures that our Board members work together with Management, with the capability and moral authority to engage and contribute effectively and constructively on various matters, including strategic issues and business planning processes.

Our President and Executive Director, Clive Lim Chai Hock, is charged with full executive responsibility for the running of our businesses, making operational decisions and implementing business directions, strategies and policies. Our President is supported on major business and operational issues by the oversight of our Executive Committee.

Principle 4 : Board Membership

We believe that Board renewal must be an ongoing process, to ensure good governance, and maintain relevance to the changing needs of the company and business. Our President and Executive Director, must also subject himself to retirement and re-election by shareholders as part of the Board renewal process. Nominations and election of Board members are the prerogatives and proper rights of all our shareholders.

In carrying out its functions, our Board is supported by key Board committees, namely the Audit Committee ("AC"), the Remuneration Committee ("RC"), the Nominating Committee ("NC") and the Executive Committee. Each of our Board committees have been established with clear charters setting out their respective areas of authority, terms of reference and committee procedures. Other committees can be formed from time to look into specific areas as and when the need arises. Membership in the different committees are carefully managed to ensure that there is equitable distribution of responsibilities amongst Board members, to maximise the effectiveness of the Board and foster active participation and contribution from Board members. Diversity of experiences and appropriate skills are also considered, along with the need to ensure appropriate checks and balances between the different Board committees.

Details of frequency and participation at our Board, AC, RC, NC meetings held since our admission to the Official List of the SGX-ST on 25 June 2004 to-date are set out at Table 1. The Executive Committee meets regularly with senior Management, approximately once every month.

Table 1

Directors' Attendance at Board & Board Committee Meetings

	Во	ard	Audit Co	ommittee	Remuneration Committee		e Nominating Committee		
Director	No. of Meetings Held	No. of Meetings Attended (% Attendance)							
Bertie Cheng	3	3 (100%)			1	1 (100%)			
Clive Lim Chai Hock	3	3 (100%)							
Yap Boh Pin	3	3 (100%)	3	3 (100%)			1	1 (100%)	
Gracy Choo	3	3 (100%)	3	3 (100%)					
Stewart Yen Se-Hua	3	3 (100%)			1	1 (100%)	1	1 (100%)	
Lee Theng Kiat	3	3 (100%)			1	1 (100%)	1	1 (100%)	
Sio Tat Hiang	3	2 (67%)	3	3 (100%)					

Our NC is responsible for selecting our Directors, and implementing a framework for assessing our Board's performance. Our NC is chaired by an Independent Director, Stewart Yen Se-Hua and also comprises Yap Boh Pin (Independent Director) and Lee Theng Kiat (Non-Executive Director). The members of our NC (including the Chairman) are all Non-Executive Directors independent of Management.

Our RC is responsible for reviewing cash and long-term incentive compensation policies for our President, senior Management team and key staff. Our RC is chaired by an Independent Director, Bertie Cheng and also comprises Stewart Yen Se-Hua (Independent Director) and Lee Theng Kiat (Non-Executive Director). The members of our RC (including the Chairman) are all Non-Executive directors independent of Management.

Our Articles of Association require one-third of our Directors to retire and subject themselves to re-election by shareholders at every Annual General Meeting ("one-third rotation rule"). In other words, no Director stays in office for more than three years without being re-elected by shareholders.

In addition, a newly-appointed Director is required to submit himself for retirement and re-election at the Annual General Meeting immediately following his appointment. Thereafter, he is subject to the one-third rotation rule.

Principle 5 : Board Performance

We believe that Board performance is ultimately reflected in our business performance. Our Board should ensure compliance with applicable laws and all Board members should act in good faith, with due diligence and care, in our best interests and the best interests of our shareholders.

Our Board through the delegation of its authority to the NC, has used its best efforts to ensure that our Directors are equipped with the necessary background, experience and expertise in technology, business, finance and management skills to make valuable contributions and that each Director brings to our Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Our NC has implemented a framework for assessing Board performance, and undertakes regular reviews of our Board (and each director's) performance, with inputs from our other Board members.

Principle 6 : Access to Information

We believe that our Board should be provided with timely and complete information prior to Board meetings and as and when the need arises.

Induction programmes are provided to new Board members to fully brief them on our business and performance.

Management provides adequate and timely information to our Board, on our affairs and issues requiring our Board's attention, as well as monthly reports providing updates on our key operational activities and financial performance. The monthly flow of information and reports allows our Directors to make informed decisions and also to keep abreast of key challenges and opportunities between our Board meetings. Frequent dialogue takes place between Management and members of our Board, and our President encourages all Directors to interact directly with all members of our Management team.

Our Articles of Association provide for Directors to participate in meetings by teleconferencing or videoconferencing. Where a physical Board meeting is not possible, timely communication with members of our Board is effected through electronic means, which include electronic mail and teleconferencing. Alternatively, Management will arrange to personally meet and brief each Director before seeking our Board's approval.

Our Board has separate and independent access to the senior Management and the Company Secretary at all times. Our Board also has access to independent professional advice where appropriate.

(b) <u>Remuneration Matters</u>

Principle 7 : Procedures for Developing Remuneration Policies

Principle 8 : Level and Mix of Remuneration

Principle 9 : Disclosure on Remuneration

We believe that a framework of remuneration for our senior Management and key staff should not be taken in isolation. It should be linked to the development of senior Management and key staff to ensure that there is a continual development of talent and renewal of strong and sound leadership for our continued success. For this reason, our RC oversees the compensation package for senior Management and key staff.

All members of our RC are Non-Executive Directors, independent of Management. From time to time, we may co-opt an outside member into our RC to provide additional perspectives on talent management and remuneration practices.

Our RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, our RC takes into consideration industry practices and norms in compensation. Our President is not present during the discussions relating to his own compensation, and terms and conditions of service, and the review of his performance. However, our President will be in attendance when our RC discusses the policies and compensations of our senior Management team and key staff, as well as major compensation and incentive policies such as share options, stock purchase schemes, framework for bonus, staff salary and other incentive schemes.

Our RC is responsible for reviewing cash and long-term incentive compensation policies for our President, senior Management team and key staff.

All decisions at any RC meeting is decided by a majority of votes of RC members present and voting (the decision of the RC shall at all times exclude the vote, approval or recommendation of any member having a conflict of interest in the subject matter under consideration).

We remunerate our Non-Executive Directors with directors' fees which take into account the nature of their responsibilities and frequency of meetings. Directors' fees for Non-Executive Directors (set out at Table 2) are subject to the approval of shareholders at Annual General Meeting.

Table 2

FY04 – Directors' Fees & Benefits for Non-Executive Directors

Name	Fees* (S\$)	Other Benefits** (S\$)
Bertie Cheng	32,000	1,350
Yap Boh Pin	28,000	1,310
Gracy Choo	20,000	1,310
Stewart Yen Se-Hua	20,000	1,310
Lee Theng Kiat	-	1,670
Sio Tat Hiang	-	1,440

* these fees are subject to approval by shareholders as a lump sum at the AGM for FY04.

** excluding share options which are disclosed in the Directors' Report.

Our President as Executive Director does not receive director's fees. He leads our Executive Management team. His compensation consists of salaries, allowances and bonuses. The remuneration of our President and key executives for FY04 is set out within bands of \$\$250,000 in Table 3. There is no employee who is an immediate family member of a Director or our President whose remuneration exceeds \$\$150,000 a year.

Table 3

FY04 - President & Key Executives' Remuneration

Name	Salary, Bonus & Other Benefits*
Clive Lim Chai Hock	A
Roland Tay Kiong Hong	A
Lok Kwok Leong	A
Danny Lai Kong Sang	A
Francis Chok Se Ho	A
Francis Ng Teck Hung	A
Chia Boon Tat	A

* Remuneration Bands:- "A" refers to remuneration between S\$250,000 and S\$499,999.

(c) Accountability and Audit

Principle 10 : Accountability

We have always believed that we should conduct ourselves in ways that deliver maximum sustainable value to our shareholders. We promote best practices as a means to build an excellent business for our shareholders. Our Board has overall accountability to our shareholders for our performance and in ensuring that we are well managed. Management provides our Board members with monthly business and financial reports, comparing actual performance with budget and highlighting key business indicators and major issues that are relevant to our performance, position and prospects.

Principle 11 : Audit Committee

Our AC consists of three Non-Executive directors, the majority of whom including the Chairman are Independent Directors. The AC members are Yap Boh Pin as Chairman, Gracy Choo and Sio Tat Hiang. Our AC members bring with them invaluable professional and managerial expertise in the accounting, financial services and telecommunications sector.

Our AC's responsibilities include reviewing our annual audit plan, internal audit process, the adequacy of internal controls, Interested Party Transactions for which there is a shareholders' mandate renewable annually. Our AC has full authority to commission and review findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or violation of any law likely to have a material impact on our operating results. Our AC is also authorised to investigate any matter within its Charter with the full cooperation of Management.

Our AC reviews and approves the quarterly, half-yearly and annual financial results and the appointment and re-appointment of auditors before recommending them to the Board for approval.

Our AC meets with the external and internal auditors, without the presence of Management, at least once during the year to review the previous financial year's results.

Our AC reviews the nature and extent of non-audit services provided by the external auditors during the year to assess the external auditors' independence. Our AC is satisfied with the independence and objectivity of the external auditors and has confirmed with the external auditors that the provision of non-audit services by external auditors would not affect their independence.

Principle 12: Internal Controls

Principle 13 : Internal Audit

We believe in the benefits of having in place a system of internal controls to properly safeguard our shareholders' interests and our assets, and to better manage risks.

Our AC is delegated the full responsibility to review, with our external auditors, their evaluation of the effectiveness and adequacy of our system of internal accounting controls, and monitor the response to their findings and actions taken to correct any noted deficiencies.

During the financial year and up till 31 December 2004, our internal audit function was outsourced to the Group Internal Audit ("GIA") Department of Singapore Technologies Pte Ltd. GIA subscribes to and is guided by the Standards for the Professional Practice in Internal Auditing set by the Institute of Internal Auditors. After 31 December 2004, our internal audit function was outsourced to Ernst & Young.

Our internal auditors planned the internal audit schedules in consultation with, but independent of Management, and the plans were submitted to our AC for approval. Our AC reviewed and approved the internal audit plan and the scope and results of the internal audit procedures.

Based on the work performed by our internal auditors, and the review undertaken by external auditors, the AC is of the opinion that we have in place adequate internal controls and nothing has come to the Board's attention to cause the Board to believe that our system of internal controls and risk management is inadequate.

(d) Communication with Shareholders

Principle 14 : Communication with Shareholders

Principle 15 : Greater Shareholder Participation

We believe in having regular communication with shareholders and also prompt disclosure of information to shareholders.

Our Investor Relations team manages investor relations and has arranged a series of events during the year to brief the media and investment analysts on our performance.

For the release of the respective quarterly and year-end results, the announcement is first released via SGXNET together with our press release. Thereafter, the media and investor analysts meet with Management for briefing(s) within the ambit of our SGXNET announcement to ensure that there is fair and non-selective disclosure of information.

We support the Code's principle to encourage shareholder participation. To facilitate greater shareholder participation, we participate in online Management Q&A sessions where we invite questions from the investing public on our publicly disclosed business and financial results. A registered shareholder may appoint a proxy to attend and vote at our AGMs & EGMs.

Our Directors and Management are in attendance at our AGMs & EGMs. Hence, our shareholders have the opportunity to direct any queries regarding the resolutions proposed to be passed. Our external auditors are also invited to be present at our AGMs & EGMs to assist our Directors in answering questions from shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

Financial and other information (including news releases and SGXNET announcements) are made available on our website at <u>http://www.telechoice.com.sg</u> and this is regularly updated.

Corporate Information

BOARD OF DIRECTORS

Bertie Cheng (Chairman) Clive Lim Chai Hock (President and Executive Director) Yap Boh Pin Gracy Choo Stewart Yen Se-Hua Lee Theng Kiat Sio Tat Hiang Kwek Buck Chye (alternate to Lee Theng Kiat)

COMPANY SECRETARIES

Pek Siok Lan Hon Wei Seng

REGISTERED OFFICE

51 Cuppage Road #10-11/17 StarHub Centre Singapore 229649

SHARE REGISTRAR

M & C Services Private Limited 138 Robinson Road #17-00 The Corporate Office Singapore 068906

AUDITOR

KPMG Audit Partner: Tham Sai Choy (Partner since financial year ended 31 December 1999)

PRINCIPAL BANKERS

Citibank, N.A. 3 Temasek Avenue #17-00 Centennial Tower Singapore 039190

DIRECTORY OF SUBSIDIARIES & JOINT VENTURE COMPANIES

SINGAPORE

Corporate

TeleChoice International Limited 5 Clementi Loop #02-06 ST Logistics Centre Singapore 129816 Tel: 65 6849 4000 Fax: 65 6466 8820 Website: www.telechoice.com.sg

Distribution Services

TeleChoice International Limited TeleChoice (Indonesia) Pte Ltd 5 Clementi Loop #02-06 ST Logistics Centre Singapore 129816 Tel: 65 6849 4000 Fax: 65 6466 8820

Telecommunications Services

ST SunPage Pte Ltd SunPage Communications Pte Ltd 24 Ang Mo Kio Street 65 6th Floor, Block D Singapore 569061 Tel: 65 6483 7666 Fax: 65 6483 7555 Website: www.sunpage.com.sg

Mobile Network & Engineering Services

NexWave Technologies Pte Ltd NexWave Solutions Pte. Ltd. 5 Clementi Loop #02-05 ST Logistics Centre Singapore 129816 Tel: 65 6849 4040 Fax: 65 6849 4037 Website: www.nexwave.com.sg

OVERSEAS OFFICES

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PT Telechoice Indonesia Multi Telekom Office Pusat Niaga Roxy Mas Blok D 3 No. 10 JI KH. Hasyim Ashari Jakarta 10150, Indonesia Tel: 62 21 634 4713 Fax: 62 21 6386 3731

PT Sakalaguna Semesta Pusat Niaga Roxy Mas Blok C 2 No. 19 JI KH. Hasyim Ashari Jakarta 10150, Indonesia Tel: 62 21 6385 2366 Fax: 62 21 6385 2535

PT NexWave JI Radio Dalam Raya No. 2A, Jakarta Selatan Jakarta 12140, Indonesia Tel: 62 21 7278 6344 Fax: 62 21 726 4382

MALAYSIA

T.Choice (Malaysia) Sdn Bhd B808, Block B, Kelana Square Jln SS7/26, Kelana Jaya, 47301 Petaling Jaya Selangor, Malaysia Tel: 603 7880 9889 Fax: 603 7880 0266

THAILAND

TeleChoice (Thailand) Ltd. 1550 Thanapoom Building F. 17 New Petburi Road Makasan, Ratchatewee Bangkok 10400 Tel: 66 2 652 6868 Fax: 66 2 652 6969

CONTENTS

Directors' Report	29
Statement by Directors	40
Report of the Auditors	41
Balance Sheets	42
Profit and Loss Account	43
Statements of Changes In Equity	44
Consolidated Statement of Cash Flows	46
Notes to the Financial Statements	48
Supplementary Information – SGX-ST Listing Manual Requirements	75
Shareholding Statistics	76
Organisation Chart	78
Notice of Seventh Annual General Meeting	79
Proxy Form	83

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2004.

Directors

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

Bertie Cheng Clive Lim Chai Hock	(Appointed on 6 May 2004)
Yap Boh Pin	(Appointed on 6 May 2004)
Gracy Choo	(Appointed on 6 May 2004)
Stewart Yen Se-Hua	(Appointed on 6 May 2004)
Lee Theng Kiat	
Sio Tat Hiang	(Appointed on 6 May 2004)
Kwek Buck Chye	(Alternate director to Lee Theng Kiat, appointed on 7 May 2004)

Change of Name

During the financial year, the Company was converted into a public company and changed its name from TeleChoice International Pte Ltd to TeleChoice International Limited.

Directors' Interests

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

Name of director and related companies in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year	
Company	Options to subscribe for ordinary shares of \$0.02 each		
Exercisable between 18/05/2005 and 17/05/2009 at \$0.2079 per share - Bertie Cheng - Kwek Buck Chye	-	500,000 300,000	
		res of \$0.02 each ly paid	
Clive Lim Chai Hock - Held in the name of Leap International Pte Ltd Yap Boh Pin Gracy Choo Stewart Yen Se-Hua Sio Tat Hiang Kwek Buck Chye	*122,500,000 - - - -	1,300,000 86,625,000 150,000 150,000 150,000 150,000	

* As a result of a sub-division of its shares in May 2004 to sub-divide every 1 existing ordinary share of \$1.00 each to 50 ordinary shares of \$0.02 each.

Related Corporations Asia-Pacific Mobile Telecommunications (Singapore) Pte Ltd	Ordinary shares of \$1.00 fully paid	each
Lee Theng Kiat	1	1

- Held in trust for Sunburst Technologies Investments Pte Ltd

Directors' Report Year ended 31 December 2004

Directors' Interests (cont'd)

Directors' Interests (cont'd) Name of director and related companies in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year	
CapitaLand Limited	Ordinary shares of \$1.00 eac fully paid		
Gracy Choo	62,000	62,000	
		scribe for ordinary \$1.00 each	
Exercisable between 05/08/2001 and 03/08/2005 at \$2.51 per share - Bertie Cheng	60,000	-	
Exercisable between 05/08/2001 and 03/08/2005 at \$2.06 per share - Bertie Cheng	-	60,000	
Chartered Semiconductor Manufacturing Ltd		res of \$0.26 each y paid	
Stewart Yen Se-Hua Kwek Buck Chye	8,000 174,400	8,000 74,400	
i-STT Investments Pte. Ltd.	Ordinary shares of \$1.00 each fully paid		
Lee Theng Kiat - Held in trust for STT Communications Ltd	1	1	
Global Crossing Limited	Options to subscribe for commo stock of US\$0.01 each		
Exercisable between 12/01/2005 and 12/01/2014 at US\$10.16 per share			
- Bertie Cheng - Lee Theng Kiat	-	11,000 222,000	
- Sio Tat Hiang	-	80,000	
		k units of common S\$0.01 each	
Vesting period from 08/03/2005 to 08/03/2009			
- Lee Theng Kiat	-	5,000	
PT Bank Internasional Indonesia Tbk	Common stock of Rp.900 each fully paid		
Clive Lim Chai Hock			
 Held in the name of Pacific Wireless Held in the name of Leap International Pte Ltd Held jointly 	1,897,500 300,000 9,000	1,897,500 300,000 9,000	
PT Indosat Tbk		n shares of Rp.100 ully paid	
Clive Lim Chai Hock			
Held idinthy	*20.000		

- Held jointly

Lee Theng Kiat

Name of director and related companies in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
	Options to subscribe for Series I common shares of Rp.100 each	
Exercisable between 01/08/2004 and 31/07/2005 at Rp.1,567.44 per share - Lee Theng Kiat - Sio Tat Hiang	*135,000 *135,000	135,000
Exercisable between 01/08/2005 and 31/07/2006 at Rp.3,702.60 per share - Lee Theng Kiat - Sio Tat Hiang	- -	135,000 135,000

* As a result of a sub-division of its shares in March 2004 to sub-divide every 1 existing Series B common share of Rp.500 each to 5 Series B common shares of Rp.100 each.

Raffles Holdings Limited	Ordinary shares of \$0.50 ead fully paid
Lee Theng Kiat Sio Tat Hiang	8,000 6,000
SembCorp Industries Ltd Stewart Yen Se-Hua Kwek Buck Chye	Ordinary shares of \$0.25 ead fully paid
	30,000 7,629 7,629
SembCorp Logistics Ltd	Ordinary shares of \$0.25 ead fully paid

Singapore Technologies Engineering Ltd	Options to subscribe for ordinary shares of \$0.10 each	
Exercisable between 20/02/2002 and 19/02/2006 at \$2.72 per share - Bertie Cheng	65,000	65,000
Exercisable between 08/02/2003 and 07/02/2007 at \$2.29 per share - Bertie Cheng	54,000	54,000
Exercisable between 07/02/2004 and 06/02/2008 at \$1.79 per share - Bertie Cheng	27,000	27,000
Exercisable between 12/08/2004 and 11/08/2008 at \$1.86 per share - Bertie Cheng	27,000	27,000
Exercisable between 10/02/2005 and 09/02/2009 at \$2.09 per share - Bertie Cheng	-	27,000
Exercisable between 11/08/2005 and 10/08/2009 at \$2.12 per share - Bertie Cheng	-	27,000

20,000

Holdings at	
beginning of the	
year/date of	Holdings at end
appointment	of the year
	beginning of the year/date of

Singapore Telecommunications Limited ("SingTel")	Ordinary shares of \$0.15 each fully paid	
Bertie Cheng	3,080	*2,860
Clive Lim Chai Hock	41,080	*38,150
- Held in the name of Leap International Pte Ltd	400,000	*371,430
- Held jointly	4,000	-
Lee Theng Kiat	1,820	*1,690
Sio Tat Hiang	1,680	*1,560
Kwek Buck Chye	22,510	*15,070

* As a result of a capital reduction in September 2004 to cancel 1 out of every 14 SingTel shares rounded to the nearest 10 shares.

StarHub Ltd	Ordinary shares of \$0.40 each fully paid	
Kwek Buck Chye	-	244,167
	Options to subscribe for ordinar shares of \$0.40 each	
Exercisable between 30/11/2003 and 29/11/2012 at \$0.88 per share - Lee Theng Kiat - Kwek Buck Chye	*87,500 *582,500	87,500 388,333
Exercisable between 31/05/2004 and 30/05/2013 at \$0.88 per share - Lee Theng Kiat - Kwek Buck Chye	*18,750 *66,000	18,750 66,000
Exercisable between 29/11/2004 and 28/11/2013 at \$0.88 per share - Lee Theng Kiat - Kwek Buck Chye	*18,750 *66,000	18,750 66,000
Exercisable between 03/04/2005 and 02/04/2009 at \$0.96 per share - Lee Theng Kiat	-	18,750
Exercisable between 03/04/2005 and 02/04/2014 at \$0.96 per share - Kwek Buck Chye	-	66,000
Exercisable between 27/11/2005 and 26/11/2009 at \$0.985 per share - Lee Theng Kiat	-	18,750
Exercisable between 27/11/2005 and 26/11/2014 at \$0.985 per share - Kwek Buck Chye	-	66,000

* As a result of a share consolidation in August 2004 to consolidate every 4 existing ordinary shares of \$0.10 each into 1 ordinary share of \$0.40 each.

STT Communications Ltd	Ordinary shares of \$0.50 each fully paid		
Lee Theng Kiat Sio Tat Hiang	6,000,000 - 3,000,000 -		

Name of director and related companies in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
	Options to subscribe for ordinary shares of \$0.50 each	
Exercisable between 19/09/2001 and 18/09/2005 at \$1.42 per share		
- Bertie Cheng	150,000	150,000
Exercisable between 19/09/2001 and 18/09/2010 at \$1.42 per share		
- Clive Lim Chai Hock	350,000	350,000
Lee Theng Kiat	1,200,000	1,200,000
Sio Tat Hiang	600,000	600,000
Kwek Buck Chye	20,000	20,000
Exercisable between 24/02/2002 and 23/02/2011 at \$1.42 per share		
- Kwek Buck Chye	200,000	200,000
Exercisable between 28/04/2002 and 27/04/2006 at \$0.92 per share		
- Bertie Cheng	40,000	40,000
Exercisable between 28/04/2002 and 27/04/2011 at \$0.92 per share		
Lee Theng Kiat	400,000	400,000
Sio Tat Hiang	150,000	150,000
Kwek Buck Chye	50,000	50,000
Exercisable between 24/11/2002 and 23/11/2006 at \$0.50 per share		
- Bertie Cheng	80,000	80,000
Exercisable between 24/11/2002 and 23/11/2011 at \$0.50 per share		
Lee Theng Kiat	800,000	800,000
Sio Tat Hiang	300,000	300,000
- Kwek Buck Chye	100,000	100,000
Exercisable between 29/06/2003 and 28/06/2007 at \$0.50 per share		
- Bertie Cheng	180,000	180,000
Exercisable between 29/06/2003 and 28/06/2012 at \$0.50 per share		
Clive Lim Chai Hock	200,000	200,000
Lee Theng Kiat	1,500,000	1,500,000
Sio Tat Hiang	600,000	600,000
Kwek Buck Chye	400,000	400,000
Exercisable between 30/07/2004 and 29/07/2008 at \$0.57 per share		
- Bertie Cheng	250,000	250,000
Exercisable between 30/07/2004 and 29/07/2013 at \$0.57 per share		
Clive Lim Chai Hock	200,000	200,000
Lee Theng Kiat	2,000,000	2,000,000
Sio Tat Hiang	700,000	700,000
Exercisable between 29/07/2005 and 28/07/2009 at \$1.08 per share		
- Bertie Cheng	-	300,000
Exercisable between 29/07/2005 and 28/07/2014 at \$1.08 per share		
Lee Theng Kiat	-	3,000,000
Sio Tat Hiang		1,300,000

Name of director and related companies in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
The Ascott Group Limited	Ordinary shares of \$0.20 each fully paid	
Bertie Cheng - Held in trust by Hong Leong Finance Nominees	28,000 1,293,000	28,000 1,293,000
Vertex Technology Fund Ltd	Ordinary shares of US\$1.00 eac fully paid	
Kwek Buck Chye - in the name of HSBC Trustee (Singapore) Limited	20	20
Vertex Technology Fund (II) Ltd	Ordinary shares of US\$1.00 ea fully paid	
Lee Theng Kiat Kwek Buck Chye - in the name of Ballas Nominees (Private) Limited	100 80	100 80
	Redeemable preference shares of US\$0.01	
l ee Theng Kiat	100	100

Lee Theng Kiat 100 100 80 Kwek Buck Chye 80 - in the name of Ballas Nominees (Private) Limited

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2005.

Except as disclosed under the "Share Options" section of this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share Options

The TeleChoice Pre-IPO Share Option Scheme (the "Pre-IPO Scheme") and the TeleChoice Post-IPO Employee Share Option Scheme (the "Post-IPO Scheme") (collectively referred to as the "Schemes"), were approved and adopted by the members at an Extraordinary General Meeting of the Company held on 7 May 2004.

Pre–IPO Scheme

Information regarding the Pre-IPO Scheme is set out below:

- The Pre-IPO Scheme is administered by the Company's Remuneration Committee comprising three directors, namely Bertie Cheng, Stewart Yen Se-Hua and Lee Theng Kiat.
- (ii) On 18 May 2004, the Company granted share options to management and employees of the Company, STT Communications Ltd ("STTC"), its immediate holding company, and the subsidiaries of STTC and certain non-executive directors of the Company (collectively referred to as the "Eligible Persons") to subscribe for an aggregate of 20,000,000 shares of the Company.

(iii) Eligible Persons are entitled to exercise the share options subject to the following vesting periods:

Vesting schedule	Percentage of Shares over which an Option is exercisable (%)
On the date falling twelve months from 18 May 2004	25
On the date falling twenty-four months from 18 May 2004	25
On the date falling thirty-six months from 18 May 2004	25
On the date falling forty-eight months from 18 May 2004	25

(iv) The exercise price for each option is \$0.2079. Options granted to non-executive directors (including independent directors) have a life span of five years. Options granted to the Eligible Persons (other than the non-executive directors) have a life span of ten years.

Post – IPO Scheme

Information regarding the Post-IPO Scheme is set out below:

- (i) The Post-IPO Scheme is administered by a committee comprising Bertie Cheng, Stewart Yen Se-Hua and Lee Theng Kiat (the "Committee").
- (ii) The eligible participants of the Post-IPO Scheme are:
 - executive and non-executive directors and employees of the Company, subsidiaries and associated companies.
 - executive and non-executive directors and employees of STTC and its subsidiaries.
 - controlling shareholders of the Company and the associates of the controlling shareholders.
- (iii) The nominal amount of the aggregate number of shares over which the Committee may grant options on any date, when aggregated with the nominal amount of the number of shares issued and issuable in respect of all options granted under the Post-IPO Scheme and other share option schemes of the Company, shall not exceed 15% of the issued and paid-up share capital of the Company on the day preceding the date of the relevant grant.
- (iv) Under the Post-IPO Scheme, the exercise price for each ordinary shares in respect of which an option is exercisable is determined by the Committee in its absolute discretion on the date of grant at a maximum discount of 20% to market price determined to be the average of the last dealt prices for the shares on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five consecutive market days immediately preceding the relevant date of grant of the relevant option.
- (v) The vesting period of the options granted under the Post-IPO Scheme is between one and two years.
- (vi) The exercise price of the options granted under the Post-IPO Scheme shall not be less than the par value of the Company's ordinary shares.

At the end of the financial year, details of the option granted under the Schemes to directors on the unissued ordinary shares of \$0.02 each of the Company are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2004	-	-			Number of option holders at 31 December 2004	Exercise period
Pre-IPO Scheme								
18/05/2004	\$0.2079	-	200,000	-	-	200,000	2	18/05/2005 to 17/05/2009
18/05/2004	\$0.2079	-	200,000	-	-	200,000	2	18/05/2006 to 17/05/2009
18/05/2004	\$0.2079	-	200,000	-	-	200,000	2	18/05/2007 to 17/05/2009
18/05/2004	\$0.2079	-	200,000	-	-	200,000	2	18/05/2008 to 17/05/2009

Details of options granted to directors of the Company under the Schemes are as follows:

Name of director	Options granted for financial year ended 31 December 2004	Aggregate options granted since commencement of Schemes to 31 December 2004	Aggregate options exercised since commencement of Schemes to 31 December 2004	Aggregate options outstanding as at 31 December 2004
Pre-IPO Scheme				
Bertie Cheng	500,000	500,000	-	500,000
Kwek Buck Chye	300,000	300,000	-	300,000

Since the commencement of the Schemes, no options have been granted to STTC or the subsidiaries of STTC.

Since the commencement of the Schemes, no options have been granted to directors or employees of the Company, STTC or the subsidiaries of STTC under the Scheme, except for 40 employees of the Company, STTC and subsidiaries of STTC, who were granted options to subscribe for an aggregate of 20,000,000 ordinary shares in the Company.

At the end of the financial year, details of the options granted under the Schemes to each director or employee of the Company, STTC and subsidiaries of STTC who has received 5% or more of the total number of options available to all directors and employees under the Schemes are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2004		Options exercised			Number of option holders at 31 December 2004	Exercise period
Pre-IPO Scheme								
18/05/2004	\$0.2079	-	1,775,000	-	-	1,775,000	6	18/05/2005 to 17/05/2014
18/05/2004	\$0.2079	-	1,775,000	-	-	1,775,000	6	18/05/2006 to 17/05/2014
18/05/2004	\$0.2079	-	1,775,000	-	-	1,775,000	б	18/05/2007 to 17/05/2014
18/05/2004	\$0.2079	-	1,775,000	-	-	1,775,000	6	18/05/2008 to 17/05/2014

Details of options granted under the Schemes to each director or employee of the Company, STTC and its subsidiaries of STTC who has received 5% or more of the total number of options available to all directors and employees of the Group under the scheme are as follows:

Name of employee	Options granted for financial year ended 31 December 2004	Aggregate options granted since commencement of Pre-IPO Scheme to 31 December 2004	Aggregate options exercised since commencement of Pre-IPO Scheme to 31 December 2004	Aggregate options outstanding as at 31 December 2004
Pre-IPO Scheme				
Roland Tay Kiong Hong	1,400,000	1,400,000	-	1,400,000
Francis Chok Se Ho	1,300,000	1,300,000	-	1,300,000
Danny Lai Kong Sang	1,300,000	1,300,000	-	1,300,000
Chng Eng Hong	1,100,000	1,100,000	-	1,100,000
Francis Ng Teck Hung	1,000,000	1,000,000	-	1,000,000
Wong Loke Mei	1,000,000	1,000,000	-	1,000,000

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

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

Audit Committee

The members of the Audit Committee during the year and at the date of this report are:

- Yap Boh Pin (Chairman), independent non-executive director
- Gracy Choo, independent non-executive director
- Sio Tat Hiang, non-executive director

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

The Audit Committee has held three meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

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

Auditors

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

On behalf of the Board of Directors

BERTIE CHENG *Director*

live C.H. Lin

CLIVE LIM CHAI HOCK *Director*

Singapore 26 March 2005

Statement by Directors Year ended 31 December 2004

In our opinion:

- (a) the financial statements set out on pages 42 to 74 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2004 and of the results, changes in equity and cash flows of the Group and of the changes in equity of the Company for the year ended 31 December 2004; 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 (b) fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

BERTIE CHENG Director

Clive C.H. Lin

CLIVE LIM CHAI HOCK Director

Singapore 26 March 2005

Report of the Auditors to the Members of TeleChoice International Limited

We have audited the accompanying financial statements of TeleChoice International Limited for the year ended 31 December 2004 as set out on pages 42 to 74. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2004 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG Certified Public Accountants

Singapore 26 March 2005

		Group		Company		
	Note	2004 \$′000	2003 \$′000	2004 \$′000	2003 \$′000	
Non-current assets						
Investments in subsidiaries	4	-	-	20,460	21,240	
Investment in jointly-controlled entity	5	1,038	-		,	
Property, plant and equipment	6	1,959	1,371	264	252	
Intangible assets	7	145	89	-	-	
Deferred tax assets	8	263	549	191	-	
	_	3,405	2,009	20,915	21,492	
Current assets						
Inventories	9	24,492	23,591	12,113	14,158	
Work-in-progress	10	1,759	251	-	25	
Trade receivables	11	20,526	10,946	4,479	2,270	
Other receivables, deposits and prepayments	12	13,926	7,015	7,129	5,357	
Amounts due from:						
 related corporation of minority shareholder of subsidiary (trade) 		9,951	4,034	_	_	
 related corporations 	13	20,215	20,087	13,159	8,948	
- subsidiaries	14	20,215	20,007	7,703	2,495	
- holding companies	15	69	66	12	2,755 1	
Cash and cash equivalents	16	29,300	16,453	5,687	4,272	
	-	120,238	82,443	50,282	37,526	
	-	120,230	02,773	30,202	57,520	
Current liabilities Trade payables		57,723	41,252	20,021	23,486	
Other payables and accruals	17	14,298	9,581	4,837	2,564	
Amounts due to:	17	14,290	9,501	4,007	2,504	
- related corporations	13	611	50	143	11	
- subsidiaries	14	-	-	31	284	
- holding companies	15	538	1,905	538	947	
- minority shareholder	18	-	735	-	735	
Current tax payable		3,566	3,238	1,884	1,421	
Deferred income		1,390	1,044	-	-	
		78,126	57,805	27,454	29,448	
Net current assets		42,112	24,638	22,828	8,078	
Less:	_					
Non-current liabilities						
Deferred tax liabilities	8	(118)	-	-	-	
Minority interests	_	(317)	(553)	-	-	
Net assets	-	45,082	26,094	43,743	29,570	
Share capital	19	8,840	8,000	8,840	8,000	
Reserves	20	36,242	18,094	34,903	21,570	
Shareholders' equity		45,082	26,094	43,743	29,570	

Profit and Loss Account Year ended 31 December 2004

		Group		
	Note	2004 \$'000	2003 \$′000	
Revenue Cost of sales	22	530,102 (488,214)	320,295 (285,955)	
Gross profit Other operating income Sales and marketing expenses Administrative expenses Other operating income/(expense), net	_	41,888 1,074 (9,962) (11,173) (222)	34,340 779 (8,863) (8,238) 195	
Profit from operations Finance costs Share of profit of jointly-controlled entity	_	21,605 (133) 154	18,213 (93)	
Profit from ordinary activities before taxation Income tax expenses	23 24	21,626 (4,189)	18,120 (3,389)	
Net profit for the year after taxation Minority interest	_	17,437 (118)	14,731 (516)	
Net profit for the year	-	17,319	14,215	
Earnings per share (cents)	25			
Basic		4.11	3.59	
Diluted	_	4.09	3.59	

43

_

Group	Share capital \$'000	Share premium \$'000	Accumulated (losses)/profits \$'000	Merger reserve \$'000	Goodwill written off \$'000	Exchange translation reserve \$'000	Total \$'000
At 1 January 2003	5,000	-	(5,747)	46,911	(2,105)	73	44,132
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	152	152
In connection with the Restructuring (Note 2):							
- Return of capital by STMD and STSP	-	-	-	(27,775)	-	-	(27,775)
 Acquisition of additional 7% equity in STMD 	-	-	-	1,455	-	-	1,455
 Issue of shares to acquire subsidiaries 	3,000	-	-	(3,000)	-	-	-
Net profit for the year	-	-	14,215	-	-	-	14,215
Interim dividends declared of:							
 117.6 cents per share less tax at 22% 	-	-	(4,585)	-	-	-	(4,585)
 7.9 cents declared by STSP per STSP share (one-tier tax exempt) 	-	-	(1,500)	-	-	-	(1,500)
At 31 December 2003	8,000	-	2,383	17,591	(2,105)	225	26,094
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	(236)	(236)
lssue of 42,000,000 ordinary shares of \$0.02 each at a premium of \$0.27 per share in initial public offering	840	11,340	-	-	-	-	12,180
Share issue expenses written off	-	(1,435)	-	-	-	-	(1,435)
Net profit for the year	-	-	17,319	-	-	-	17,319
Interim dividend of 2.5 cents per share less tax at 20%	-	-	(8,840)	-	-	-	(8,840)
At 31 December 2004	8,840	9,905	10,862	17,591	(2,105)	(11)	45,082

Company	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Accumulated profits \$'000	Total \$'000
At 1 January 2003	5,000	-	-	7,565	12,565
Issue of shares in connection with the Restructuring (Note 2) to acquire subsidiaries	3,000	-	13,300	-	16,300
Net profit for the year	-	-	-	5,290	5,290
Interim dividends of 117.6 cents per share less tax at 22%	-	-	-	(4,585)	(4,585)
At 31 December 2003	8,000	-	13,300	8,270	29,570
Issue of 42,000,000 ordinary shares of \$0.02 each at a premium of \$0.27 per share in initial public offering	840	11,340	-	-	12,180
Share issue expenses written off	-	(1,435)	-	-	(1,435)
Net profit for the year	-	-	-	12,268	12,268
Interim dividend of 2.5 cents per share less tax at 20%	-			(8,840)	(8,840)
At 31 December 2004	8,840	9,905	13,300	11,698	43,743

Consolidated Statement of Cash Flows Year ended 31 December 2004

		Gro	up
	Note	2004 \$'000	2003 \$′000
Operating activities			
Profit from ordinary activities before taxation		21,626	18,120
Adjustments for:			
Depreciation of property, plant and equipment		866	1,609
Amortisation of intangible assets Loss/(Gain) on disposal of:		81	83
- property, plant and equipment		12	(50)
- intangible assets		-	5
Share of profit of jointly-controlled entity		(154)	-
Impairment losses recognised on:			
- plant and equipment		-	170
- intangible assets Accretion of deferred income		(1,044)	81 (1,023)
Loss/(Gain) on disposal of subsidiary		138	(1,023)
Accretion of negative goodwill on consolidation		(28)	-
Interest income		(191)	(271)
Interest expense		133	93
Operating profit before working capital changes	_	21,439	18,779
Changes in working capital:			
Inventories and work-in-progress		(2,436)	(8,890)
Trade receivables		(9,580)	(536)
Other receivables, deposits and prepayments		(6,911)	(3,398)
Balances with holding companies and related corporations (trade) Payables and accruals		(13,294) 22,655	(10,267) 14,869
Cash generated from operations		11,873	10,557
Income tax paid Interest received		(3,436) 193	(1,724) 293
Cash flows from operating activities	_	8,630	9,126
Investing activities			
Purchase of property, plant and equipment		(1,520)	(932)
Purchase of intangible assets Proceeds from disposal of property, plant and equipment		(147)	(118) 60
Net cash inflow from acquisition of subsidiary	27	-	252
Net cash inflow from disposal of subsidiary	27	-	34
Acquisition of jointly-controlled entity		(519)	-
Acquisition of additional equity interests in subsidiary		(340)	(657)
Loan to jointly-controlled entity	_	(458)	-
Cash flows from investing activities	_	(2,984)	(1,361)
Balance carried forward		5,646	7,765

Consolidated Statement of Cash Flows Year ended 31 December 2004

		Group		
	Note	2004 \$′000	2003 \$′000	
Balance brought forward		5,646	7,765	
Financing activities Balances with related corporations (non-trade) Proceeds from initial public offering Capital contribution from minority shareholders Return of capital by STMD and STSP Interest paid Dividends paid	_	5,568 10,745 - (134) (8,840)	28,974 - 80 (27,775) (95) (12,140)	
Cash flows from financing activities	_	7,339	(10,956)	
Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at beginning of year Effect of exchange rate changes on balances held in foreign currencies	_	12,985 16,453 (138)	(3,191) 19,492 152	
Cash and cash equivalents at end of year	16	29,300	16,453	

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 26 March 2005.

1 Domicile and Activities

TeleChoice International Limited (the "Company" or "TeleChoice") is incorporated in the Republic of Singapore and has its registered office at 51 Cuppage Road #10-11/17 StarHub Centre, Singapore 229469.

The Company was previously known as TeleChoice International Pte Ltd until its initial public offering on 25 June 2004, on which date, it changed its name and assumed its current name.

The principal activities of the Company during the financial year are those of wholesalers, retailers, suppliers, importers, exporters, distributors, agents and dealers of mobile phones, radio and telecommunication equipment and accessories and the provision of related services. The principal activities of the subsidiaries are set out in note 4 to the financial statements, respectively.

The immediate and ultimate holding companies are STT Communications Ltd and Temasek Holdings (Private) Limited, respectively. These companies are incorporated in the Republic of Singapore.

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

2 The Restructuring

On 28 November 2003, the Company completed the acquisition of the entire issued and paid-up share capital of ST Mobile Data Pte Ltd ("STMD") and ST SunPage Pte Ltd ("STSP") from its immediate holding company, STT Communications Ltd (the "Restructuring"). STSP owns the entire issued and paid-up share capital of SunPage Communications Pte Ltd ("SP"). Upon completion of the Restructuring, STMD, STSP and SP became wholly-owned subsidiaries of TeleChoice.

Immediately prior to the Restructuring, 100% of the equity of STMD and STSP were held by STT Communications Ltd ("STTC"). STTC was the immediate holding company of TeleChoice immediately before and immediately after the Restructuring. Accordingly, in the preparation of the TeleChoice's consolidated financial statements, the Restructuring has been accounted for as a reconstruction of businesses under common control using the historical cost method similar to the "pooling of interests" method.

Consideration for the acquisition of STMD and STSP was discharged by the issue of 3,000,000 of TeleChoice's ordinary shares of \$1 each at par.

Under the historical cost method, the assets and liabilities of STMD and STSP acquired by TeleChoice were recorded at their historical cost to STTC. The consolidated financial statements included the results of operations, and the assets and liabilities, of STMD and STSP as part of the Group for the whole of the year in which the Restructuring took place and preceding periods. The historical cost of investment in STMD and SP of \$46,911,000 was recorded as Merger Reserve as a component of shareholders' equity.

Shortly before their acquisition by TeleChoice, STMD and STSP had returned \$27,775,000 to their shareholder, STTC, in capital reductions sanctioned by the High Court of Singapore, which correspondingly resulted in a reduction of the Merger Reserve by the same amount. In addition, STTC had acquired a further 7% equity interest in STMD from other parties resulting in STMD becoming a wholly-owned subsidiary of STTC, at a consideration amounting to \$1,455,000 which correspondingly resulted in a reduction of Merger Reserve by \$1,455,000. TeleChoice accounted for this 7% acquisition under the purchase method. In the year ended 31 December 2003, the contribution to consolidated profit arising from this 7% stake acquired was not material.

Upon the issuance of TeleChoice's shares in the Restructuring, an amount equivalent to the par value of the shares issued of \$3,000,000 was capitalised. The excess of the par value of TeleChoice's shares issued over the par value of the shares of the subsidiaries held previously by STTC remains in the Merger Reserve.

As the Restructuring qualified for merger relief under the Companies Act, the excess of the fair value of TeleChoice's shares over their par value was not required to be set aside as share premium, and was recorded as Capital Reserve.

3 Summary of Significant Accounting Policies

3.1 Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards including related Interpretations promulgated by the Council on Corporate Disclosure and Governance.

The financial statements, which are expressed in Singapore dollars, are prepared on the historical cost basis.

3.2 Consolidation

Subsidiaries

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

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year. The results of subsidiaries acquired or disposed of during the year and accounted for under the purchase method are included from the effective date of acquisition or up to the effective date of disposal.

Assets and liabilities of foreign subsidiaries are translated into Singapore dollars at rates of exchange closely approximate to those ruling at the balance sheet date. Income, expenses and cash flows are translated at average rates prevailing during the period. Translation differences are recorded as a separate component of shareholders' equity.

Acquisitions of subsidiaries

Acquisitions of subsidiaries from the holding company are accounted for as reconstructions of businesses under common control using the historical cost method similar to the "pooling of interest" method.

Under the historical cost method, the acquired assets and liabilities are recorded at their existing carrying amounts. The consolidated financial statements include the results of operations, and the assets and liabilities, of the combined entities as part of the Group for the whole of the current and preceding periods.

To the extent that the par value of shares issued in consideration for these transactions exceeds the par value of the shares held by the related corporations or holding companies, the difference is recognised as Merger Reserve in the Group's financial statements.

All other acquisitions with unrelated parties are accounted for under the purchase method.

Acquisitions of jointly-controlled entities

Jointly-controlled entities are those enterprises over whose activities the Group has joint control, established by contractual agreement.

The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group has significant influence over another company.

Investments in jointly-controlled entities are stated in the Company's balance sheet at cost less impairment losses. In the Group's financial statements, they are accounted for using the equity method of accounting. The Group's investment in jointly-controlled entities includes negative goodwill (net of accumulated accretion) on acquisition.

When the Group's share of losses exceeds the carrying amount of the jointly-controlled entity, the carrying amount is fully written down and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the jointly-controlled entity.

Eliminations on consolidation

All significant intra-group transactions, balances and unrealised gains are eliminated on consolidation.

Goodwill

Where the acquisition of subsidiaries and jointly-controlled entities is accounted for under the purchase method, the results of subsidiaries acquired during the year are included from the effective date of acquisition. Any excess or deficiency of the purchase consideration over the fair values, assigned by the directors, of the underlying net assets of subsidiaries and jointly controlled entities acquired is accounted for as goodwill or negative goodwill, respectively.

Notes to the Financial Statements Year ended 31 December 2004

3 Summary of Significant Accounting Policies (cont'd)

3.2 Consolidation (cont'd)

Goodwill (cont'd)

Such goodwill is recorded as an asset and amortised over its useful life, which does not exceed 20 years. Goodwill on acquisitions of subsidiaries and jointly controlled entities that occurred prior to 1 January 2001 was written off against reserves and has not been retroactively capitalised and amortised. Upon disposal of a subsidiary or jointly-controlled entity, such goodwill previously written off is taken into account in computing the gain or loss on disposal.

Negative Goodwill

Negative goodwill arising on acquisitions represents the excess of the fair value of the identifiable net assets acquired over the cost of acquisition. Negative goodwill is presented as a deduction from assets in the same balance sheet classification as goodwill.

To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss account over the weighted average useful life of those assets that are depreciable or amortisable. Negative goodwill in excess of the fair values of the non-monetary assets is recognised immediately in the profit and loss account.

3.3 Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Gains and losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss account on the date of retirement or disposal.

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

Leasehold improvements	-	2 to 5 years
Base station renovations	-	5 years
Plant and equipment	-	1 to 5 years
Office furniture, fittings and equipment	-	2 to 5 years
Computers	-	2 to 3 years
Motor vehicle	-	5 years

3.4 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the profit and loss account on their estimated useful lives on a straight line basis commencing from the date the asset is available for use.

The estimated useful lives are as follows:

Software	-	2 to 5 years
Paging licence costs	-	10 years

3.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis. Project work-inprogress is accounted for under the percentage of completion method.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

3 Summary of Significant Accounting Policies (cont'd)

3.5 Inventories (cont'd)

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

3.6 Trade and Other Receivables

Trade and other receivables are stated at cost less allowance for doubtful receivables.

3.7 Cash and Cash Equivalents

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

3.8 Impairment

The carrying amounts of assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised in the profit and loss account whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

3.9 Trade and Other Payables

Trade and other payables are stated at cost.

3.10 Deferred Taxation

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

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

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

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

3.11 Employee Benefits

The equivalent cost of employees' entitlements to unconsumed annual leave as at the end of each financial year is accrued and charged to the profit and loss account in the period in which the related employment services are rendered.

Contributions to defined contribution plans are recognised as an expense in the profit and loss account when incurred.

No compensation cost or obligation is recognised when share options are issued under employee incentive programmes. When the options are exercised, equity is increased by the amount of the proceeds received.

3 Summary of Significant Accounting Policies (cont'd)

3.12 Revenue Recognition

Revenue is recognised when goods are delivered and services rendered.

Income on project work-in-progress is recognised using the percentage of completion method. When losses are expected, full provision is made after adequate allowance has been made for estimated costs to completion.

Recognition of revenue is deferred for prepaid calling cards which have been sold but for which services have not been rendered as at the balance sheet date.

3.13 Foreign Currencies

Foreign currency transactions

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

Foreign operations

The assets and liabilities of foreign operations are translated into Singapore dollars at the rates of exchange ruling at the balance sheet date. The results of foreign operations are translated at the average exchange rates for the year. Goodwill and fair value adjustments arising on the acquisition of foreign entities are stated at exchange rates ruling on transaction dates. Exchange differences arising from translation are recognised directly in equity. On disposal, the accumulated translation differences are recognised in the consolidated profit and loss account as part of the gain or loss on sale.

3.14 Provision for Warranty Costs

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

The provision for warranties is based on estimates made from historical warranty data associated with similar products and services. Claims, when incurred, are charged against this provision.

3.15 Operating Leases

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

3.16 Related Parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

4 Investments in Subsidiaries

	Con	Company		
	2004 \$\$'000	2003 S\$′000		
Unquoted equity investments, at cost Impairment losses	20,727 (267)	22,009 (769)		
	20,460	21,240		

4 Investments in Subsidiaries (cont'd)

Details of the subsidiaries are as follows:

	Name of subsidiary	Principal activities	Country of incorporation and place of business	Effective ec by the (2004	
				%	%
(3)	TeleChoice Philippines, Inc.	Dormant	Philippines	80	80
(5)	TeleChoice International (Tianjin) Co., Ltd	Dormant	People's Republic of China	-	100
(4)	T. Choice Pty Ltd	Sale of telecommunication equipment	Australia	100	100
(5)	TeleChoice Systems Limited	Dormant	Hong Kong	-	100
(1)	TeleChoice (Indonesia) Pte Ltd	Sale of telecommunication equipment	Singapore	90	90
(2)	T.Choice (Malaysia) Sdn Bhd	Sale of telecommunication equipment	Malaysia	100	100
(1)	NexWave Technologies Pte Ltd	Provision of mobile network infrastructure engineering services	Singapore	100	78
(1)	ST SunPage Pte Ltd	Provision of radio paging services	Singapore	100	100
(1)	NexWave Solutions Pte. Ltd. (formerly known as ST Mobile Data Pte Ltd)	Provision of public mobile data and location tracking services	Singapore	100	100
(3)	TeleChoice Mobile Pte. Ltd.	Dormant	Singapore	100	-
(2)	TeleChoice (Thailand) Ltd	Sale of telecommunication equipment and provision of telecommunication services	Thailand	100	-
	Held by TeleChoice (Indonesia) Pte Ltd:	telecommunication services			
(3)	PT TeleChoice Indonesia	Sale of telecommunication equipment and provision of telecommunication services	Indonesia	90	90
	Held by ST SunPage Pte Ltd:				
(1)	SunPage Communications Pte Ltd	Provision of telecommunication related services	Singapore	100	100
	Held by NexWave Technologies Pte Ltd:				
(6)	PT NexWave	Provision of mobile network infrastructure engineering services	Indonesia	100	-
(1)	Audited by KPMG Singapore.	nternational			

⁽²⁾ Audited by other member firms of KPMG International.

⁽³⁾ Not required in the current year to be audited by law of country of incorporation.

⁽⁴⁾ Audited by PKF Chartered Accountants Melbourne.

⁽⁵⁾ De-registered during the year.

⁽⁶⁾ Audited by BDO Tanubrata.

5 Investment in Jointly-Controlled Entity

	Gro	Group		pany
	2004 S\$'000	2003 S\$'000	2004 S\$′000	2003 S\$′000
Investment in jointly-controlled entity Loan to jointly-controlled entity	580 458	-	-	-
	1,038	-	-	-

On 20 April 2004, the Group acquired an effective equity interest of 46% in PT Sakalaguna Semesta by subscribing to 225,000 shares of Rp10,000 each at par for cash consideration of Rp2,250,000,000 (equivalent to \$\$519,000).

Details of significant jointly-controlled entity are as follows:

	Name of jointly-controlled entity	Principal activities	Place of incorporation and business		quity held by Group 2003
				%	%
	Held by TeleChoice (Indonesia) Pte Lt	d:			
(1)	PT Sakalaguna Semesta	Sale of pre-paid telecommunication card	Indonesia	46	-

⁽¹⁾ Audited by BDO Tanubrata.

Net assets

The investment in the jointly-controlled entity includes the following amount of negative goodwill:

	Group 2004 S\$′000
Acquisition during the year Accretion during the year	112 (25)
At 31 December	87

The Group's share of the jointly-controlled entity's results, assets and liabilities is as follows:

	Group 2004 S\$'000
Results	
Revenue Expenses	12,180 (12,042)
Profit before taxation Taxation	138 (44)
Profit after taxation	94
Assets and liabilities	
Non-current assets Current assets Current liabilities Non-current liabilities	53 1,100 (139) (412)

602

5 Investment in Jointly-Controlled Entity (cont'd)

The loan to the jointly-controlled entity is unsecured and interest-free, and is not expected to be repaid within the next 12 months. The accretion of negative goodwill arising on acquisition of jointly-controlled entity is included in other operating expense.

6 Property, Plant and Equipment

Group	Leasehold improvements \$'000	Base station renovations \$'000	Plant and equipment \$'000	Office furniture, fittings and equipment \$'000	Computers \$'000	Motor vehicle \$'000	Total \$'000
Cost							
At 1 January 2004 Translation difference on	1,084	285	17,132	1,048	1,637	130	21,316
consolidation	(3)	-	-	(1)	1	-	(3)
Additions	53	-	555	332	530	-	1,470
Disposals	(37)	(2)	(312)	(22)	(29)	-	(402)
At 31 December 2004	1,097	283	17,375	1,357	2,139	130	22,381
Accumulated depreciation and impairment losses							
At 1 January 2004 Translation difference on	889	278	16,520	789	1,339	130	19,945
consolidation	(1)	-	-	2	-	-	1
Charge for the year Disposals	171 (26)	3 (2)	311 (312)	116 (22)	265 (28)	-	866 (390)
At 31 December 2004	1,033	279	16,519	885	1,576	130	20,422
Carrying amount							
At 31 December 2004	64	4	856	472	563	-	1,959
At 31 December 2003	195	7	612	259	298	-	1,371

In 2003, the Group approved a plan for the termination of its paging operations in 2004, recognising a long-term decline in the demand for paging services. Group management identified the paging business as the cash generating unit ("CGU") and the recoverable amount of the paging assets was measured by its value in use, estimated to be zero. As a result, an impairment charge of \$149,000 on property, plant and equipment and \$81,000 on intangible assets was recognised in the profit and loss account as operating expenses.

The Group has not terminated its paging operations in 2004 as the Group is still evaluating the various options to exit the paging business to minimise the impact on the Group's operations. The Group determined that no additional impairment charge or reversal of charge was required. The Group plans to complete the termination of paging operations by the end of 2005.

6 Property, Plant and Equipment (cont'd)

Company	Leasehold improvements \$'000	Office furniture, fittings and equipment \$'000	Computer \$'000	Total \$'000
Cost				
At 1 January 2004 Additions Disposals	200 9 -	324 26 (52)	605 183 (44)	1,129 218 (96)
At 31 December 2004	209	298	744	1,251
Accumulated depreciation and impairment losses				
At 1 January 2004 Charge for the year Disposals	134 71	221 46 (39)	522 71 (39)	877 188 (78)
At 31 December 2004	205	228	554	987
Carrying amount				
At 31 December 2004	4	70	190	264
At 31 December 2003	66	103	83	252

7 Intangible Assets

Group	Computer software \$'000	Paging licence costs \$'000	Negative goodwill on consolidation \$'000	Total \$′000
Cost At 1 January 2004 Additions Acquisition through business combinations Disposals	1,183 147 - (5)	250 - - -	(13)	1,433 147 (13) (5)
At 31 December 2004	1,325	250	(13)	1,562
Accumulated depreciation and impairment losses				
At 1 January 2004 Charge/(Accretion) for the year Disposals	1,094 81 (5)	250	(3)	1,344 78 (5)
At 31 December 2004	1,170	250	(3)	1,417
Carrying amount				
At 31 December 2004	155	-	(10)	145
At 31 December 2003	89	-	_	89

Details of an impairment charge of \$81,000 on intangible assets in 2003 are set out in Note 6.

The accretion of negative goodwill on consolidation is included in other operating expense. The remaining accretion period of the above negative goodwill as at 31 December 2004 is two years.

8 Deferred Tax

Recognised deferred tax assets and liabilities are attributable to the following:

	Ass	ets	Liab	ilities	N	et
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$′000	2004 \$'000	2003 \$'000
Group						
Property, plant and equipment	-	9	(251)	(79)	(251)	(70)
Inventories	63	13	-	-	63	13
Provision for warranties	175	-	-	-	175	-
Unutilised tax losses	-	580	-	-	-	580
Other items	158	31	-	(5)	158	26
Net tax assets	396	633	(251)	(84)	145	549
Company						
Property, plant and equipment	-	-	(45)	-	(45)	-
Inventories	62	-	-	-	62	-
Provision for warranties	132	-	-	-	132	-
Other items	42	-	-	-	42	-
Net tax assets	236	-	(45)	-	191	-

Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts determined after appropriate offsetting are included in the balance sheet as follows:

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$′000	2003 \$′000
Deferred tax assets Deferred tax liabilities	263 118	549	191	-

The following potential deferred tax assets have not been recognised:

	G	iroup
	2004 \$'000	2003 \$′000
Deductible temporary differences Unutilised tax losses Unutilised investment allowances	240 474 1,759	609 - 3,156
Unrecognised deferred tax assets	566	828

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

9 Inventories

	Group		Com	pany
	2004	2003	2004	2003
	\$'000	\$′000	\$′000	\$′000
Raw materials	225	99	-	-
Inventories held for resale	25,096	23,990	12,425	14,441
Allowance for inventory obsolescence	(829)	(498)	(312)	(283)
	24,492	23,591	12,113	14,158

Inventories include items stated at net realisable values of \$13,677,000 (2003: \$4,467,000) and \$12,113,000 (2003: \$3,880,000) for the Group and Company, respectively.

10 Work-In-Progress

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$′000
Cost and attributable profits Progress billings	1,759	285 (34)	-	59 (34)
	1,759	251		25

11 Trade Receivables

	Group		Company	
	2004	2003	2004	2003
	\$'000	\$′000	\$'000	\$′000
Trade receivables	20,840	11,494	4,563	2,485
Allowance for doubtful receivables	(314)	(548)	(84)	(215)
	20,526	10,946	4,479	2,270

12 Other Receivables, Deposits and Prepayments

	Group		Company	
	2004 \$′000	2003 \$′000	2004 \$′000	2003 \$′000
Prepayments	593	419	61	143
Deposits	311	162	2	12
Discounts and rebates receivable	2,707	817	1,934	817
Unbilled receivables	9,915	4,369	5,010	4,369
Other receivables	444	1,292	166	60
Allowance for doubtful receivables	13,970 (44)	7,059 (44)	7,173 (44)	5,401 (44)
	13,926	7,015	7,129	5,357

13 Amounts Due from and to Related Corporations

	Group		Company	
	2004	2003	2004	2003
	\$'000	\$′000	\$′000	\$′000
Amounts due from related corporations				
- trade	18,204	10,453	11,153	8,948
- non-trade	5	34	-	-
- short-term loans	2,006	9,600	2,006	-
	20,215	20,087	13,159	8,948
Amounts due to related corporations:				
- trade	468	39	-	-
- non-trade	143	11	143	11
	611	50	143	11

The non-trade amounts due from and to related corporations are unsecured and interest free, and repayable on demand.

The short-term loans due from a related corporation are unsecured and repayable on demand. The loans bear interest at 1.35% per annum (2003: interest rates ranging from 0.5% to 1.38% per annum).

Trade amounts due from related corporations for the Group include retention sums relating to construction work-in-progress of \$1,301,000 (2003: \$183,000).

14 Amounts Due from and to Subsidiaries

	Com	pany
	2004	2003
	\$'000	\$′000
Amounts due from subsidiaries:		
- trade	-	1,189
- non-trade	322	293
- short-term loans	7,381	1,013
	7,703	2,495
Amounts due to subsidiaries:		
- trade	1	15
- non-trade		269
	31	284

The non-trade amounts due from and to subsidiaries, and short term loans due from subsidiaries, are unsecured and interest free, and repayable on demand.

15 Amounts Due from and to Holding Companies

Group		Company	
2004 \$'000	2003 \$'000	2004 \$′000	2003 \$′000
53	-	-	-
4	-	-	-
3	1	3	1
9	65	9	-
69	66	12	1
538	125	538	125
-	1,015	-	57
	765	-	765
538	1,905	538	947
	2004 \$'000 53 4 3 9 69 538 - -	2004 2003 \$'000 \$'000 53 - 4 - 3 1 9 65 69 66 538 125 - 1,015 - 765	2004 \$'000 2003 \$'000 2004 \$'000 53 - - 4 - - 3 1 3 9 65 9 69 66 12 538 125 538 - 1,015 - - 765 -

The non-trade amounts due from and to the immediate, intermediate and ultimate holding companies, and short term loan due to the immediate holding company, are unsecured and interest free, and repayable on demand.

16 Cash and Cash Equivalents

	Gre	Group		pany
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$′000
Cash at bank and in hand Short-term deposits	16,300 13,000	16,453 -	5,687	4,272
	29,300	16,453	5,687	4,272

17 **Other Payables and Accruals**

	Group		Company	
	2004 \$′000	2003 \$′000	2004 \$'000	2003 \$′000
Provision for warranty costs:				
At 1 January	227	350	200	350
Provision made	817	227	662	200
Provision utilised	(200)	(350)	(200)	(350)
At 31 December	844	227	662	200
Accruals for purchases of plant and equipment	33	95	-	-
Prepayments and deposits from customers	830	658	-	130
Accruals for payroll and staff related costs	3,255	1,075	1,365	846
Accrued expenses	6,944	5,902	2,512	890
Other payables	2,392	1,624	298	498
	14,298	9,581	4,837	2,564

The provision made for warranty costs relates mainly to mobile phones, paging devices and radio and telecommunication equipment sold during the year. The provision is based on estimates made from historical warranty data. The Group expects to incur the liability over the next 12 months.

18 Amounts Due to Minority Shareholder

The short term loan due to the minority shareholder as at 31 December 2003 was unsecured and interest free, and repayable on demand.

19 Share Capital

	Company			
	200	4	2003	
	No of shares ('000)	\$′000	No of shares ('000)	\$′000
Authorised: Ordinary shares of \$1 each At 1 January Increase in authorised share capital	8,000 42,000	8,000 42,000	5,000 3,000	5,000 3,000
Sub-division of ordinary shares of par value \$1 each into 50 ordinary shares of par value \$0.02 each	2,450,000	_	-	-
At 31 December	2,500,000	50,000	8,000	8,000
Issued and fully paid: Ordinary shares of \$1 each				
At 1 January Issue of ordinary shares of par value \$1 each	8,000	8,000	5,000	5,000
in connection with the Restructuring Sub-division of ordinary shares of par value \$1 each	-	-	3,000	3,000
into 50 ordinary shares of par value \$0.02 each Issue of ordinary shares of par value of \$0.02 each	392,000	-	-	-
in connection with the initial public offering	42,000	840	-	-
At 31 December	442,000	8,840	8,000	8,000

During the financial year ended 31 December 2003, the Company issued 3,000,000 ordinary shares of \$1 each in a share swap arrangement to acquire all of the equity interests of STMD and STSP pursuant to the Restructuring (Note 2).

During the financial year ended 31 December 2004, the Company increased its authorised share capital from \$8,000,000 divided into 8,000,000 ordinary shares of \$1 each to \$50,000,000 divided into 50,000,000 ordinary shares of \$1 each. Thereafter, the Company subdivided every ordinary share of \$1 each in the authorised, issued and paid up share capital of the Company into 50 ordinary shares of \$0.02.

On 25 June 2004, the Company issued 42,000,000 ordinary shares of \$0.02 each at a premium of \$0.27 per share in the Company's initial public offering.

20 Reserves

	Group		Company	
	2004 \$′000	2003 \$'000	2004 \$′000	2003 \$′000
Share premium	9,905	-	9,905	-
Accumulated profits	10,862	2,383	11,698	8,270
Capital reserve	-	-	13,300	13,300
Merger reserve	17,591	17,591	-	-
Goodwill written-off	(2,105)	(2,105)	-	-
Exchange translation reserve	(11)	225	-	-
	36,242	18,094	34,903	21,570

20 Reserves (cont'd)

The merger reserve comprises:

	Group	
	2004 \$'000	2003 \$′000
Aggregate of share capital of subsidiaries acquired in the Restructuring Aggregate of losses of subsidiaries prior to acquisition by STTC Acquisition of additional 7% equity interest in STMD by STTC Goodwill on acquisition of subsidiaries by STTC	23,403 (6,372) 1,455 2,105	23,403 (6,372) 1,455 2,105
Cost of investment paid by STTC Par value of shares issued in the Restructuring for acquisition of subsidiaries	20,591 (3,000)	20,591 (3,000)
	17,591	17,591

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

In accordance with the merger relief provisions of Sections 69 (B) of the Companies Act, the capital reserve comprises reserve arising from the excess of the fair value of the Company's share issued as consideration for the acquisition of subsidiaries in the Restructuring over their par value.

The goodwill written off represents the excess of consideration paid on the acquisition of subsidiaries prior to 1 January 2001 over the share of the fair value of net assets acquired.

The exchange translation reserve of the Group comprises foreign exchange differences arising from the translation of the financial statements of foreign entities whose measurement currency is different from that of the Company.

21 Equity Compensation Benefits

The TeleChoice Pre-IPO Share Option Scheme (the "Pre-IPO Scheme") and the TeleChoice Post-IPO Employee Share Option Scheme (the "Post-IPO Scheme") (collectively referred to as the "Schemes"), were approved and adopted by the members at an Extraordinary General Meeting of the Company held on 7 May 2004.

Pre–IPO Scheme

Information regarding the Pre-IPO Scheme is set out below:

- (i) The Pre-IPO Scheme is administered by the Company's Remuneration Committee comprising three directors, namely Bertie Cheng, Stewart Yen Se-Hua and Lee Theng Kiat.
- (ii) On 18 May 2004, the Company granted share options to management and employees of the Company, STT Communications Ltd ("STTC"), its immediate holding company, and the subsidiaries of STTC and certain non-executive directors of the Company (collectively referred to as the "Eligible Persons") to subscribe for an aggregate of 20,000,000 shares of the Company.
- (iii) Eligible Persons are entitled to exercise the share options subject to the following vesting periods:

Vesting schedule	Percentage of Shares over which an Option is exercisable (%)
On the date falling twelve months from 18 May 2004	25
On the date falling twenty-four months from 18 May 2004	25
On the date falling thirty-six months from 18 May 2004	25
On the date falling forty-eight months from 18 May 2004	25

(iv) The exercise price for each option is \$0.2079. Options granted to non-executive directors (including independent directors) have a life span of five years. Options granted to the Eligible Persons (other than the non-executive directors) have a life span of ten years.

21 Equity Compensation Benefits (cont'd)

Post–IPO Scheme

Information regarding the Post-IPO Scheme is set out below:

- (i) The Post-IPO Scheme is administered by a committee comprising Bertie Cheng, Stewart Yen Se-Hua and Lee Theng Kiat (the "Committee").
- (ii) The eligible participants of the Post-IPO Scheme are:
 - executive and non-executive directors and employees of the Company, subsidiaries and associated companies.
 - executive and non-executive directors and employees of STTC and its subsidiaries.
 - controlling shareholders of the Company and the associates of the controlling shareholders.
- (iii) The nominal amount of the aggregate number of shares over which the Committee may grant options on any date, when aggregated with the nominal amount of the number of shares issued and issuable in respect of all options granted under the Post-IPO Scheme and other share option schemes of the Company, shall not exceed 15% of the issued and paid-up share capital of the Company on the day preceding the date of the relevant grant.
- (iv) Under the Post-IPO Scheme, the exercise price for each ordinary shares in respect of which an option is exercisable is determined by the Committee in its absolute discretion on the date of grant at a maximum discount of 20% to market price determined to be the average of the last dealt prices for the shares on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five consecutive market days immediately preceding the relevant date of grant of the relevant option.
- (v) The vesting period of the options granted under the Post-IPO Scheme is between one and two years.
- (vi) The exercise price of the options granted under the Post-IPO Scheme shall not be less than the par value of the Company's ordinary shares.

21 Equity Compensation Benefits (cont'd)

Details of the options granted under the Schemes on the unissued ordinary shares of \$0.02 each of the Company as at the end of the financial year are as follows:

Date of grant of options	Exercise price	Options outstanding at 1 January 2004	Cumulative options granted	Cumulative options exercised	Cumulative options cancelled/lapsed	
18/05/2004	0.2079	-	200,000	-	-	
18/05/2004	0.2079	-	200,000	-	-	
18/05/2004	0.2079	-	200,000	-	-	
18/05/2004	0.2079	-	200,000	-	-	
18/05/2004	0.2079	-	4,800,000	-	(50,000)	
18/05/2004	0.2079	-	4,800,000	-	(50,000)	
18/05/2004	0.2079	-	4,800,000	-	(50,000)	
18/05/2004	0.2079	-	4,800,000	-	(50,000)	
			20,000,000	_	(200,000)	

			during	the year	
Options outstanding at December 2004	Options exercisable at 1 January 2004	Options exercisable at 31 December 2004	Credited to share capital \$'000	Credited to share premium \$'000	Exercise period
200,000	-	-	-	-	18/05/2005 to 17/05/2009
200,000	-	-	-	-	18/05/2006 to 17/05/2009
200,000	-	-	-	-	18/05/2007 to 17/05/2009
200,000	-	-	-	-	18/05/2008 to 17/05/2009
4,750,000	-	-	-	-	18/05/2005 to 17/05/2014
4,750,000	-	-	-	-	18/05/2006 to 17/05/2014
4,750,000	-	-	-	-	18/05/2007 to 17/05/2014
4,750,000	-	-	-	-	18/05/2008 to 17/05/2014
19,800,000	-	-	-	-	

Proceeds on exercise of options during the year

Notes to the Financial Statements Year ended 31 December 2004

22 Revenue

Revenue represents the invoiced value of goods sold and services rendered, less discounts, and the value of work done on cabling and installation projects that are undertaken.

	Gre	oup
	2004 \$'000	2003 \$'000
Equipment sales	465,207	275,871
Voice services	30,974	29,057
Cabling and installation project revenue	23,194	3,154
Mobile data and location tracking services	6,592	8,990
Logistic services	4,135	3,223
	530,102	320,295

23 Profit From Ordinary Activities Before Taxation

The following items have been included in arriving at profit from ordinary activities before taxation:

		Gro	oup
	Note	2004 \$′000	2003 \$′000
Staff costs		15,230	11,530
Contributions to defined contribution plans included in staff costs		1,100	840
Directors' remuneration included in staff costs		680	427
Depreciation of property, plant and equipment	6	866	1,609
Impairment losses recognised on			
 property, plant and equipment 	6	-	170
- intangible assets	7	-	81
Non-audit fees paid to:			
- auditors of the Company			
- current year		282	19
- other auditors		5	8
Amortisation of intangible assets		81	83
Accretion of negative goodwill on consolidation		(28)	-
Provision for warranty costs	17	817	227
Rental expenses		1,189	1,036
Loss/(Gain) on disposal of property, plant and equipment		12	(50)
Loss on disposal of intangible assets		-	5
Loss/(Gain) on disposal of subsidiaries		138	(38)
Exchange (gain)/loss	_	(145)	16
Number of employees		305	195

23 Profit From Ordinary Activities Before Taxation (cont'd)

	Gro	oup
	2004 \$′000	2003 \$′000
Other operating income comprises:		
Service income Interest income	759	144
- banks	168	34
- related corporations	23	237
Gain on disposal of subsidiary	-	38
Others	124	326
	1,074	779
Finance cost - interest expense (related corporation)	133	93

24 Income Taxes

	Gro	
	2004 \$'000	2003 \$'000
Current tax expense		
Current year	3,827	3,183
Overprovision of tax expense in prior years	-	(328)
	3,827	2,855
Deferred tax expense		
Movements in temporary differences	(130)	(161
Benefit of tax losses utilised	529	680
Reduction in tax rate	48	-
(Over)/Underprovision of deferred tax expense in prior years	(134)	15
	313	534
Share of taxation in jointly-controlled entity	49	-
Tax expense	4,189	3,389
Reconciliation of effective tax rate		
Profit before tax	21,626	18,120
Income tax using Singapore tax rates at 20% (2003: 22%)	4,325	3,986
Tax savings as a result of utilising tax losses not previously recognised	(286)	(461
Non-taxable income	-	(40
Expenses not deductible for tax purposes Reduction in tax rate	160 48	116
Tax rebates	48 (34)	(24
Tax losses and other deductible temporary differences not recognised	202	130
Effect of different tax rates in other countries	(92)	(5
(Over)/Under provision in prior years - current tax	-	(328
- deferred tax	(134)	(328
	4,189	3,389

The Singapore corporate tax rate was reduced from 22% to 20% with effect from the financial year ended 31 December 2004.

25 Earnings Per Share

	Gr	oup
	2004 \$'000	2003 \$′000
Basic earnings per share is based on:		
Net profit for the year	17,319	14,215
	Number	of shares
	2004 \$'000	2003 \$′000
Weighted average number of shares	421,803	396,147

Basic earnings per share is calculated by dividing the Group's profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year. The effect of the sub-division of shares has been applied retrospectively.

In calculating diluted profit per share, the weighted average number of ordinary shares is adjusted for the effect of all dilutive potential ordinary shares.

	Group	
	2004 2003 Number of shares	
	('000)	('000)
Weighted average number of shares issued, used in calculation of basic earnings per share Dilutive effect of share options	421,803 1,396	396,147
Weighted average number of ordinary shares (diluted)	423,199	396,147

For diluted earnings per share, the weighted average number of ordinary shares in issue has been adjusted to assume conversion of all dilutive potential ordinary shares from the share options granted to employees.

In determining the diluted earnings per share, a calculation is performed to determine the number of shares that could have been acquired at their market value based on the exercise price of the outstanding share options. This calculation serves to determine the "unpurchased" shares deemed to be issued for no consideration to be added to the ordinary shares outstanding for the purpose of computing the dilution. For this purpose, the market value of the Company's shares was estimated to average \$0.2343 per share.

26 Significant Related Party Transactions

In the normal course of business, the Group purchases and sells products and services to related companies. The related party transactions are carried out on terms negotiated between the parties which are intended to reflect competitive terms.

Management fees are based on terms mutually agreed between the parties.

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

	Group	
	2004 \$′000	2003 \$′000
Ultimate Holding Company		
Revenue from sale of products and provision of services	86	79
Intermediate Holding Company		
Revenue from sale of products and provision of services	-	25
Immediate Holding Company		
Revenue from sale of products and provision of services Management fees	73 378	44 1,078
Related Corporations		
Revenue from sale of products and provision of services Purchase of products and services Rental expenses Interest income Warehousing expenses Telecommunication services received	129,497 1,543 1,048 25 165 6,434	95,009 917 857 235 164 4,401
Minority Shareholder		
Revenue from sale of products and provision of services	-	2,259
Minority Shareholder of Subsidiary		
Revenue from sale of products	63,948	33,550
Key Management		
Staff cost	2,525	2,356

Notes to the Financial Statements Year ended 31 December 2004

27 Acquisitions and Disposals of Subsidiaries

On 11 March 2003, the Group acquired an effective equity interest of 90% in PT TeleChoice Indonesia by subscribing to 50,000 shares at US\$1 each at par for cash consideration of US\$50,000. The acquisition was accounted for using the purchase method. In the nine months to 31 December 2003, the Company contributed a net loss of \$15,000 to the consolidated net profit for the year ended 31 December 2003.

On 6 May 2003, the Company acquired a controlling equity interest of 40% in NexWave Technologies Pte Ltd ("NexWave") for \$618,000. On 17 November 2003, the Company acquired a further 38% in NexWave for \$587,000. The acquisitions were accounted for using the purchase method. In the eight months to 31 December 2003, the Company contributed a net profit of \$193,000 to the consolidated net profit for the year ended 31 December 2003.

On 12 June 2003, the Company de-registered TeleChoice Australia Pty Ltd, a dormant company since incorporation. On 22 October 2003, the Company disposed of its entire equity interest in Sichuan TeleChoice Pte Ltd to a related corporation for US\$70,000. These companies did not contribute any net profit or loss during 2003.

On 16 January 2004, the Company de-registered TeleChoice Systems Limited. This company did not contribute any profit or loss to the consolidated net profit for the year ended 31 December 2004.

On 17 February 2004, the Company incorporated TeleChoice (Thailand) Ltd by subscribing to 100,000 shares at THB25 each at par for cash consideration of \$215,000. In the eleven months to 31 December 2004, the company contributed a net loss of \$64,000 to the consolidated net profit for the year.

On 1 April 2004, the Company acquired an additional equity interest of 20% in NexWave for \$309,000. On 1 May 2004, the Company acquired a further equity interest of 2% in NexWave for \$30,000. The acquisitions were accounted for using the purchase method and the Group recorded a negative goodwill on consolidation of \$13,000.

On 18 November 2004, the Company de-registered TeleChoice International (Tianjin) Co., Ltd. This company contributed a net loss of \$62,000 to the consolidated net profit for the year ended 31 December 2004.

The effect of acquisitions and disposals of subsidiaries is set out below:

	Acquisitions 2003 \$′000	Disposals 2003 \$'000
Property, plant and equipment Inventories and work-in-progress	67 146	-
Trade receivables Other receivables, deposits, and prepayments	786 4	-
Cash at bank and cash in hand Trade creditors and accruals	870 (318)	(90) 4
Current tax payable Minority interest's share of net assets acquired	(99) (838)	-
Gain on disposal	618	(86) (38)
Cash consideration paid/(received) Cash (acquired)/disposed of	618 (870)	(124) 90
Net cash outflow/(inflow)	(252)	(34)

28 Segment Reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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

Business Segments

The Group comprises the following main business segments:

Distribution services: Wholesalers, suppliers, importers, exporters, distributors, agents and dealers of mobile phones, radio and telecommunication equipment and accessories and the provision of related services.

Telecommunications services: Provision of radio paging services and international direct dial services.

Mobile network and engineering services: Provision of mobile network infrastructure engineering services and public mobile data and location tracking services, and distribution of PABX systems.

Geographical Segments

The Group has operations primarily in Singapore, Malaysia, Indonesia, Australia, Hong Kong and Dubai.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

(a) Business Segments

		bution vices 2003 \$'000		unications vices 2003 \$'000	and eng	network ineering ⁄ices 2003 \$'000	Elimin 2004 \$'000	ations 2003 \$'000	Consol 2004 \$'000	idated 2003 \$'000
Revenue and expense	25									
Total revenue from external customers Inter-segment revenue	468,488 517	276,536 35	31,071 8	29,194 -	30,543 29	14,565 10	- (554)	- (45)	530,102 -	320,295
Total revenue	469,005	276,571	31,079	29,194	30,572	14,575	(554)	(45)	530,102	320,295
Segment results	10,415	7,838	6,406	4,924	4,805	5,358	_	-	21,626	18,120
Taxation Minority interest									(4,189) (118)	(3,389) (516)
Net profit for the year									17,319	14,215

28 Segment Reporting (cont'd)

(a) Business Segments (cont'd)

	Distrik serv 2004 \$'000			unications vices 2003 \$'000	and eng	network ineering /ices 2003 \$'000	Elimir 2004 \$′000	nations 2003 \$'000	Consol 2004 \$'000	idated 2003 \$′000
Assets and liabilities										
Segment assets Investment in jointly- controlled entity Deferred tax assets	84,787	60,024	15,661	12,838	22,686	11,041	(792)	-	122,342 1,038 263	83,903 - 549
									123,643	84,452
Segment liabilities Tax liabilities Deferred tax liabilities	56,251	45,249	5,806	6,049	13,295	3,269	(792)	-	74,560 3,566 118	54,567 3,238 -
Other segment information									78,244	57,805
Capital expenditure: - property, plant and equipment	460	262	493	487	517	243	_	_	1,470	992
- intangible assets	-		67	118	80		-	-	147	118
Depreciation charge Amortisation charge Accretion of negative goodwill on	307	263	263 72	664 83	296 9	682 -	-	-	866 81	1,609 83
consolidation Impairment losses recognised on: - property, plant	(25)	-	-	-	(3)	-	-	-	(28)	-
and equipment - intangible assets	-	-	-	170 81	-	-	-	-	-	170 81

(b) Geographical Segments

(b) Geographical Seg							Other	
	Singapore \$'000	Malaysia \$'000	Indonesia \$'000	Australia \$'000	Hong Kong \$'000	Dubai \$′000	countries \$'000	Consolidated \$'000
2004								
Revenue from external								
customers	273,975	51,656	107,563	61,291	12,085	20,510	3,022	530,102
Segment assets	91,516	6,948	6,778	16,840	-	-	260	122,342
Capital expenditure								
 property, plant and 								
equipment	958	19	270	205	-	-	18	1,470
- intangible assets	147	-	-	-	-	-	-	147
2003								
Revenue from external								
customers	210,562	36,465	37,378	23,634	9,035	1,528	1,693	320,295
Segment assets	69,016	5,702	1,211	6,669	-	-	1,305	83,903
Capital expenditure								
 property, plant and 								
equipment	881	54	20	37	-	-	-	992
- intangible assets	118	-	-	-	-	-	-	118

29 Financial Instruments

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business. The Group has established risk management policies and guidelines, as well as processes for monitoring compliance with such policies.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

As at 31 December 2004, five customers owed 64% of total receivables, and 90% of cash and fixed deposits are placed with a bank. There are no other significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

The Group's earnings are affected by changes in interest rates due to the impact such changes have on interest income from bank deposits and related corporations.

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

		Gro	oup		
	20	04	2	003	
	Effective		Effective		
	interest rate	interest rate		e	
	per annum	Within 1 year \$'000	per annum	Within 1 year \$'000	
Financial assets					
Cash at bank	0.10% – 3.00%	8,118	0.10%	7,731	
Short term bank deposits	0.49% - 1.10%	13,000	-	-	
Short term loans to related corporations	1.35%	2,006	0.50%-1.38%	9,600	

	Company				
	20	04	2003		
	Effective interest rate per annum	Within 1 year \$'000	Effective interest rate per annum	Within 1 year \$'000	
Financial assets					
Cash at bank Short term loans to related corporations	0.10% 1.35%	5,687 2,006	0.10%	4,272	

The Group incurs foreign currency risk in respect of bank deposits as well as sales and purchases that are denominated in a currency other than the measurement currency. The currency giving rise to this risk is primarily the US dollar and the risk arises mainly from timing mismatches between such sales and purchases denominated in US dollars.

The fair values of the financial assets and liabilities approximate their carrying values.

30 Commitments

	Group		Company	
	2004 \$'000	2003 \$′000	2004 \$′000	2003 \$′000
Computer software	100	240	100	240

Commitments for future minimum lease payments as at the end of the financial year in respect of non-cancellable operating leases are as follows:

	Gro	Group		pany
	2004 \$′000	2003 \$'000	2004 \$′000	2003 \$′000
Payable: Within 1 year After 1 year but within 5 years	403 190	819 58	-	198
	593	877	-	198

31 Contingent Liabilities

As at the balance sheet date, the Company has issued the following guarantees on behalf of its subsidiaries to third parties:

		Company		
Issued on behalf of	Issued in relation to	2004 \$′000	2003 \$′000	
T. Choice Pty Ltd	Purchase of inventories	987	3,780	
TeleChoice (Indonesia) Pte Ltd	Goods and services tax- Major Exporter's Scheme	490	490	
NexWave Technologies Pte Ltd	Project tender	300	-	

32 Comparative Information

Provision for warranty costs of \$27,000 which were included in work-in-progress in the balance sheet as at 31 December 2003 have been reclassified to other payables and accruals to conform to current year's presentation.

Supplementary information – SGX-ST Listing Manual Requirements Year ended 31 December 2004

1 **Directors' Remuneration**

Company's directors receiving remuneration from the Group (other than Directors' Fees & Benefits for Non-Executive Directors)

	Nu	Number of directors		
	200 \$'00		2003 \$′000	
Remuneration of:				
\$500,000 and above \$250,000 to below \$500,000 Below \$250,000		- 1 -	- 1	
		1	1	

2 **Interested Person Transactions**

	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual
Transactions for the sales of goods and services	128,980
Singapore Technologies Pte Ltd and its Associates	125,637
Singapore Telecommunications Limited and its Associates	2,316
Temasek Holdings (Private) Limited and its Associates	1,027
Transactions for the purchase of goods and services	8,821
Singapore Technologies Pte Ltd and its Associates	3,782
Singapore Telecommunications Limited and its Associates	4,411
Temasek Holdings (Private) Limited and its Associates	628
Treasury Transactions	28,342
Singapore Technologies Pte Ltd and its Associates	28,342
Management Services	378
Singapore Technologies Pte Ltd and its Associates	378
Total Interested Person Transactions	166,521

3 **Material Contracts**

There were no material contracts entered into or still subsisting at the end of the financial year, for the purposes of Rule 1207(8) of the SGX Listing Manual.

Shareholding Statistics as at 15 March 2005

Authorised share capital	-	S\$50,000,000
Issued and fully paid-up	-	S\$8,840,000
Class of shares	-	Ordinary shares of S\$0.02 each
Voting rights	-	1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	0	0.00	0	0.00
1,000 - 10,000	2,055	71.18	9,613,000	71.18
10,001 - 1,000,000	818	28.33	55,117,000	28.33
1,000,001 and above	14	0.49	377,270,000	0.49
	2,887	100.00	442,000,000	100.00

MAJOR SHAREHOLDERS LIST - TOP 21

No.	Name	No. of Shares	%
1	STT Communications Ltd	228,937,500	51.80
2	Leap International Pte Ltd	86,625,000	19.60
3	Citibank Nominees Singapore Pte Ltd	15,078,000	3.41
4	Lok Kwok Leong	14,437,500	3.27
5	United Overseas Bank Nominees Pte Ltd	9,758,000	2.21
6	HSBC (Singapore) Nominees Pte Ltd	7,065,000	1.60
7	DBS Nominees Pte Ltd	4,419,000	1.00
8	DBS Vickers Securities (S) Pte Ltd	2,030,000	0.46
9	G K Goh Stockbrokers Pte Ltd	1,888,000	0.43
10	Ng Hian Chow	1,800,000	0.41
11	UOB Kay Hian Pte Ltd	1,481,000	0.34
12	OCBC Securities Private Ltd	1,351,000	0.31
13	Clive Lim Chai Hock	1,300,000	0.29
14	Tan Boon Keng Kennedy	1,100,000	0.25
15	Phillip Securities Pte Ltd	943,000	0.21
16	Gan Kim Cho @ Gan Kim Chor	720,000	0.16
17	Kan Cheong Hoe	700,000	0.16
18	Chua Eng Him	650,000	0.15
19	Lim Hock San	600,000	0.14
20	Sam Chee Kiong	600,000	0.14
21	Roland Tay Kiong Hong	600,000	0.14
		382,083,000	86.48

Shareholdings Held in Hands of Public

Based on information available to the Company, approximately 28.13% of the Company's shares listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public. Therefore the Company has complied with Rule 723 of the SGX Listing Manual.

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

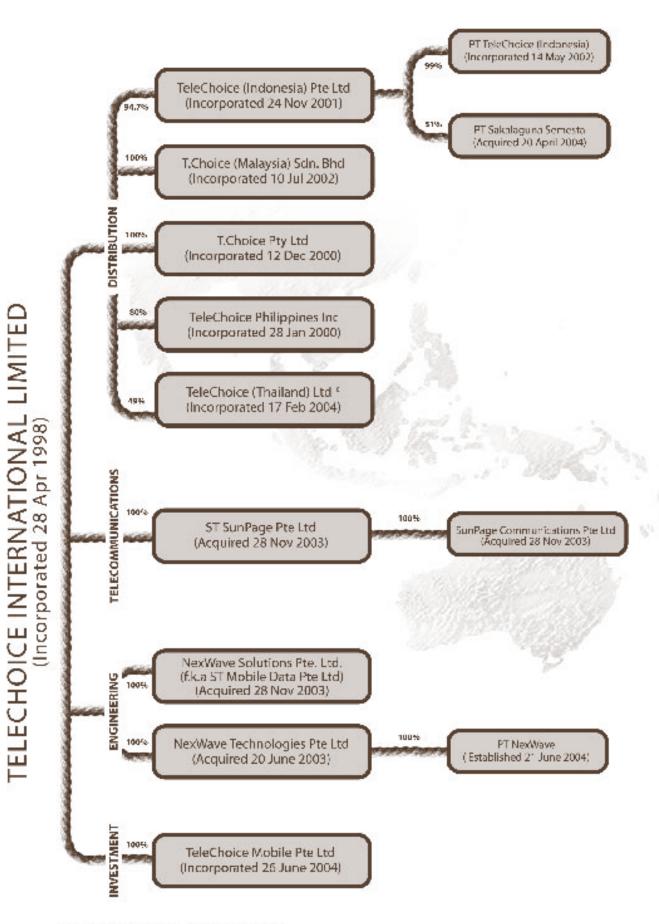
	Number of Shares			
Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Clive Lim Chai Hock (1)	1,300,000	0.29	86,625,000	19.60
Leap International Pte Ltd (1)	86,625,000	19.60	-	-
Michelle Ho Li Ann (2)	-	-	87,925,000	19.89
STT Communications Ltd ⁽³⁾	228,937,500	51.80	-	-
Singapore Technologies Telemedia Pte Ltd $^{\scriptscriptstyle (3)}$	-	-	228,937,500	51.80
Temasek Holdings (Private) Limited (3)	-	-	229,009,500	51.81

Notes:

- (1) Clive Lim Chai Hock and his wife, Michelle Ho Li Ann own in aggregate 92% of the interest in Leap International Pte Ltd. Clive Lim Chai Hock holds a total (direct and deemed) interest in 87,925,000 Shares, representing 19.89% of the Company's issued and paid-up share capital.
- (2) Michelle Ho Li Ann is the spouse of Clive Lim Chai Hock. Accordingly, Mdm Ho is deemed to be interested in the Shares held by Clive Lim Chai Hock.
- (3) STT Communications Ltd ("STTC") is a subsidiary of Singapore Technologies Telemedia Pte Ltd, which is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("Temasek"). Temasek is deemed to be interested in the 228,937,500 Shares held by STTC, and over which Temasek has a deemed interest, by virtue of Section 7 of the Companies Act. Temasek also holds a deemed interest in 72,000 Shares held by Visiontech Investment Pte Ltd.

Organisation Chart

78



* 51% held in trust by Mr Promyos Snitwongse

(Registration No. 199802072R, Incorporated in Singapore)

Notice of Seventh Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Company will be held at 51 Cuppage Road #09-01 StarHub Centre Singapore 229469 on Thursday April 28, 2005 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1.	To receive and adopt the Audited Accounts for the year ended December 31, 2004 and the Directors' and Auditors' Report thereon.	Resolution 1
2.	To re-elect Mr Lee Theng Kiat, who is retiring in accordance with Article 91 of the Company's Articles of Association.	Resolution 2
	See Explanatory Note (a)	
3.	To re-elect Mr Bertie Cheng, who is retiring in accordance with Article 97 of the Company's Articles of Association.	Resolution 3
	See Explanatory Note (b)	
4.	To re-elect Mr Yap Boh Pin, who is retiring in accordance with Article 97 of the Company's Articles of Association.	Resolution 4
	See Explanatory Note (b)	
5.	To re-elect Mrs Gracy Choo, who is retiring in accordance with Article 97 of the Company's Articles of Association.	Resolution 5
	See Explanatory Note (b)	
6.	To re-elect Mr Stewart Yen Se-Hua, who is retiring in accordance with Article 97 of the Company's Articles of Association.	Resolution 6
	See Explanatory Note (b)	
7.	To re-elect Mr Sio Tat Hiang, who is retiring in accordance with Article 97 of the Company's Articles of Association.	Resolution 7
	See Explanatory Note (b)	
8.	To approve Directors' Fees of \$100,000 for the year ended December 31, 2004 (Directors' Fees for the years ended December 31, 2002 and December 31, 2003 :nil)	Resolution 8
9.	To re-appoint KPMG as auditors of the Company and to authorize the Directors to fix their remuneration.	Resolution 9
AS SP	ECIAL BUSINESS	

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

10 <u>Authority to issue shares (General)</u>

That, pursuant to Section 161 of the Companies Act (Cap. 50), and the listing rules of the Singapore Exchange Securities Trading Limited ("<u>SGX-ST</u>"), authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the capital of the Company ("<u>shares</u>") whether by way of rights, bonus or otherwise; and/or (ii) make or grant offers, agreements or options (collectively, "<u>Instruments</u>") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

Resolution 10

(Registration No. 199802072R, Incorporated in Singapore)

Notice of Seventh Annual General Meeting

provided that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution), does not exceed 50% of the issued share capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued share capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for: (1) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and (2) any subsequent consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (iv) (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.

See Explanatory Note (c)

11. <u>Authority to issue shares under the TeleChoice Pre-IPO Share Option Scheme</u>

That 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 exercise of options under the TeleChoice Pre-IPO Share Option Scheme ("<u>Pre-IPO Scheme</u>"), provided that the aggregate number of shares to be issued pursuant to the Pre-IPO Scheme does not exceed 20,000,000 shares.

See Explanatory Note (d)

12. Authority to grant options and issue shares under the TeleChoice Post-IPO Employee Share Option Scheme

That authority be and is hereby given to the Directors to offer and grant options in accordance with the rules and terms of the TeleChoice Post-IPO Employee Share Option Scheme ("<u>Post-IPO Scheme</u>") and 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 exercise of options under the Post-IPO Scheme, provided that the aggregate number of shares to be issued pursuant to the Post-IPO Scheme does not exceed 15% of the issued share capital of the Company from time to time.

See Explanatory Note (e)

By Order of the Board

Pek Siok Lan / Hon Wei Seng Joint Secretaries

Singapore April 13, 2005

Notes:

- 1) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to vote in his stead.
- 2) A proxy need not be a member of the Company.
- 3) The instrument appointing a proxy must be deposited at the Company's registered office at 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 not later than 48 hours before the time appointed for the Meeting.

80

Resolution 12

(Registration No. 199802072R, Incorporated in Singapore)

Notice of Seventh Annual General Meeting

EXPLANATORY NOTES:

- (a) Ordinary Resolution No. 2 is to approve the re-election of Mr Lee Theng Kiat, who is retiring by rotation, in accordance with Article 91 of the Company's Articles of Association. Upon re-election, Mr Lee, a non-executive director, will remain as a member of the Remuneration Committee, the Nominating Committee and the Executive Committee. Upon Mr Lee's re-election, Mr Kwek Buck Chye will continue to serve as alternate director to Mr Lee.
- (b) Ordinary Resolutions No. 3, 4, 5, 6 and 7 are to approve the re-election of directors previously appointed by resolution of the board of directors, and who are retiring in accordance with Article 97 of the Company's Articles of Association.
 - (i) Upon re-election, Mr Bertie Cheng, who is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST will remain as Chairman of the Remuneration Committee and Chairman of the Executive Committee.
 - (ii) Upon re-election, Mr Yap Boh Pin, who is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST, will remain as Chairman of the Audit Committee and a member of the Nominating Committee.
 - (iii) Upon re-election, Mrs Gracy Choo, who is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST, will remain as a member of the Audit Committee.
 - (iv) Upon re-election, Mr Stewart Yen Se-Hua, who is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST, will remain as Chairman of the Nominating Committee and a member of the Remuneration Committee.
 - (v) Upon re-election, Mr Sio Tat Hiang, a non-executive director, will remain as a member of the Audit Committee.
- (c) Ordinary Resolution No. 10 is to authorize the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued share capital of the Company, with a sub-limit of 20% for issues other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued share capital shall be based on the issued share capital of the Company at the time that Resolution 8 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 8 is passed, and (b) any subsequent consolidation or subdivision of shares.
- (d) Ordinary Resolution No. 11 is to authorize the Directors of the Company to allot and issue shares in the Company pursuant to the exercise of options granted under the TeleChoice Pre-IPO Share Option Scheme ("<u>Pre-IPO Scheme</u>"). The Pre-IPO Scheme was adopted at an Extraordinary General Meeting of the Company on May 7, 2004. On May 12, 2004, pursuant to the Pre-IPO Scheme, the Company granted share options to eligible participants, to subscribe for an aggregate of 20,000,000 shares. Details of the Pre-IPO Scheme are set out at page 132 of the Company's prospectus dated June 16, 2004.
- (e) Ordinary Resolution No. 12 is to authorize the Directors of the Company to allot and issue shares in the Company pursuant to the exercise of options granted or to be granted under the TeleChoice Post-IPO Employee Share Option Scheme ("Post-IPO Scheme"). The Post-IPO Scheme was adopted at an Extraordinary General Meeting of the Company on May 7, 2004. Details of the Post-IPO Scheme are set out at pages 133-139 and Appendix IV of the Company's prospectus dated June 16, 2004.

(Registration No. 199802072R, Incorporated in Singapore)

PROXY FORM

IMPORTANT

- For investors who have used their CPF moneys to buy shares in the capital of TeleChoice International Limited, the 2004 Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
- This Proxy Form is not valid for use by such CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ______(Name)
of ______(Address)

being a member/members of the abovenamed Company hereby appoint

Name	Address	NRIC/ Passport No.	Number of Shares
and/or (delete as appropriate)			

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Seventh Annual General Meeting of the Company to be held on Thursday April 28, 2005 at 51 Cuppage Road #09-01 StarHub Centre Singapore 229469 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.

No.	Ordinary Resolutions	For	Against
	Ordinary Business		
1.	Adoption of Accounts and Reports		
2.	Re-election of Mr Lee Theng Kiat		
3.	Re-election of Mr Bertie Cheng		
4.	Re-election of Mr Yap Boh Pin		
5.	Re-election of Mrs Gracy Choo		
6.	Re-election of Mr Stewart Yen Se-Hua		
7.	Re-election of Mr Sio Tat Hiang		
8.	Approval of Directors' Fees		
9.	Re-appointment of KPMG as Auditors		
	Special Business		
10.	Authority for Directors to issue shares		
11.	Authority for Directors to issue and allot shares, pursuant to the exercise of options under the TeleChoice Pre-IPO Share Option Scheme		
12.	Authority for Directors to offer and grant options and/or allot shares, pursuant to the TeleChoice Post-IPO Employee Share Option Scheme		

Dated this _____, 2005.

Total number of Shares held

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

Notes:

- 1. Please insert the total number of 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 Shares registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
- 2. 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.
- 3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- 4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 51 Cuppage Road #10-11/17, StarHub Centre, Singapore 229469 not less than 48 hours before the time appointed for the Seventh Annual General Meeting.
- 5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
- 6. 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 Seventh Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Seventh Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix Postage Stamp

The Company Secretary TELECHOICE INTERNATIONAL LIMITED 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469

Fold along this line



... BEING ONE IN SPIRIT AND PURPOSE. DO NOTHING OUT OF SELFISH AMBITION OR VAIN CONCEIT, BUT IN HUMILITY CONSIDER OTHERS BETTER THAN YOURSELVES. EACH OF YOU SHOULD LOOK NOT ONLY TO YOUR OWN INTERESTS, BUT ALSO TO THE INTERESTS OF OTHERS.



TeleChoice International Limited Reg. No: 199802072R

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