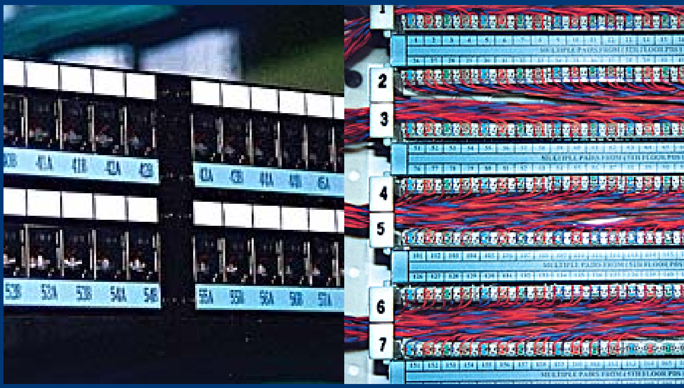
LanTroVision

Annual Report 2002



CONTENTS

CORPORATE PROFILE

LANTROVISION GROUP

Operating in 9 countries and 12 cities in the Asia Pacific, Lantrovision Group of Companies is recognized as one of the major and key players in the structured cabling installation industry.

Founded in 1990, Lantrovision has evolved from a cabling contracting company to a dynamic and fast-growing company with its core business as follows:

- PROVISION OF INSTALLATION SERVICES FOR STRUCTURED CABLING SYSTEMS
- PROVISION OF MAINTENANCE AND SUPPORT SERVICES FOR STRUCTURED CABLING SYSTEMS
- THE DISTRIBUTION OF CABLING SYSTEMS AND THEIR COMPONENTS

Our mission is to establish ourselves as a leading Information Technology ("IT") service provider in the Asia Pacific region by providing a range of IT infrastructural services which are integral to an organisation's local and global information and telecommunication infrastructure.

CHAIRMAN'S STATEMENT

Being the first company to list in Singapore since September 11 terrorist attacks on the United States of America, the strong response to our IPO spoke well of the investment merit of our Group.

I am pleased to present our inaugural Annual Report as a public-listed company.

The fiscal year 2002 ended 30 June 2002 has truly been an exciting period for our Group with our successful listing on the Singapore Exchange of Dealing and Automation Quotation (SESDAQ) on Nov 2, 2001. We raised approximately S$6.7 million from the initial public offering (IPO) of our shares.

Being the first company to list in Singapore since September 11 terrorist attacks on the United States of America, the strong response to our IPO spoke well of the investment merit of our Group. In particular, our strong fundamentals and growth prospect were a draw to investors despite the uncertainty and pessimism that prevailed in the aftermath of September 11, 2001.

I am glad to report that Lantrovision has performed well overall despite the difficult business environment. Our strategies and the firm foundation that we have built since the founding of our Company in 1990 have enabled our Group to register a healthy growth.

FINANCIAL REVIEW

Against a backdrop of the global economic downturn and a sluggish recovery, Lantrovision has managed to turn in a creditable performance. Our Group's turnover for the year registered only a slight drop of 3.7% to $62 million compared to the previous financial year, as some of our customers decided to downsize their projects while others prefer to defer theirs until the tide reversed.

Our net profit was S$7.2 million, a 14.2% drop, which was due primarily to lower turnover and higher overheads that had increased in anticipation of a higher turnover. In Singapore, we strengthened our core competencies to include intelligent building systems and systems integration for voice infrastructure in order to offer a full suite of products and services to our clients. Our ambition is to support our MNC customers on a regional basis.

Our earnings per share was 2.91 cents and our Group's net tangible assets totalled $29.1 million.

Review by Activities

While there was a slowdown in installation and maintenance activities – a natural consequence of the overall poorer market sentiments that resulted in a reduction in IT spending - our trading business registered higher revenue.

Turnover by trading activities increased by $5.2 million or 58% from $8.9 million to $14.1 million due mainly to

- Intensified marketing efforts in the provision and distribution of voice and data telecommunication services which resulted in an increase of about $2 million; and
- Increased sale of computers and computer peripherals of approximately $3 million.

At the pre-tax profit margin level, the situation was the reverse. The profit before tax margin for trading activities showed significant decline as a result of downward pressure on the selling prices due to keen competition and higher fixed operating expenses in this business sector. On the other hand, the profit before tax margin for installation activities improved slightly due to the Group's strategy to reduce reliance on sub-contractors and instead focused on building its in-house capabilities.

Review by Geography

Our Singapore operation was able to grow its turnover from $33.5 million to $36.2 million as we made concerted efforts to compete aggressively for a larger market share. Its contribution to turnover grew to 58% from 52% previously.

Another key market, Malaysia, registered strongest growth in turnover from $13 million in FY 2001 to $16.5 million in FY 2002, a rise of 26.6%. However, profit margins came under pressure in this highly competitive market where severe price competition affected the overall profitability of our Malaysian operation.

In Hong Kong, the Group encountered a similar environment that was fraught with keen competition and aggressive price cuts. In addition, a major project of approximately $5 million was completed in the previous financial year. As a result, our Hong Kong operation reported a lower turnover of $2.8 million in FY 2002 compared to $8.5 million in FY 2001.

PROSPECTS AND OUTLOOK

This current financial year will see our Group continue its expansion into the region to tap the vast potential of Asia's fastest growing market. Our strategy is to allocate resources to our overseas operations while consolidating our corporate headquarters in Singapore. New investments may be channelled mainly towards China where an abundance of opportunities has yet to be fully explored.

During the year, we invested about $1 million to make acquisitions, form new companies or raise our paid-up capital in existing companies in our key markets of Singapore, Taiwan, Japan and Thailand. Our acquisitions in Singapore is strategic to our plans to offer our clients a whole suite of value-added products and services. Our investments in the other three markets are key to our regional expansion.

We also proposed an acquisition of 60% equity stake in a Chinese company which will be our vehicle to tap into the installation and automation market in the PRC. This investment is subject to the approval of the relevant PRC government and regulatory authorities. The investment, when approved, will cost us about $1.1 million which will be funded internally.

We will continue to enhance and cultivate new business opportunities with our proactive marketing strategy targeting at MNCs with regional hubs and offices throughout the Asia Pacific region in the finance and banking, manufacturing and IT sectors.

Barring any unforeseen circumstances, the Directors expects some of its new subsidiaries and a possible increase in the demand for installation and maintenance services to contribute positively to the Group's turnover and profit in the current financial year.

ROADMAP TO OUR FUTURE

Our Group remains focused on the road ahead, and we will keep to our fundamentals in order to ensure that our position in the regional installation scene is not just secured but enhanced through challenging times.

Our Group is committed to

- Enhancing the quality of our people through continuous training;
- Focusing and concentrating our efforts to develop and enhance certain areas of our business, for example, increasing the sale of cable management software, increasing retail activities for cabling components in the local markets and markets where we do not currently have a presence;
- Increasing market penetration and coverage by strengthening our current operations and presence in existing as well as in potential new markets;
- Focusing on maintaining existing customer base and at the same time develop new prospects by engaging in joint marketing activities with our business partners; and
- Improving on existing infrastructure so as to capitalize on securing new business once the markets recovers.

We have set a management target of growing our turnover and net earnings by between 10 and 15 per cents over the next three to five years.

I believe that our plans to extend the Group's reach into markets outside Singapore and focus on higher value-added services will yield additional revenues and create new opportunities for growth.

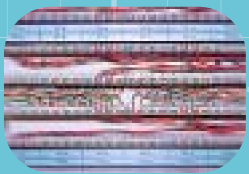
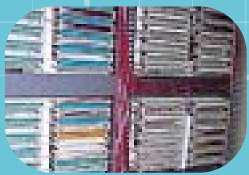
An interim dividend of 50% was declared, which translated to a dividend of $0.01 per ordinary share (less 22% tax). The total dividend payout amounted to more than $2.0 million.

THANK YOU

On behalf of the Board, I would like thank all our customers, suppliers, business associates, shareholders, bankers and the relevant statutory and governmental authorities for their continuous support and contributions.

I would also like to thank our employees for their diligent effort and undivided loyalty in helping the Company through this difficult year. With your unstinting support, we will be able to face each new challenge in the coming years with resoluteness.

Lum Chue Tat
Chairman and Managing Director

OPERATIONAL HIGHLIGHTS

> **We offer our customers the most cost-effective range of products and services that not only meet their applications prerequisites but their project budget obligations for their present and future needs.**

Several challenges confront the IT infrastructure business today. The emergence of new broadband technologies and applications that require greater bandwidth capabilities has happily created a demand for high-performance cables. In addition, the convergence of technologies where voice, data and building automation system technologies are integrated into a single network calls for enhanced modern cabling infrastructure.

We at Lantrovision pride ourselves in our ability to anticipate these changing trends. And because we believe that our clients are our partners, we have been able to juggle the twin demands of providing the best for our clients at prices that are most cost-effective for them.

To this end, we have adopted systems and policies that will take us one step closer to realizing our vision of being a leading IT infrastructure service provider in the Asia-Pacific region.

STEPPING AHEAD OF TECHNOLOGIES

A study commissioned by LeCroy, a high-end test and measurement equipment manufacturer, showed that failure at the physical layer (that is, the structured cabling infrastructure) accounts for an average loss of US$250,000 per year per 100 users. Losses are measured according to user productivity, network manager effort and business downtime.

The study puts the spotlight on the importance of keeping cabling standards both current and progressive. Even bending the cable the wrong way can be detrimental to the infrastructure!

At Lantrovision, we continuously monitor technological progress and revise our standards and specifications to stay current with and keep track of trends in technology. In order to keep abreast of technology developments, our staff undergo continuous training and upgrading of their technical competence in Structured Cabling System requirements.

We offer our customers the most cost-effective range of products and services that not only meet their applications prerequisites but their project budget obligations for their present and future needs as well. In short, we help them plan ahead in anticipation of their expansion plans and of advances in communication technologies.

We are also able to offer several cable-performance levels that will provide a more reliable and efficient network, thereby enabling our clients to handle their mission-critical applications under a stable environment.

CREATING VALUE TO OUR INSTALLATION SERVICES

During these lean economic times, pricing pressure becomes increasingly intense. While acutely aware of the need to stay competitive and to help our customers stay competitive, our response is to differentiate ourselves from our competitors – by adding value to our traditional cabling services with better quality design (consulting), installation (documentation), and maintenance (after-sales service) of projects and through the provision of an integrated one-stop shop solution.

CONSULTING – KNOWING OUR CUSTOMERS' NEEDS

A project begins with communication between our engineers and the end-users or prospective customers. The consultation process is extremely important, as the time and effort spent on consultation could well spare the problems at implementation time.

Our engineers are well-tuned to the IT requirements of the different industries, whether it is the finance and banking, manufacturing, or IT sector. During the consultation process, we help identify and isolate problems. We then offer a suitable solution that not only deals with the problem directly and urgently, but also in the most cost-effective way.

Our value-add consultancy services include recommendation, advice, implementation procedures and project management. Such services offered enable us to generate a new revenue stream for our Group.

DOCUMENTATION – TRACKING PROGRESS

We extend value-added documentation services to our customers. We provide them with regular project updates, including overall general schematic changes, patching details, and locational changes. By doing so, we aim to enhance our customers' satisfaction, improve customer loyalty and expand our customer base.

EXTENDED WARRANTIES AFTER THE SALE

In providing our customers a service, we also make it our responsibility to protect their investments. We offer extended warranties as an integral part of our after-sales service. Through our strong ties with our suppliers (manufacturers) and equipment vendors, we have been able to garner their support for a joint guarantee of the product and application performance. The result is a happy customer and a win-win situation for everybody.

ALL UNDER ONE ROOF

Increasingly, companies seek to deal with one party for their complex IT infrastructure requirements. Not only is it more cost-effective, it has definitely proven to be more efficient. Recognising this, we have created a new business package by bundling our otherwise stand-alone services such as consulting, cabling, network services, and computer site preparation and installation to provide a one-stop shop solution for companies.

GOING REGIONAL

With more American and European multinational corporations (our customers included) gravitating towards Asia due to cost control factors and to be closer to their markets, our Group stands poised to capture a sizeable portion of that new market.

Our excellent track record, particularly with our MNC clients, our success in setting up offices in the region and our close alliance with our overseas partners give us a critical headstart to become a key regional player in the IT infrastructure business.

SEIZING OPPORTUNITIES

It has been said that there are always business opportunities, even in a downturn. What is crucial is the ability to identify those opportunities and to turn them into successful business ventures.

The trend towards more "intelligence" in buildings has created one such opportunity for Lantrovision. We have since successfully carved a new business segment for ourselves in the area of consultancy and advisory business in connection with intelligent building systems. This deliberate business strategy helps to develop a more diverse customer base and to extend our reach beyond the structured cabling industry.

MAINTAINING QUALITY

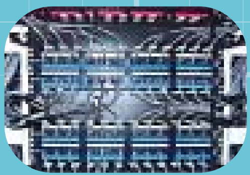
To ensure that high quality is maintained in our services and products, we conduct a range of quality control checks at different stages of a project as part of our quality assurance programme.

Apart from being a member of Building Industry Consultancy Service International (BiCsi), an international professional body that prescribes and governs the standards for companies engaged in the building and construction industries, we have also achieved ISO certification. Which goes to show that we have built in the disciplines of the ISO in our working habits to render quality products and services at all times.

CONTINUOUS LEARNING

At Lantrovision, we cultivate an interactive and supportive learning environment. We firmly believe in the development and motivation of each individual employee to support the goals and strategies of our Group. Emphasis is placed on equipping our staff with the necessary technical and interpersonal skills for personal development and for future career growth so as to meet the challenges of the dynamic business environment. Our staff, after all, gives us that edge over our competitors.

So whether a company is relocating to new premises, expanding or downsizing its current space, or setting up a new operation in a regional country, Lantrovision's mission is to take care of all the IT infrastructure needs for the company. For in our Group, SERVICE IS OUR BUSINESS.

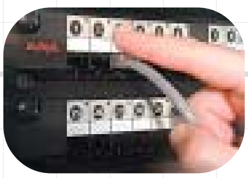


THE LANTROVISION, SYSTIMAX® SCS AND SINGTEL AERADIO STORY

In the year under review, there has been a shift in the business environment where the demands of end-users have become more stringent. Not only do they require an infrastructure solution that provides maximum throughput, reliability and performance in their IT network, they want a system that can be readily expanded without having to worry about non-performance due to non-compliant components being used for the extension.

Recognizing this need for an effective future-proof system that will accommodate even the most dynamic and changing communication strategies, Lantrovision has embarked on plans to tie up its services with quality product suppliers such as Avaya and distributor, SingTel Aeradio. For instance, the Systimax® Structured Connectivity Solutions (SCS) developed by Avaya in anticipation of the high bandwidth requirements to meet increased demand was hailed as the most innovative solution available on the market today.

Through SingTel Aeradio, the SCS leading distributor, Lantrovision has been able to secure these just-in-time materials to complete its major projects in turnkey solutions or cabling infrastructure and deliver a world-class service with the highest level of quality, reliability and bandwidth that is required by the end-users.



CORPORATE INFORMATION





Board of Directors
(from left to right)
Lum Chue Tat
Ng Gek Noi @ Ng Swee Han
Chan Thye Yuan
Chew Chin Hua (Independent)
Ho Swee Seng (Independent)

Audit Committee
Chew Chin Hua (Chairman)
Ho Swee Seng
Ng Gek Noi @ Ng Swee Han

Company Secretary
Lim Lee Choo

Registered Office
102F Pasir Panjang Road
#03-03
Citilink Warehouse Complex
Singapore 118530
Tel : 6275 0160
Fax : 6275 7494

Share Registrars
Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315

Auditors
Ernst & Young
10 Collyer Quay
#21-01 Ocean Building
Singapore 049315

Audit Partner
Max Loh Khum Whai
(Appointed on: June 2002)

LANTROVISION NETWORK

SINGAPORE

LANTROVISION (S) LTD
102F Pasir Panjang Road
#03-03 Citilink Warehouse Complex
Singapore 118530
Tel : (65) 6275 0160
Fax : (65) 6275 7494

VRNET (S) PTE LTD
102F Pasir Panjang Road
#03-07 Citilink Warehouse Complex
Singapore 118530
Tel : (65) 6552 5555
Fax : (65) 6452 0555

SPECTRUM INFOCOM INTERNATIONAL PTE LTD
Blk 165, Bukit Merah Central
#05-3679/3681
Singapore 150165
Tel : (65) 6272 0010
Fax : (65) 6272 3365

CITECH SYSTEMS PTE LTD
156 MacPherson Road
PSL Building #02-01
Singapore 348528
Tel : (65) 6742 9180
Fax : (65) 6742 9792

I-CONTACT SOLUTIONS PTE LTD/ IBMS TECHNOLOGY PTE LTD
12 New Industrial Road
#02-04 Thoren Technocentre
Singapore 536202
Tel : (65) 6488 2310
Fax : (65) 6282 2283

KOREA

LANTRO (KOREA) CO., LTD
Rm 802, Riverhill Office Tel
127, Kwangjang-Dong
Kwangjin-Gu, Seoul
143-802, Korea
Tel : (822) 3437 5190
Fax : (822) 3437 5192

CHINA

LANTRO (HANGZHOU) CO., LTD
Rm 713 No 137 QianChun Rd
HuaDu Mansion Hangzhou 310003
Tel : (86 571) 8704 4121
Fax : (86 571) 8704 1727

LANTRO (HANGZHOU) CO., LTD BEIJING BRANCH
Beijing Junefield Plaza Office
Tower 1 Rm 1402-1406
No. 6 XuanWu Men Wai Da Jie
Beijing 100052
Tel : (86 10) 6310 5404/05
Fax : (86 10) 6310 5411

LANTRO(HANGZHOU) CO., LTD SHANGHAI BRANCH
Rm 26-02-03 LiuLin Mansion
No. 1 Huai Hai Zhong Road
Shanghai 200021
Tel : (86 21) 6386 8172
Fax : (86 21) 6384 6824

HONG KONG

LANTRO (HK) LIMITED
Suite 321-22, 3/F, Metro Centre 1
32 Lam Hing Street, Kowloon Bay
Kowloon, Hong Kong
Tel : (852) 2789 3846
Fax : (852) 2789 3847

MALAYSIA

LANTRO (MALAYSIA) SDN BHD
No 69 Jalan 3/32A, Taman Danau Kota
Off Jalan Genting Kelang
53300 Setapak, Kuala Lumpur
Tel : (603) 4143 6177
Fax : (603) 4143 6443

LANTRO (PENANG) SDN BHD
11-A Lorong Mayang Pasir 5
Taman Sri Tunas, Bayan Baru
11950 Penang
Tel : (604) 643 5033
Fax : (604) 643 3033

VRNET (M) SDN BHD
6F-20, Pusat Perdagangan IOI
1 Persiaran Puchong Jaya Selatan
Bandar Puchong Jaya
47100 Puchong
Selangor Darul Ehsan
Tel : (603) 8070 7255
Fax : (603) 8076 8255

THAILAND

LANTRO (THAILAND) CO., LTD/ BCH (THAILAND) CO., LTD
1457 Soi Ladprao 94, Ladprao Road
Kwaeng Wangthonglang
Khet Wangthonglang
Bangkok 10310, Thailand
Tel : (662) 934 6143-5
Fax : (662) 934 5300

VRNET (THAILAND) CO., LTD
1213/174 Soi Ladprao 94 (Panjamitr)
Srivara Village, Ladprao Road
Kwang Wangthonglang
Khet Wangthonglang
Bangkok 10310, Thailand
Tel : (662) 934 7560-4
Fax : (662) 934 7565

PHILIPPINES

LANTRO PHILS INC.
6TH Floor Unit 607
Richmonde Hotel
San Miguel Ave. Corner
Lourdes St., Ortigas Center
Pasig City, Philippines
Tel : (632) 638 3881
Fax : (632) 638 3883

TAIWAN

LANTRO (TAIWAN) LTD
1F No 62, Ln 68
Yang Kuang St., NeiHu Taipei
114 Taiwan
Tel : (8862) 2657 9335
Fax : (8862) 2627 9582

JAPAN

LANTRO (JAPAN) CO., LTD
Osawa Building 301 1-8-5
Asagaya-Minami Suginami-Ku
Tokyo
166-0004 Japan
Tel : (813) 5305 4960
Fax : (813) 5305 4961

CONTENTS

Financial Statements

REPORT OF THE DIRECTORS

For The Financial Year Ended 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

The Directors present their report together with the audited financial statements of the Company and of the Group for the financial year ended 30 June 2002.

DIRECTORS

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

Chan Thye Yuan
Lum Chue Tat
Ng Gek Noi @ Ng Swee Han
Chew Chin Hua (appointed on 31 August 2001)
Ho Swee Seng (appointed on 18 February 2002)

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of supplying, designing, installation and provision of consultancy services on network integration and structured cabling and those of electrical contractors and suppliers of electrical hardware and fittings.

The principal activities of the subsidiaries are as shown in Note 7 to the financial statements.

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

RESULTS FOR THE FINANCIAL YEAR

	Group $	Company $
Profit after taxation	7,236,800	6,207,234
Minority interests	(78,990)	-
Net profit attributable to shareholders	7,157,810	6,207,234
Accumulated profits brought forward	15,577,555	9,219,932
	22,735,365	15,427,166
Issuance of bonus shares via capitalisation of accumulated profits	(3,536,400)	(3,536,400)
Dividend paid	(2,020,200)	(2,020,200)
Accumulated profits carried forward	17,178,765	9,870,566

REPORT OF THE DIRECTORS

For The Financial Year Ended 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

MATERIAL MOVEMENTS IN RESERVES AND PROVISIONS

Except as shown in the financial statements, there were no material transfers to or from reserves and provisions during the financial year.

ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

(a) The following subsidiary companies were incorporated during the financial year:

Name of subsidiary	Interest	Paid-up capital
	%	$
Lantro (Taiwan) Ltd	100	26,464
Citech Systems Pte. Ltd.	51	25,500

(b) The following subsidiaries were acquired during the financial year on 5 April 2002:

Name of subsidiary	Interest	Consideration	Attributable net tangible assets at acquisitions
	%	$	$
I-Contact Solutions Pte. Ltd.	51	82,610	-

Held by subsidiary	Effective equity held by the Group	Consideration	Attributable net tangible assets at acquisitions
	%	$	$
IBMS Technology Pte Ltd	45.9	-	-

(c) During the financial year, the Company increased its shareholdings in a subsidiary by 20% as follows:

Name of subsidiary	Additional Interest acquired	Interest after acquisition	Consideration paid
	%	%	$
VRnet (S) Pte Ltd	20	75	2

No subsidiary companies were disposed of during the financial year.

REPORT OF THE DIRECTORS

For The Financial Year Ended 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its authorised and issued and paid-up share capital as follows:

(i) an increase in the authorised share capital of the Company from $1,000,000 comprising 1,000,000 ordinary shares of $1 each to $50,000,000 comprising 50,000,000 ordinary shares of $1 each;

(ii) the bonus issue of 3,638,400 ordinary shares of $1 each by way of capitalisation of $102,000 from the Company's share premium account and $3,536,400 from the Company's accumulated profits;

(iii) the sub-division of each ordinary share of $1 each in the authorised and issued and paid-up share capital of the Company into 50 ordinary shares of $0.02 each;

(iv) the issue of 39,180,000 new ordinary shares of $0.02 each at $0.20 per share pursuant to the initial public offering of the Company. All newly issued and paid-up ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

During the year, the following subsidiaries increased their authorised and issued and paid up share capital as follows:

(i) Lantro (Malaysia) Sdn Bhd increased its authorised share capital from RM100,000 to RM1,000,000 through the creation of 900,000 ordinary shares of RM1.00 each. The issued and paid-up share capital was increased from RM50,000 to RM1,000,000 by way of a bonus issue of 950,000 ordinary shares of RM1.00 each to the Company, effected by way of capitalisation of the subsidiary's accumulated profits amounting to RM950,000;

(ii) Lantro (Japan) Co. increased its authorised capital from JPY3,000,000 to JPY10,000,000, comprising 200 ordinary shares of JPY50,000 each. The issued and paid-up share capital was increased from JPY3,000,000 to JPY10,000,000 at par for cash by way of the issue and allotment of 140 ordinary shares of JPY50,000 each to the Company;

(iii) Lantro (HK) Limited increased its authorised share capital from HK$10,000 to HK$5,000,000 through the creation of 4,990,000 ordinary shares of HK$1 each. The issued and paid-up share capital was increased from HK$10,000 to HK$5,000,000, by way of a bonus issue of 4,990,000 ordinary shares of HK$1 each to the Company, effected by way of capitalisation of the subsidiary's accumulated profits amounting to HK$4,990,000.

Except as disclosed above, no other shares or debentures were issued by the Company or its subsidiary companies during the year.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURE

Except for the Lantrovision Employees' Share Option Scheme, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

REPORT OF THE DIRECTORS

For The Financial Year Ended 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The interests of the Directors who held office at the end of the financial year in the shares or debentures of the Company and related corporations, according to the register kept by the Company for the purposes of Section 164 of the Companies Act, were as follows:

	Held by directors			Other shareholdings in which the director is deemed to have an interest		
	At 1 July 2001 or date of appointment, if later	At 30 June 2002	At 21 July 2002	At 1 July 2001 or date of appointment, if later	At 30 June 2002	At 21 July 2002
Name of Director						
The Company						
Ordinary shares of $0.02 each						
Chan Thye Yuan	122,500*	32,845,000	32,845,000	-	-	-
Lum Chue Tat	122,500*	32,845,000	32,845,000	-	-	-
Ng Gek Noi @ Ng Swee Han	122,500*	35,525,000	35,525,000	-	-	-
Chew Chin Hua	-	80,000	80,000	-	-	-
Ho Swee Seng	50,000	50,000	50,000	10,000	10,000	10,000

* *Ordinary shares of $1 each*

DIVIDENDS

An interim dividend of 1 cent per ordinary share less tax at 22%, amounting to S$2,020,200 was paid during the financial year.

The Directors do not recommend the payment of a final dividend in respect of the current financial year.

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

REPORT OF THE DIRECTORS

For The Financial Year Ended 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

CHARGES ON ASSETS AND CONTINGENT LIABILITIES

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

ABILITY TO MEET OBLIGATIONS

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

OTHER CIRCUMSTANCES AFFECTING THE FINANCIAL STATEMENTS

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

UNUSUAL ITEMS

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

UNUSUAL ITEMS AFTER THE FINANCIAL YEAR

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made.

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

SHARE OPTIONS

The Lantrovision Employees' Share Option Scheme ("the Scheme") was approved by the members of the Company at a shareholders' meeting held on 31 August 2001.

All options to be issued under the Scheme to employees, including executive directors, will have a term no longer than 10 years and options issued to non-executive Directors will have a term no longer than 5 years. The aggregate number of shares granted under the Scheme will not at any time exceed 5% of the issued share capital of the Company.

The scheme shall be administered by a committee designated by the Board of Directors. The exercise price of all options granted under the Scheme must not be less than 80% of the average of the last dealt prices for the five Market Days preceding the date of the grant, as determined by the committee. Options granted at a discount to market price may not be exercisable before the second anniversary of the date of grant of such options.

During the financial year, no options to take up unissued shares of the Company or its subsidiary companies were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary companies. There were no unissued shares of the Company or its subsidiary companies under option at the end of the year.

REPORT OF THE DIRECTORS

For The Financial Year Ended 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

AUDIT COMMITTEE

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

Chew Chin Hua	–	Chairman, independent director
Ho Swee Seng	–	Independent director
Ng Gek Noi @ Ng Swee Han	–	Executive director

The Audit Committee held two meetings during the year and performed the following functions:

(a) reviewed with the external auditors the audit plan, their evaluation of the system of internal controls and the external auditors' reports;

(b) reviewed the half-year and annual financial statements before submission to the Board of Directors for approval;

(c) discussed problems and concerns, if any, arising from interim and final audits, and any matters which the auditors may wish to discuss;

(d) reviewed the assistance given by the Company's officers to the external auditors;

(e) considered the re-appointment of the external auditors;

(f) reviewed transactions falling within the scope of Chapter 9 and Part VI of Chapter 10 of the SGX-ST Listing Manual - "Interested Person Transactions"; and

(g) reviewed the remuneration packages of employees who are related to the Directors and/or substantial shareholders.

In the opinion of the Directors, Lantrovision (S) Ltd complies with the Singapore Exchange's Best Practices Guide, with respect to audit committee.

The Committee recommends to the Board of Directors the nomination of Ernst & Young as external auditors at the forthcoming Annual General Meeting of the Company.

OTHER INFORMATION REQUIRED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

No material contracts to which the Company or any subsidiary is a party and which involve 'directors' interest subsisted at, or have been entered into since the end of the previous financial year.

AUDITOR

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

On behalf of the Board,

Lum Chue Tat	**Ng Gek Noi @ Ng Swee Han**
Director	Director

Singapore
27 September 2002

STATEMENT BY DIRECTORS

Pursuant to Section 201(15)

We, Lum Chue Tat and Ng Gek Noi @ Ng Swee Han, being two of the Directors of Lantrovision (S) Ltd, do hereby state that, in the opinion of the Directors,

(i) the accompanying balance sheets, profit and loss accounts, statements of changes in equity and consolidated cash flow statement together with notes thereto, set out on pages 18 to 52 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2002 and of the results and changes in equity of the business of the Company and of the Group and cash flows of the Group for the year then ended, and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors authorised these financial statements for issue on 27 September 2002.

On behalf of the Board,

Lum Chue Tat	**Ng Gek Noi @ Ng Swee Han**
Director	Director

Singapore
27 September 2002

AUDITORS' REPORT
to the Members of Lantrovision (S) Ltd and Subsidiaries

We have audited the financial statements of Lantrovision (S) Ltd and subsidiaries set out on pages 18 to 52. The financial statements comprise the balance sheets of the Company and of the Group as at 30 June 2002, the profit and loss accounts and the statements of changes in equity of the Company and of the Group and cash flow statement of the Group for the year ended 30 June 2002, and notes thereto. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements as at 30 June 2001 were audited by other auditors whose report dated 28 August 2001 express an unqualified opinion on those financial statements.

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

In our opinion,

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act (Act) and Singapore Statements of Accounting Standard and so as to give a true and fair view of:-

  (i) the state of affairs of the Company and of the Group as at 30 June 2002 and of the results and changes in equity of the Company and of the Group and cash flows of the Group for the year ended on that date; and

  (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements;

(b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements of the subsidiary companies of which we have not acted as auditors, being financial statements included in the consolidated financial statements, and the auditors' reports on those financial statements. The names of these subsidiaries are stated in Note 7 to the financial statements.

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

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

ERNST & YOUNG
Certified Public Accountants

Singapore
27 September 2002

BALANCE SHEETS
as at 30 June 2002

(Amounts in Singapore dollars)

		Group		Company	
	Note	2002 $	2001 $	2002 $	2001 $
Share capital and reserves					
Share capital	3	5,180,000	758,000	5,180,000	758,000
Share premium	4	5,918,647	102,000	5,918,647	102,000
Accumulated profits	5	17,178,765	15,577,555	9,870,566	9,219,932
Translation reserve		4,185	279,140	-	-
		28,281,597	16,716,695	20,969,213	10,079,932
Minority interests		508,896	533,463	-	-
		28,790,493	17,250,158	20,969,213	10,079,932
Fixed assets	6	5,347,889	5,247,127	3,474,923	3,583,906
Subsidiary companies	7	-	-	1,152,618	920,884
Associated companies	8	1,282,590	236,632	1,048,016	152,656
Quoted investments	9	7,505	7,505	7,505	7,505
Deferred taxation		25,507	-	-	-
Negative goodwill	10	(864,225)	(1,100,165)	-	-
Current assets					
Stocks	11	3,096,573	1,773,380	746,503	500,961
Work-in-progress	12	3,295,367	894,523	2,784,278	782,199
Trade debtors	13	16,777,982	13,934,789	6,216,224	5,529,651
Other debtors, deposits and prepayments	14	1,477,889	829,729	1,013,548	448,065
Due from subsidiaries (trade)		-	-	1,153,906	3,562,622
Due from subsidiaries (non-trade)	15	-	-	4,830,000	1,149,766
Due from affiliated companies (trade)		415,371	27,400	415,371	-
Due from associated companies (trade)		358,738	283,335	273,052	166,653
Due from associated companies (non-trade)	15	232,980	175,079	-	-
Fixed deposits	16	3,796,610	657,904	3,551,536	300,000
Cash and bank balances		4,319,855	10,982,022	1,565,366	2,954,521
		33,771,365	29,558,161	22,549,784	15,394,438

The accounting policies and explanatory notes on pages 27 to 52 form an integral part of the financial statements.

BALANCE SHEETS

as at 30 June 2002

(Amounts in Singapore dollars)

	Note	Group 2002 $	Group 2001 $	Company 2002 $	Company 2001 $
Current liabilities					
Trade creditors		4,805,722	7,892,369	2,843,507	4,339,713
Other creditors and accruals	17	2,109,236	1,372,554	966,953	503,985
Due to holding company (trade)		-	1,788,278	-	1,788,278
Due to a affiliated company (trade)		-	11,183	-	11,183
Due to subsidiary company (non-trade)	15	-	-	904,000	-
Due to affiliated companies (non-trade)	15	1,430	-	-	-
Advances from directors	15	-	2,167	-	-
Due to minority shareholder of a subsidiary	15	-	148,702	-	-
Provision for taxation		2,664,835	3,152,569	1,898,170	1,667,181
Lease obligations, current portion	18	253,286	245,171	153,637	168,931
Short term loans (secured)	19	-	950,000	-	950,000
Bank term loans (secured), current portion	20	8,545	28,132	-	-
		9,843,054	15,591,125	6,766,267	9,429,271
Net current assets		23,928,311	13,967,036	15,783,517	5,965,167
Non-current liabilities					
Lease obligation, non-current portion	18	734,724	704,963	471,082	550,186
Bank term loans (secured), non-current portion	20	202,360	392,845	-	-
Deferred taxation		-	10,169	26,284	-
Net assets		28,790,493	17,250,158	20,969,213	10,079,932

The accounting policies and explanatory notes on pages 27 to 52 form an integral part of the financial statements.

PROFIT AND LOSS ACCOUNTS
for the year ended 30 June 2002

(Amounts in Singapore dollars)

	Note	Group 2002 $	Group 2001 $	Company 2002 $	Company 2001 $
Turnover	21	61,986,095	64,373,977	31,810,966	38,417,918
Cost of sales		(36,168,759)	(38,335,362)	(15,767,737)	(26,607,051)
		25,817,336	26,038,615	16,043,229	11,810,867
Distribution and selling expenses		(1,773,521)	(2,786,666)	(581,424)	(1,623,089)
General and administrative expenses		(1,800,755)	(1,438,013)	(557,907)	(565,331)
Other operating expenses		(12,871,014)	(10,579,790)	(6,882,249)	(5,413,291)
Other operating income	22	2,403	204,606	271	371,936
Profit from operations	23	9,374,449	11,438,752	8,021,920	4,581,092
Financial (expenses) income, net	26	(18,968)	(171,499)	42,833	(134,728)
Profit before taxation		9,355,481	11,267,253	8,064,753	4,446,364
Share of profit of associated companies		248,256	124,209	-	-
		9,603,737	11,391,462	8,064,753	4,446,364
Taxation	27	(2,366,937)	(3,134,960)	(1,857,519)	(1,274,399)
Profit after taxation		7,236,800	8,256,502	6,207,234	3,171,965
Minority interests		(78,990)	83,771	-	-
Net profit attributable to shareholders		7,157,810	8,340,273	6,207,234	3,171,965
Earnings per share (cents)- basic and diluted	28	2.91	3.79		

The accounting policies and explanatory notes on pages 27 to 52 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the year ended 30 June 2002

(Amounts in Singapore dollars)

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Issued capital				
Balance at beginning of year	758,000	750,000	758,000	750,000
Issue of bonus shares by way of capitalisation of $102,000 and $3,536,400 from the Company's share premium and accumulated profits respectively	3,638,400	-	3,638,400	-
Issue of 8,000 shares of $1 each at a premium of $12.75 per share as consideration for the acquisition of a subsidiary	-	8,000	-	8,000
Issue of 39,180,000 new ordinary shares of $0.02 each pursuant to the Company's initial public offering at a premium of $0.18 per share	783,600	-	783,600	-
Balance at end of year	5,180,000	758,000	5,180,000	758,000
Share premium				
Balance at beginning of year	102,000	-	102,000	-
Issue of 8,000 shares of $1 each at a premium of $12.75 per share as consideration for the acquisition of a subsidiary	-	102,000	-	102,000
Issue of bonus shares by way of capitalisation of $102,000 and $3,536,400 from the Company's share premium and accumulated profits respectively	(102,000)	-	(102,000)	-
Issue of 39,180,000 new ordinary shares of $0.02 each pursuant to the Company's initial public offering at a premium of $0.18 per share	7,052,400	-	7,052,400	-
Expenses incurred in relation to the Company's initial public offering	(1,133,753)	-	(1,133,753)	-
Balance at end of year	5,918,647	102,000	5,918,647	102,000

The accounting policies and explanatory notes on pages 27 to 52 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2002

(Amounts in Singapore dollars)

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Foreign currency translation				
Balance at beginning of year	279,140	1,538	-	-
Foreign currency translation adjustment, net of tax	(274,955)	277,602	-	-
Balance at end of year	4,185	279,140	-	-
Accumulated profits				
Balance at beginning of year	15,577,555	7,237,282	9,219,932	6,047,967
Profit for the year	7,157,810	8,340,273	6,207,234	3,171,965
	22,735,365	15,577,555	15,427,166	9,219,932
Issue of bonus shares by way of capitalisation of $102,000 and $3,536,400 from the Company's share premium and accumulated profits respectively	(3,536,400)	-	(3,536,400)	-
Dividends paid (Note 29)	(2,020,200)	-	(2,020,200)	-
Balance at end of year	17,178,765	15,577,555	9,870,566	9,219,932
Total equity	28,281,597	16,716,695	20,969,213	10,079,932

The accounting policies and explanatory notes on pages 27 to 52 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2002

(Amounts in Singapore dollars)

	Note	Year ended 30 June 2002 $	2001 $
Cash flows from operating activities			
Profit before taxation		9,355,481	11,267,253
Adjustments:			
Depreciation of fixed assets		1,047,609	648,800
Gain on disposal of fixed assets		(43,575)	-
Fixed assets written off		-	1,186
Amortisation of negative goodwill		(126,791)	(127,404)
Goodwill written off		-	900
Loss on disposal of a subsidiary		-	838
(Write back) provision for stock obsolescence		(5,063)	51,297
(Write back) provision for doubtful trade debts		(3,216)	747,618
Bad trade debts written off		100,160	149,515
Interest expense		97,705	163,954
Interest income		(112,917)	(46,350)
Translation adjustment		(31,505)	260,366
Operating profit before working capital changes		10,277,888	13,117,973
Stocks		(1,249,881)	2,208,654
Trade debtors		(3,022,586)	590,493
Other debtors, deposits and prepayments		(637,966)	(484,773)
Advances from directors		(2,167)	(1,266,695)
Due to minority shareholder of a subsidiary		(148,702)	148,702
Work-in-progress		(2,393,788)	(894,523)
Trade creditors		(3,234,177)	(2,138,561)
Other creditors and accruals		584,166	505,143
Intercompany balances, net		(2,319,306)	(434,493)
Cash (used in) generated from operations		(2,146,519)	11,351,920
Interest paid		(97,705)	(163,954)
Income tax paid		(2,785,449)	(1,834,733)
Net cash (used in) generated from operating activities		(5,029,673)	9,353,233

The accounting policies and explanatory notes on pages 27 to 52 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2002

(Amounts in Singapore dollars)

	Note	Year ended 30 June 2002 $	2001 $
Cash flows from investing activities			
Interest received		112,917	47,448
Investment in subsidiary companies		-	(315,751)
Investment in associated companies		(895,360)	-
Acquisition of subsidiary companies, net of cash and cash equivalents acquired (Note B)		(94,020)	259,903
Proceeds from disposal of a subsidiary company, net of cash and cash equivalents disposed of (Note C)		-	31,648
Acquisition of fixed assets (Note D)		(896,374)	(1,091,222)
Proceeds from sale of fixed assets		128,857	-
Net cash flows used in investing activities		(1,643,980)	(1,067,974)
Cash flows from financing activities			
Repayment of term loans		(1,160,072)	(382,638)
Cash contributed by minority shareholders for incorporation of subsidiary company		24,500	95,447
Dividend to minority shareholders		(117,501)	-
Dividend paid		(2,020,200)	-
Net proceeds from issue of shares		6,702,247	-
Repayment of lease obligations		(278,782)	(424,811)
Net cash generated from (used in) financing activities		3,150,192	(712,002)
Net (decrease) increase in cash and cash equivalents		(3,523,461)	7,573,257
Cash and cash equivalents at beginning of year	A	11,639,926	4,066,669
Cash and cash equivalents at end of year	A	8,116,465	11,639,926

A. Cash and cash equivalents

	Year ended 30 June 2002 $	2001 $
Fixed deposits	3,796,610	657,904
Cash and bank balances	4,319,855	10,982,022
Cash and cash equivalents at end of year	8,116,465	11,639,926

The accounting policies and explanatory notes on pages 27 to 52 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2002

(Amounts in Singapore dollars)

B. Cash flow on acquisition of subsidiaries

	Year ended 30 June	
	2002 $	2001 $
Fixed assets	50,869	337,999
Investment in an associated company	-	19,670
Goodwill on consolidation	109,330	50,420
Cash and bank balances	88,590	242,444
Fixed deposits	-	17,459
Trade debtors	166,239	916,077
Other debtors, deposits and prepayments	10,194	29,264
Stocks	50,379	143,660
Work-in-progress	7,056	-
Intercompany balances, net	-	139,048
Trade creditors	(147,531)	(750,432)
Other creditors and accruals	(62,996)	(247,871)
Provision for income tax	-	(48,200)
Lease obligations	-	(195,109)
Advances from directors	(89,520)	(302,209)
Deferred taxation	-	(15,361)
Non-trade amount due to holding company	(100,000)	-
Minority interests	-	(151,587)
Reserve on consolidation	-	(75,272)
Net assets acquired	82,610	110,000
Purchase consideration satisfied via		
- share issue	-	(110,000)
- cash	(82,610)	-
	(82,610)	-
Add: Cash and cash equivalents acquired	88,590	259,903
Less: Non-trade amount due to holding company	(100,000)	-
Acquisition of subsidiary companies, net of cash and cash equivalents acquired	(94,020)	259,903

The accounting policies and explanatory notes on pages 27 to 52 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2002

(Amounts in Singapore dollars)

C. Cash flow on disposal of a subsidiary

	2001 $
Fixed assets	1,958
Cash and bank balances	1,811
Trade debtors	30,510
Other debtors, deposits and prepayments	22,533
Intercompany balances	41,114
Trade creditors	(8,337)
Provision for taxation	(8,705)
Net assets at the date of disposal	80,884
Less:	
- Share of net assets attributable to minority shareholders	(846)
- Share of net assets attributable to investment in associated company retained	(45,741)
Net assets disposed of	34,297
Less: loss on disposal of subsidiary	(838)
Sales proceeds	33,459
Less: cash and bank balances disposed of	(1,811)
Proceeds from disposal of a subsidiary, net of cash and cash equivalents disposed of	31,648

D. Fixed assets

During the financial year, the Group acquired fixed assets with an aggregate cost of $1,218,167 (2001: $2,037,599) of which $321,793 (2001: $946,377) was acquired by means of hire purchase. Cash payments of $896,374 (2001: $1,091,222) were made to purchase fixed assets.

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

1. CORPORATE INFORMATION

The financial statements of Lantrovision (S) Ltd and Subsidiaries for the year ended 30 June 2002 were authorised for issue in accordance with a resolution of the Directors on 27 September 2002. Lantrovision (S) Ltd is a limited liability company which is incorporated in Singapore.

The registered office of Lantrovision (S) Ltd is located at 102F Pasir Panjang Road, #03-03, Citilink Warehouse Complex, Singapore 118530.

The Company's principal activities are those of supplying, designing, installation and provision of consultancy services on network integration and structured cabling and those of electrical contractors and suppliers of electrical hardware and fittings. The principal activities of the subsidiaries are as shown in Note 7.

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

The Group operates in 9 countries and the Group and Company employed 337 and 140 (2001: 318 and 140) employees as of 30 June 2002, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

Principles of consolidation

The consolidated financial statements comprise the accounts of Lantrovision (S) Ltd and its subsidiaries, after the elimination of all material intercompany transactions.

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

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to conform any dissimilar material accounting policies that may exist.

Subsidiary companies

A subsidiary is defined as a company, in which the Group has a long-term interest of more than 50% of the equity or in whose financial and operating policy decisions the Group controls.

Investments in subsidiary companies are stated in the Company's balance sheet at cost. Provision is made where there is decline in value that is other than temporary.

Associated companies

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Associated companies (cont'd)

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

Investment in associated companies are stated in the Company's balance sheet at cost. Provision is made where there is decline in value that is other than temporary.

Affiliated company

An affiliated company is a company, not being a subsidiary or an associated company, in which one or more of the directors or shareholders of the Company and the subsidiaries, have a significant equity interest or exercise significant influence.

Foreign currencies

Foreign currency transactions are converted into Singapore dollars at exchange rates closely approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities outstanding at the balance sheet date are converted into Singapore dollars at the rates of exchange approximating those ruling at that date. All exchange difference arising on conversion are included in the profit and loss account.

Foreign currency translation

Assets and liabilities of the foreign subsidiary company are translated into Singapore dollars at the exchange rates ruling at balance sheet date. The results of the foreign subsidiary company are translated into Singapore dollars at the average exchange rates applicable for the financial year. Foreign currency translation adjustments arising on consolidation are recorded as a separate component of equity.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

Depreciation

Depreciation is calculated on the straight-line method to write off the cost of fixed assets over their estimated useful lives. The estimated useful lives of fixed assets are as follows:

Freehold properties	30 years
Leasehold land and building	30 years (lease term)
Renovations	5 - 8 years
Office equipment	10 years
Tools and equipment	10 years
Furniture and fittings	10 years
Motor vehicles	5 years
Computers	3 years

Fully depreciated fixed assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary and an associated company at the date of acquisition. Goodwill is amortised using the straight-line method over an average 10 year period that benefits are expected to be received.

Cash and cash equivalents

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

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

Trade and other debtors

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

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

Stocks

Stocks are stated at the lower of cost (determined on a first-in, first-out basis) and net realisable value. Provision is made for deteriorated, damaged, obsolete and slow-moving stocks.

Work-in-progress

Work-in-progress is valued at cost plus attributable profits net of progress billings and provision for foreseeable losses. Cost includes cost of materials, direct labour, direct and indirect overheads incurred in connection with the contracts.

Impairment of assets

Fixed assets and long-term investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in income for items of fixed assets and long-term investments carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Reversal of an impairment loss recognised in prior years is recorded when there is an indication that the impairment loss recognised for an asset no longer exists or has decreased. The reversal is recorded in profit and loss account.

Loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received and including acquisition charges associated with the loans and borrowings.

After initial recognition, all interest-bearing loans and borrowings, other than liabilities held for trading, are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on settlement.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Trade and other creditors

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

Payables to related parties are carried at cost.

Provisions

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

Leases

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

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

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

Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(a) Sale of products

Revenue from sale of products is recognised upon delivery of products and acceptance by customers.

(b) Installation works

Revenue from installation works is recognised by reference to the stage of completion when this can be measured reliably. The stage of completion is determined based on the progress of the contract work as determined by certification or acceptance of work done.

(c) Maintenance

Maintenance income is recognised on a periodic basis over the term of the maintenance contract. Ad-hoc maintenance income is recognised upon the performance of the maintenance services and acceptance by customers.

(d) Interest

Interest income is recognised on an accrual basis.

(e) Dividends

Dividend income is recognised when the right to receive the payment is established.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Segments

For management purposes, the Group is organised on a world-wide basis into three major operating businesses. The businesses are the basis on which the Group reports its primary segment information.

Segment revenue, expenses and results excludes transfers between business segments and between geographical segments. Such transfers are accounted for on an arm's length basis.

Income taxes

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss).

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, associates and interests in 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 reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised (unless the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss).

For deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or subsequently enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

3. SHARE CAPITAL

	Group and Company	
	2002 $	2001 $
Authorised		
2,500,000,000 (2001: 1,000,000) ordinary shares of $0.02 (2001: $1) each	50,000,000	1,000,000
Issued and fully paid		
At the beginning of year		
- 758,000 (2001: 750,000) ordinary shares of $1 each	758,000	750,000
Issued during the financial year		
- Nil (2001: 8,000) ordinary shares of $1 each at a premium of $12.75 per share	-	8,000
- Issue of bonus shares by way of capitalisation of $102,000 and $3,536,400 from the Company's share premium and accumulated profits respectively	3,638,400	-
- Issue of 39,180,000 ordinary shares of $0.02 each pursuant to the Company's initial public offering at a premium of $0.18 per share	783,600	-
At end of year		
- 259,000,000 (2001: 37,900,000) ordinary shares of $0.02	5,180,000	758,000

During the year, the Company sub-divided each ordinary share of $1 each in the authorised and issued and paid-up share capital of the Company into 50 ordinary shares of $0.02 each.

4. SHARE PREMIUM

The share premium account may be applied only for the purposes specified in the Companies Act. The balance is not available for distribution of dividends except in the form of shares.

5. ACCUMULATED PROFITS

Accumulated profits are retained by:

	2002 $	2001 $
Company	9,870,566	9,219,932
Subsidiary companies	7,015,605	6,242,446
Associated companies	292,594	115,177
	17,178,765	15,577,555

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

6. FIXED ASSETS

Group	Freehold properties	Leasehold land and building	Renovations	Office equipment	Tools and equipment	Furniture and fittings	Motor vehicles	Computers	Total
	$	$	$	$	$	$	$	$	$
Cost									
At beginning of year	2,756,323	675,627	383,154	407,045	202,718	229,289	1,996,119	644,545	7,294,820
Attributable to acquisition of a subsidiary	-	-	-	32,083	-	18,509	-	24,576	75,168
Additions	-	-	113,220	159,281	32,924	68,577	424,863	419,302	1,218,167
Disposals	-	-	(770)	(12,796)	-	(5,562)	(124,441)	(34,231)	(177,800)
Reclassifications	-	(25,045)	25,045	-	-	-	-	-	-
Translation difference	-	(21,456)	(3,610)	(4,438)	(1,782)	(2,668)	(13,820)	(7,422)	(55,196)
At end of year	2,756,323	629,126	517,039	581,175	233,860	308,145	2,282,721	1,046,770	8,355,159
Accumulated depreciation									
At beginning of year	414,929	64,310	163,960	124,004	142,024	80,862	738,568	319,036	2,047,693
Attributable to acquisition of a subsidiary	-	-	-	9,481	-	3,264	-	11,554	24,299
Charge for the year	91,786	27,880	53,854	91,659	28,427	40,377	406,570	307,056	1,047,609
Disposals	-	-	(308)	(4,251)	-	-	(81,873)	(6,086)	(92,518)
Reclassifications	-	(18,784)	18,784	-	-	-	-	-	-
Translation difference	-	(2,715)	(1,149)	(1,951)	(822)	(575)	(9,191)	(3,410)	(19,813)
At end of year	506,715	70,691	235,141	218,942	169,629	123,928	1,054,074	628,150	3,007,270
Charge for 2001	91,786	19,898	35,577	60,088	24,799	24,806	265,830	126,016	648,800
Net book value									
At end of year	2,249,608	558,435	281,898	362,233	64,231	184,217	1,228,647	418,620	5,347,889
At beginning of year	2,341,394	611,317	219,194	283,041	60,694	148,427	1,257,551	325,509	5,247,127

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

6. FIXED ASSETS (CONT'D)

Company	Freehold properties	Renovations	Office equipment	Tools and equipment	Furniture and fittings	Motor vehicles	Computers	Total
	$	$	$	$	$	$	$	$
Cost								
At beginning of year	2,756,323	211,446	57,920	152,145	61,273	1,190,812	411,726	4,841,645
Additions	-	60,432	28,547	23,300	10,965	107,526	224,585	455,355
At end of year	2,756,323	271,878	86,467	175,445	72,238	1,298,338	636,311	5,297,000
Accumulated depreciation								
At beginning of year	414,929	98,349	29,153	122,263	25,246	320,717	247,082	1,257,739
Charge for the year	91,786	25,587	8,736	18,322	5,142	221,598	193,167	564,338
At end of year	506,715	123,936	37,889	140,585	30,388	542,315	440,249	1,822,077
Charge for 2001	91,786	19,914	5,702	14,814	7,555	149,215	90,183	379,169
Net book value								
At end of year	2,249,608	147,942	48,578	34,860	41,850	756,023	196,062	3,474,923
At beginning of year	2,341,394	113,097	28,767	29,882	36,027	870,095	164,644	3,583,906

Group

As at 30 June 2002, the Group had fixed assets under finance leases with a net book value of approximately $1,213,000 (2001: $1,219,000).

The leasehold land and building with a net book value of RM1,203,521 (2001: RM1,248,672) is charged as security for banking facilities granted to a subsidiary.

Company

As at 30 June 2002, the Company had fixed assets under finance leases with a net book value of approximately $757,000 (2001: $901,000).

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

7. SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies comprises:

	Group and Company 2002 $	Group and Company 2001 $
Unquoted equity shares, at cost	1,262,620	1,030,884
Less provision for diminution in value of a subsidiary	(110,002)	(110,000)
	1,152,618	920,884

Movement in provision for diminution in investment is as follows:

	2002 $	2001 $
At beginning of year	110,000	-
Provision for the year	2	110,000
At end of year	110,002	110,000

(b) The Company had the following subsidiaries as at 30 June 2002:

Name of Company	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 2002 %	Percentage of equity held by the Group 2001 %	Cost of investment 2002 $	Cost of investment 2001 $
Held by the Company						
Lantro (Japan) Co. Ltd.#	Structure, design, installation and consulting of network system with computer communication technology	Japan	100	100	144,764	47,604
Lantro (Malaysia) Sdn Bhd*	Design and installation of computer cabling and trading of related accessories and peripherals	Malaysia	100	100	22,000	22,000
Lantro (Penang) Sdn Bhd+	Provision of cabling infrastructure services and selling cabling accessories	Malaysia	51	51	11,220	11,220
Lantro (HK) Limited**	Provision of system integration and network infractructure services	Hong Kong	100	100	317,351	317,351

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

7. SUBSIDIARY COMPANIES (CON'TD)

(b) The Company had the following subsidiaries as at 30 June 2002: (cont'd)

Name of Company	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group		Cost of investment	
			2002 %	2001 %	2002 $	2001 $
Held by the Company (cont'd)						
Spectrum Infocom International Pte Ltd	Telecommunication operator	Singapore	60	60	300,000	300,000
Lantro Korea Co. Ltd#	Planning and installation of cables for information and communication networks	Korea	70	70	99,299	99,299
Lantro Co. Ltd (Hangzhou) ++	Manufacture and sale of structuralised cable laying system and multimedia technology	People's Republic of China	70	70	123,410	123,410
VRnet (S) Pte Ltd	Trading in computers, computer peripherals, all kinds of electronic components and products for various applications, planners, consultants, advisers and managers in relation to computer services	Singapore	75	55	110,002	110,000
Lantro (Taiwan) Ltd#	Supply, design, installation and provision of consultancy services on network integration and structured cabling	Taiwan	100	-	26,464	-
Citech Systems Pte. Ltd.	Provision of consultancy and advisory business in connection with intelligent building systems, network and systems integration and implementation, information technology, design, project management and related services	Singapore	51	-	25,500	-
I-Contact Solutions Pte Ltd	System integration for voice infrastructure and call centre applications	Singapore	51	-	82,610	-

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

7. SUBSIDIARY COMPANIES (CONT'D)

(b) The Company had the following subsidiaries as at 30 June 2002: (cont'd)

Name of Company	Principal activities	Country of incorporation and place of business	Effective equity held by the Group		Cost of investment	
			2002 %	2001 %	2002 $	2001 $
Held by subsidiaries						
VRnet (M) Sdn Bhd^	Provider of integrated IT infrastructure services	Malaysia	67.5	49.5	-	-
IBMS Technology Pte Ltd^^	Provision of plumbing, heating and air-conditioning services and general wholesale trade	Singapore	45.9	-	-	-
					1,262,620	1,030,884

* *Audited by Ernst & Young, Malaysia.*
** *Audited by Pricewaterhouse Coopers, Hong Kong.*
\+ *Audited by Arthur Andersen & Co., Malaysia.*
++ *Audited by Zhejiang Zhongxi Certified Public Accountant Co. Ltd, Hangzhou P.R. China.*
^ *Audited by Folks DFK & Co., Malaysia.*
^^ *Audited by Y C Tan & Co., Singapore.*
# *Not required to be audited under the laws of the country of incorporation.*

8. ASSOCIATED COMPANIES

(a) Investment in associated companies comprises:

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Unquoted equity shares, at cost	1,067,686	172,326	1,048,016	152,656
Group's share of post-acquisition reserves	265,775	115,177	-	-
Less goodwill on acquisition	(50,871)	(50,871)	-	-
	1,282,590	236,632	1,048,016	152,656

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

8. ASSOCIATED COMPANIES (CONT'D)

(b) Details of associated companies are as follows:

Name of Company	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group		Cost of investment	
			2002 %	2001 %	2002 $	2001 $
Held by the Company						
Lantro (Thailand) Co., Ltd.*	Design and installation of computer cabling, and trading of related accessories and peripherals	Thailand	49	49	662,769	108,044
Lantro Phils. Inc.*	Provision of contracting services for voice, data and telecommunication	Philippines	40	40	44,612	44,612
BCH (Thailand) Co., Ltd#	Investment holding	Thailand	49	-	340,635	-

Name of Company	Principal activities	Country of incorporation and place of business	Effective equity held by the Group		Cost of investment	
			2002 %	2001 %	2002 $	2001 $
Held by a subsidiary						
VRnet (Thailand) Co., Ltd*	Trading of computers and computer peripherals and provision of computer consulting services	Thailand	36.8	27	19,670	19,670
					1,067,686	172,326

* *Audited by other auditors.*
\# *BCH (Thailand) Co., Ltd holds a 51% equity interest in Lantro (Thailand) Co., Ltd.*

9. OTHER INVESTMENTS

	Group and Company	
	2002 $	2001 $
Quoted equity shares at cost	7,505	7,505
Market value as at year end	2,700	4,500

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

10. NEGATIVE GOODWILL

	Group	
	2002 $	2001 $
Negative goodwill arising from		
- acquisition of subsidiaries	1,455,389	1,455,391
Goodwill on consolidation arising from		
- acquisition of subsidiaries	(222,392)	(113,245)
- acquisition of associated companies	(50,868)	(50,868)
	1,182,129	1,291,278
Less accumulated amortisation	(317,904)	(191,113)
	864,225	1,100,165

Movements in accumulated amortisation during the year are as follows:

	2002 $	2001 $
At beginning of year	191,113	69,211
Amortisation for the year	126,791	127,404
Attributable to acquisition of a subsidiary	-	(5,602)
Attributable to disposal of a subsidiary	-	100
At end of year	317,904	191,113

11. STOCKS

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Finished goods, at cost	3,259,044	1,958,784	888,559	659,410
Less provision for stock obsolescence	(162,471)	(185,404)	(142,056)	(158,449)
	3,096,573	1,773,380	746,503	500,961

Movements in provision for stock obsolescence during the year are as follows:

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
At beginning of year	185,404	133,560	158,449	133,560
Provision for the year	(5,063)	51,297	(16,393)	24,889
Translation difference	(17,870)	547	-	-
At end of year	162,471	185,404	142,056	158,449

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

12. WORK-IN-PROGRESS

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Cost plus attributable profits	3,340,093	3,137,023	2,811,878	3,024,699
Less progress billings	(44,726)	(2,242,500)	(27,600)	(2,242,500)
	3,295,367	894,523	2,784,278	782,199

13. TRADE DEBTORS

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Trade debtors	17,699,808	14,967,353	6,472,521	6,130,154
Less provision for doubtful trade debts	(921,826)	(1,032,564)	(256,297)	(600,503)
	16,777,982	13,934,789	6,216,224	5,529,651

Included in trade debtors of the Group and Company are retention monies receivables from customers of approximately $136,079 and $125,186 (2001: $57,607 and $48,677) respectively.

Movements in provision for doubtful trade debts during the year are as follows:

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
At beginning of year	1,032,564	268,585	600,503	128,751
(Writeback) provision for the year	(3,216)	747,618	(265,922)	471,752
Provision utilised	(89,637)	-	(78,284)	-
Translation difference	(17,885)	16,361	-	-
At end of year	921,826	1,032,564	256,297	600,503

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

14. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Other debtors	918,530	502,455	881,143	365,932
Deposits	293,417	238,121	29,599	50,407
Prepayments	263,019	88,563	99,883	31,136
Interest receivable	2,923	590	2,923	590
	1,477,889	829,729	1,013,548	448,065

15. DUE FROM (TO) SUBSIDIARIES/ASSOCIATED COMPANIES/RELATED COMPANIES/ AFFILIATED COMPANIES (NON-TRADE) ADVANCES FROM DIRECTORS/DUE TO MINORITY SHAREHOLDER OF A SUBSIDIARY

These balances are unsecured and interest-free except for an amount due from a subsidiary of $2,000,000 (2001: $900,000) which bears interest at 0.8% to 4.3% (2001: 4%) per annum. All amounts are repayable on demand.

16. FIXED DEPOSITS

Fixed deposits amounting to $Nil (2001: $300,000) were pledged to certain banks as security for banking facilities granted to the Company.

17. OTHER CREDITORS AND ACCRUALS

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Other creditors	494,697	429,520	160,595	107,135
Accrued operating expenses	1,431,979	832,770	645,676	396,850
Advance from customers	160,682	86,514	160,682	-
Deferred revenue	21,878	23,750	-	-
	2,109,236	1,372,554	966,953	503,985

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

18. LEASE OBLIGATIONS

	Minimum lease payments	Interest	Present value of payments
	$	$	$
Group			
2002			
Between 2 to 5 years	788,313	121,219	667,094
Later than 5 years	80,208	12,578	67,630
	868,521	133,797	734,724
Not later than 1 year	300,090	46,804	253,286
	1,168,611	180,601	988,010
2001			
Between 2 to 5 years	729,173	113,213	615,960
Later than 5 years	105,748	16,745	89,003
	834,921	129,958	704,963
Not later than 1 year	289,262	44,091	245,171
	1,124,183	174,049	950,134
Company			
2002			
Between 2 to 5 years	516,042	81,816	434,226
Later than 5 years	43,703	6,847	36,856
	559,745	88,663	471,082
Not later than 1 year	183,320	29,683	153,637
	743,065	118,346	624,719
2001			
Between 2 to 5 years	549,205	88,022	461,183
Later than 5 years	105,748	16,745	89,003
	654,953	104,767	550,186
Not later than 1 year	199,549	30,618	168,931
	854,502	135,385	719,117

Lease terms range from 2 years to 5 years. Lease terms do not contain restrictions concerning dividends, additional debt or further leasing.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

19. SHORT TERM LOANS (SECURED)

The short term revolving bank loans of the Company were secured by way of a legal mortgage on the Company's freehold properties with a net book value of approximately $2,341,000 and a guarantee by its former holding company, Strike Engineering Limited. Interest is repayable at 4% per annum. These loans were fully repaid in the current year.

20. BANK TERM LOANS (SECURED)

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Bank loans	210,905	420,977	-	-
Due within 12 months	(8,545)	(28,132)	-	-
Due after 12 months	202,360	392,845	-	-

Details of the bank term loans are as follows:

Subsidiary

A bank loan of RM454,537 (2001: RM878,479) is secured by way of a fixed charge over the leasehold land and building of the subsidiary with a net book value of approximately RM1,200,000 (2001: RM1,250,000) and a joint and several guarantee by the directors of the subsidiary. The loan bears interest ranges from 8.15% to 8.55% (2001: 8.25%) per annum and is repayable in 180 equal monthly instalments commencing October 1996.

21. TURNOVER

Turnover represents revenue from installation projects, maintenance services income and sale of goods and services in the normal course of business. Intra-group transactions have been excluded from Group turnover.

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Sale of products	14,122,105	8,941,086	6,099,680	7,203,328
Installation works	36,780,859	44,075,467	17,920,495	25,828,861
Maintenance services	11,083,131	11,357,424	7,790,791	5,385,729
	61,986,095	64,373,977	31,810,966	38,417,918

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

22. OTHER OPERATING INCOME

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Insurance compensation	-	202,000	-	202,000
Dividend income from				
- quoted investment	14	80	-	80
- unquoted subsidiary	-	-	-	169,856
Others	2,389	2,526	271	-
	2,403	204,606	271	371,936

23. PROFIT FROM OPERATIONS

This is determined after charging (crediting) the following:

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Auditors' remuneration				
- auditors of the Company	69,000	55,000	42,000	27,000
- other auditors	50,023	62,000	-	-
Non-audit fees paid to auditors	9,700	-	7,600	-
Amortisation of negative goodwill	(126,791)	(127,404)	-	-
Bad trade debts written off	100,160	149,515	81,155	145,869
Depreciation of fixed assets	1,047,609	648,800	564,338	379,169
Directors' remuneration				
- directors of the Company	1,062,300	604,088	1,062,300	579,126
- directors of subsidiaries	745,600	405,078	-	-
Directors' fee				
- directors of the Company	50,000	-	50,000	-
- directors of subsidiaries	-	13,930	-	-
Foreign exchange loss (gain), net	248,947	(114,014)	163,529	(172,149)
Fixed assets written off	-	1,186	-	-
Gain on disposal of fixed assets	(43,575)	-	-	-
Preliminary expenses written off	15,048	-	-	-
Goodwill written off	-	900	-	-
Loss on disposal of a subsidiary	-	838	-	-
Staff costs (Note 24)	10,622,026	8,166,357	5,655,073	4,667,337
(Write-back) of provision for doubtful trade debts	(3,216)	747,618	(265,922)	471,752
(Write-back) of provision for stock obsolescence	(5,063)	51,297	(16,393)	24,889
Provision for diminution in value of investment in a subsidiary	-	-	2	110,000
Operating lease expenses	593,131	391,349	120,320	71,834

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

24. STAFF COSTS

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Wages, salaries and bonuses	9,379,306	7,302,521	5,050,081	4,161,991
CPF contributions and foreign workers' levy	996,219	672,473	538,202	444,151
Other personnel expenses	246,501	191,363	66,790	61,195
	10,622,026	8,166,357	5,655,073	4,667,337

Staff costs include directors' remuneration of $1,807,900 (2001: $1,009,166).

25. DIRECTORS' REMUNERATION

Number of directors of the Company in the various remuneration bands are as follows:

	2002 $	2001 $
$500,000 and above	-	-
$250,000 to $499,000	3	-
Below $250,000	2	3
	5	3

26. FINANCIAL EXPENSES (INCOME), NET

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Bank charges	37,318	53,895	24,350	33,800
Interest expense				
- hire purchase	46,110	43,124	30,782	23,117
- term loans	51,595	109,116	14,858	104,002
- bank overdrafts	-	3,838	-	2,085
- trade bills	-	7,876	-	7,876
Interest income				
- bank	(13,269)	(32,530)	(5,839)	(14,224)
- fixed deposit	(99,648)	(13,820)	(78,447)	(10,483)
- loans to subsidiaries	-	-	(25,399)	(11,445)
Others	(3,138)	-	(3,138)	-
	18,968	171,499	(42,833)	134,728

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

27. TAXATION

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Current taxation				
- current year	2,536,724	3,125,342	1,831,235	1,274,399
- over provision in respect of prior year	(175,612)	(10,872)	-	-
Deferred taxation				
- current year	(79,267)	(7,046)	26,284	-
- over provision in respect of prior year	(19,807)	(1,107)	-	-
	2,262,038	3,106,317	1,857,519	1,274,399
Share of associate tax	104,899	28,643	-	-
	2,366,937	3,134,960	1,857,519	1,274,399

A reconciliation of the statutory tax rate to the Company's effective tax rate applicable to income from continuing operations for the year ended 30 June is as follows:

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Accounting profit	9,355,481	11,267,257	8,064,753	4,446,364
Tax at 22% (24.5%)	2,058,206	2,760,477	1,774,246	1,089,359
Tax effect of expenses that are not deductible in determining taxable profit	142,861	182,952	99,989	134,417
Tax effect of different tax rate (foreign)	94,562	(8,938)	-	-
Unrecognised deferred tax assets, net	210,301	202,072	-	50,623
Reduction in deferred tax resulting from reduction in tax rate	(5,166)	-	(5,166)	-
Tax savings from tax exempt income	(23,100)	-	(11,550)	-
Over provision in respect of prior year	(195,419)	(11,979)	-	-
Others	(20,207)	(18,267)	-	-
	2,262,038	3,106,317	1,857,519	1,274,399

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

27. TAXATION (CONT'D)

The Company

The Company's current year tax charge is higher than the amount obtained by applying the statutory income tax rate on profit before taxation mainly due to certain non-deductible items added back for tax purposes.

The Group

The Group has unutilised tax losses and unabsorbed capital allowances of approximately $1,740,000 (2001: $681,000) available for offset against future taxable profits, subject to compliance with certain provisions of the Income Tax Act and agreement with the tax authorities. The potential deferred tax asset arising from these unutilised tax losses and unabsorbed capital allowances has not been recognised in the financial statements in accordance with the accounting policy stated in Note 2 to the financial statements.

28. EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders for the year of $7,157,810 (2001: $8,340,273) by the weighted average number of shares in issue during the year of 245,940,000 shares (2001: pre-flotation number of shares of 219,820,000 after adjusting for the bonus share issue during the year).

As there were no share options granted during the year, the basic and fully diluted earnings per share are the same.

29. DIVIDENDS

An interim dividend of 1 cent per ordinary share less tax at 22%, amounting to $2,020,200 was paid during the financial year.

30. RELATED PARTY INFORMATION

In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related parties, on terms agreed between the parties, were as follows:

	Group	
	2002 $	2001 $
Income		
Sales to holding company	-	8,200
Sales to an associated companies	455,910	653,774
Sales to affiliated companies	527,659	-

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

30. RELATED PARTY INFORMATION (CONT'D)

	Group	
	2002 $	2001 $
Expenses		
Purchases from holding company	-	4,395,758
Purchases from associated companies	443,425	305,172
Purchases from affiliated companies	197,451	72,645
Management fee paid to holding company	-	59,056
Management fee paid to affiliated company	92,311	-
Rental expenses paid to a director of the Company	19,965	22,288

31. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities, secured

	Group and Company	
	2002 $	2001 $
Contingent liabilities not provided for in the financial statements:		
- Bankers' guarantee	564,067	1,083,805

The bankers' guarantee issued in the prior year is secured by way of a legal mortgage on the Company's freehold properties amounting to approximately $2,341,000, fixed deposits and a guarantee by its former holding company, Strike Engineering Limited. The legal mortgage on the Company's freehold properties is subsequently discharged in the current year.

(b) Commitment – investment agreement

The Company entered into an investment agreement (the "Agreement") with Beijing Automation Engineering Institute ("BAEI") and two individuals, whereby the Company will acquire a 60% interest in the issued share capital of d'Al Automation Ltd ("D'AL"), a company registered in the People's Republic of China ("PRC"), for a consideration of RMB5,000,000 (approx. S$1,100,000).

The principal activities of D'AL Automation Ltd are the provision of design and development of automation system; provision of integrated structured infrastructure and cabling systems; planning and installation of information and communication networks as well as provision of related consultancy services.

This acquisition is subject to the approval of the relevant PRC government/regulatory authorities.

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

31. CONTINGENT LIABILITIES AND COMMITMENTS (CONT'D)

(c) Non-cancellable operating lease commitments

The Group has operating lease agreements for the rental of office premises. These leases contain renewable options, and do not contain escalation clauses nor provide for contingent rentals based on a percentage of sales derived from assets held under operating leases. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

	Group		Company	
	2002 $	2001 $	2002 $	2001 $
Future minimum lease payments				
- not later than 1 year	404,498	222,702	111,171	61,680
- 1 year to 5 years	156,500	128,673	34,500	12,597
	560,998	351,375	145,671	74,277

32. SEGMENT INFORMATION

(a) Business segments

The Group is organised on a worldwide basis into three main operating divisions, namely:

- Sale of products
- Maintenance
- Installation works

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

30 June 2002	Sale of products	Installation works	Maintenance	Group
	$	$	$	$
Turnover	14,122,105	36,780,859	11,083,131	61,986,095
Profit (loss) from operations	(248,378)	7,492,690	2,130,137	9,374,449
Financial expenses, net				(18,968)
Share of results of associated companies				248,256
Taxation				(2,366,937)
Minority interest				(78,990)
Net profit for the year				7,157,810
Assets	6,053,843	18,708,660	5,402,781	30,165,284
Investment in associated companies				1,282,590
Unallocated assets				8,122,757
Total assets				39,570,631

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

32. SEGMENT INFORMATION (CONT'D)

(a) Business segments (cont'd)

30 June 2002	Sale of products	Installation works	Maintenance	Group
	$	$	$	$
30 June 2002				
Liabilities	1,952,841	3,763,578	1,030,458	6,746,877
Unallocated liabilities				4,033,261
Total liabilities				10,780,138
Capital expenditure	275,988	747,978	194,201	1,218,167
Depreciation and amortisation	211,284	497,274	212,260	920,818

30 June 2001	Sale of products	Installation works	Maintenance	Group
	$	$	$	$
Turnover	8,941,086	44,075,467	11,357,424	64,373,977
Profit from operations	1,307,373	7,695,115	2,436,264	11,438,752
Financial expenses, net				(171,499)
Share of results of associated companies				124,209
Taxation				(3,134,960)
Minority interest				83,771
Net profit for the year				8,340,273
Assets	3,306,324	15,288,762	4,219,539	22,814,625
Investment in associated companies				236,632
Unallocated assets				10,898,003
Total assets				33,949,260
Liabilities	2,195,557	8,442,555	1,948,118	12,586,230
Unallocated liabilities				4,112,872
Total liabilities				16,699,102
Capital expenditure	294,822	1,532,271	210,506	2,037,599
Depreciation and amortisation	77,170	396,682	47,544	521,396

NOTES TO THE FINANCIAL STATEMENTS
- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

32. SEGMENT INFORMATION (CONT'D)

(b) Geographical segments

Turnover is based on the location of customers regardless of where the goods are produced. Assets and additions to property, plant and equipment are based on the location of those assets.

	Turnover		Assets		Capital expenditure	
	2002 $	2001 $	2002 $	2001 $	2002 $	2001 $
Singapore	36,185,574	33,498,479	27,552,097	17,573,868	455,355	1,336,065
Malaysia	16,496,431	13,034,359	8,768,124	7,017,777	186,442	523,904
Hong Kong	2,838,478	8,452,594	2,041,881	5,324,132	47,876	48,649
Others	6,465,612	9,388,545	1,208,529	4,033,483	528,494	128,981
	61,986,095	64,373,977	39,570,631	33,949,260	1,218,167	2,037,599

33. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group is exposed to risks from changes in market interest rates, currency exchange rates and credit risks.

Interest rate risks

The Group's exposure to interest rate risk relates primarily to the interest bearing fixed deposit, loans and interest on finance leases obligations. Interest on the fixed deposit, loans and finance leases ranges from 0.3125% to 3.4375%, 3.55% to 8.55% and 2.6%to 6.5% per annum respectively.

Foreign currency risks

The Group operates in nine countries and, as a result, is exposed to foreign exchange risks arising from various currency exposures. In addition to transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in the foreign subsidiaries. It is not the Group's policy to enter into derivative forward foreign exchange contracts for hedging and speculative purposes.

Credit risks

Financial instruments which potentially expose the Group to concentration of credit risk consist primarily of cash and cash equivalents and trade and other debtors. The cash and cash equivalents are placed with various high quality financial institutions.

The Group's major customer base consists primarily of major financial institutions and multi national corporations in Singapore, Malaysia and Hong Kong. The Group performs ongoing credit evaluations of its customers and generally does not require collateral on trade debtors.

The maximum exposure to credit risk is represented by the carrying amount of the financial assets as stated in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2002

(Amounts expressed in Singapore dollars unless otherwise stated)

33. FINANCIAL INSTRUMENTS (CONT'D)

Geographical concentrations of the Group's significant financial assets as at 30 June 2002 are as follows:

	Singapore	Malaysia	Hong Kong	Others	Group
	$	$	$	$	$
Trade debtors	8,584,914	6,424,123	1,166,032	602,913	16,777,982
Fixed deposits	3,730,941	65,669	-	-	3,796,610
Cash and bank balances	2,543,338	762,921	433,641	579,955	4,319,855
Other debtors	881,142	13,688	-	23,700	918,530

Liquidity risks

In the management of liquidity risks, the Group monitors and maintains a level of cash and bank balances deemed sufficient to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Fair value

The carrying value of the financial instruments, primarily cash and cash equivalents, receivables from affiliated companies, trade and other debtors and creditors approximate their fair value because of the short maturity of these instruments.

The aggregate net fair values of financial assets and financial liabilities which are not carried at fair value in the balance sheet are presented in the following table as of 30 June 2002. The fair values of receivables and loans and borrowings are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending and borrowing arrangements.

	Group		Company	
	Carrying amount	Fair value	Carrying amount	Fair value
	2002 $	2002 $	2002 $	2002 $
Financial asset				
Other investment	7,505	2,700	7,505	2,700
Financial liabilities				
Lease obligations	988,010	1,042,005	624,719	667,553
Bank term loans	210,905	210,905	-	-

34. COMPARATIVES

Prior year figures have been audited by Arthur Andersen, Singapore.

CORPORATE GOVERNANCE

Lantrovision (S) Ltd is committed to establishing a high standard of corporate governance in order to strengthen the board's strategic direction and control of the Group's business, as well as to raise investors' confidence in the Group's management and financial reporting. Towards this end, the Board has adopted the Best Practice Guide relating to corporate governance and has put in place the following self-regulatory corporate practices and monitoring mechanism that it believes best suit the Group's needs:

BOARD OF DIRECTORS

The Board currently comprises five members, two of whom are non-executive and independent directors. It is continuing reviewing its size and, with a view to determining the impact of the numbers upon effectiveness, and taking into account the scope and nature of the Company's operations, decided on what it considers an appropriate size to facilitate effective decision making.

The Board members contributed effectively to the Group by providing core competencies such as accounting, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge.

The Board is responsible for the corporate governance of the Company. It has met to consider, amongst other things, strategic plans, review corporate policy matters and internal control systems, review of the Group's financial performance, decide on substantial business matter and transact other Board business. In order to fulfill their responsibilities, the Board is supplied on a timely basis with information in appropriate form and quality and independent access to the Group's senior management. In between Board meetings, important matters are discussed in person or on telephone and are put to the Board for its decision by way of circulating resolutions to enable the directors to make informed decision. To facilitate effective management, the day-to-day management of the Group's business and affairs and the development of corporate strategies have been entrusted to the executive directors.

AUDIT COMMITTEE

The Audit Committee members have the adequate industry, business and financial knowledge to discharge their duties and responsibilities and to make a positive contribution to the Company.

The Committee helps the Board to fulfill its responsibilities in relation to the Group's financial reporting and to examine the Group's internal control systems and corporate governance.

The Committee met two times during the year and performed the following functions:-

1. to review with the external auditors their audit plans, evaluation of the internal control systems, audit report and their management letter and response;
2. to review the half year and annual financial statements before submission to the Board for approval;
3. to discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss;
4. to review the assistance given by the Management to the auditor;
5. to review transactions falling within the scope of Chapter 9 and Part VI of Chapter 10 of the SGX Listing Manual;
6. to consider the appointment/re-appointment of the external auditors and the audit fee;
7. to discuss and review the remuneration package of employees who are related to our Directors and/or substantial shareholders.

The Committee has full access to and the cooperation of management, and has full discretion to invite anyone to attend its meetings. The auditors have unrestricted access to the Committee. The Committee has reasonable resources to enable it to discharge its functions properly.

REMUNERATION COMMITTEE

In line with the Code of Corporate Governance, the Remuneration Committee comprising of the following members has just been set up by the Board but no meeting has yet been held : -

Ho Swee Seng	- Chairman, Independent Director
Chew Chin Hua	- Independent Director
Ng Gek Noi @ Ng Swee Han	- Executive Director

CORPORATE GOVERNANCE

NOMINATING COMMITTEE

In line with the Code of Corporate Governance, the Nominating Committee comprising of the following members has just been set up by the Board but no meeting has yet been held : -

Chew Chin Hua	- Chairman, Independent Director
Ho Swee Seng	- Independent Director
Ng Gek Noi @ Ng Swee Han	- Executive Director

DEALINGS IN SECURITIES OF THE COMPANY

The Company has adopted an internal code of conduct on dealings in the Company's securities by its directors and relevant officers of the Company and its subsidiaries. This internal code is modeled along the Best Practice Guide issued by the SGX-ST.

OTHER GOVERNANCE PROCESSES

As part of the Group's internal control system, various practice guide and procedures are established from time to time to guide its execution. Currently these encompass financial accounting, human resource, quality assurance/ISO, code of conduct and interested party transactions.

INTERESTED PARTY TRANSACTIONS

The aggregate value of interested party transactions entered into during the financial year under review is as follows:

Name of interested person	Aggregate value of all interested persons transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested persons transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	S$	S$
Strike Engineering Limited		
- sub-contracting costs	-	167,171
Ligent Engineering Pte Ltd		
- trade sales	-	482,616
Linkcraft Distribution (S) Pte Ltd		
- trade purchases	-	119,845

COMMUNICATING WITH SHAREHOLDERS

The Company adopts the practice of regularly communicating major developments in our business and operations to SGX-ST, shareholders, analysts, the media and its employees.

Through our investor relations agent, we conduct analyst briefings as and when required. At the minimum, we conduct analysts' briefings when we release of our half-year and full-year financial statements.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS FOR THE PERIOD 02 NOVEMBER 2001 TO 30 JUNE 2002

	Attendance at Meetings	
Name of Directors	Audit Board	Committee
Lum Chue Tat	2 out of 2	2 out of 2
Chan Thye Yuan	2 out of 2	2 out of 2
Ng Gek Noi @ Ng Swee Han	2 out of 2	2 out of 2
Chew Chin Hua	2 out of 2	2 out of 2
Ho Swee Seng	2 out of 2	2 out of 2

GROUP PROPERTIES

Details of freehold and leashold properties held by the Group are as follows:

Location	Description and existing use	Tenure	Gross Area (sq m)	Net Book Value	
				2002	2001
Held by the Company					
102F Pasir Panjang Road, #03-09 Citilink Warehouse Complex Singapore 118530	Warehouse unit within a Warehouse Complex for warehouse purposes	Freehold	131	S$1,010,431	S$1,050,640
102F Pasir Panjang Road, #03-03 Citilink Warehouse Complex Singapore 118530	Office unit within a Warehouse Complex for office use	Freehold	175	S$1,239,177	S$1,290,754
Held By Subsidiary					
No 69 Jalan 3/23A Taman Danau Kota, off Jalan Genting Kelang 53300 Setapak Kuala Lumpur, Malaysia	A 2-storey shop house for office and warehouse use	Leasehold (99 years from 2 November 1990)	164	RM597,254	RM621,315
No 71 Jalan 3/23A Taman Danau Kota, off Jalan Genting Kelang 53300 Setapak Kuala Lumpur, Malaysia	A 2-storey shop house for office and warehouse use	Leasehold (99 years from 2 November 1990)	164	RM606,268	RM627,358

STATISTICS OF SHAREHOLDINGS
as at 23 September 2002

Authorised share capital	:	S$50,000,000.00
Issued and fully paid-up capital	:	S$5,180,000.00
Class of shares	:	Ordinary shares of S$0.02 each
Voting rights	:	1 vote per ordinary share

Size of Holdings	No of shareholders	%	No of shares	%
1 - 999	0	0.00	0	0.00
1,000 - 10,000	222	37.12	1,820,000	0.70
10,001 - 1,000,000	362	60.54	24,323,000	9.39
1,000,001 and above	14	2.34	232,857,000	89.91
Total	598	100.00	259,000,000	100.00

SUBSTANTIAL SHAREHOLDER (AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	Direct Interest	%	Deemed Interest	%
Strike Engineering Limited	110,925,000	42.83	-	-
Lum Chue Tat	32,845,000	12.68	-	-
Chan Thye Yuan	32,845,000	12.68	-	-
Ng Gek Noi @ Ng Swee Han	35,525,000	13.72	-	-

TWENTY LARGEST SHAREHOLDERS

No	Name	No of shares	%
1	Strike Engineering Limited	110,925,000	42.83
2	Ng Gek Noi @ Ng Swee Han	35,525,000	13.72
3	Chan Thye Yuan	32,845,000	12.68
4	Lum Chue Tat	32,845,000	12.68
5	United Overseas Bank Nominees Pte Ltd	3,810,000	1.47
6	Kim Eng Ong Asia Securities Pte Ltd	3,418,000	1.32
7	Hew Kin Wah	2,680,000	1.03
8	Loh Chung Ming	2,680,000	1.03
9	Oh Kian Seng	1,742,000	0.67
10	Sino East Assets Management Limited	1,500,000	0.58
11	Toh Khai Cheng	1,300,000	0.50
12	Phillip Securities Pte Ltd	1,227,000	0.47
13	Lee Soon Juay	1,200,000	0.46
14	Ang Lay Eng Eileen	1,160,000	0.45
15	Hong Leong Finance Nominees Pte Ltd	880,000	0.34
16	Wee Shuk Theng	818,000	0.32
17	OCBC Securities Private Ltd	782,000	0.30
18	UOB Kay Hian Pte Ltd	656,000	0.25
19	Morgan Stanley Asia (Singapore) Securities Pte Ltd	600,000	0.23
20	Lim & Tan Securities Pte Ltd	573,000	0.22
	Total	237,166,000	91.55

16.35% of the Company's shares are held in the hands of public. Accordingly, the Company's has complied with Rule 723 of the SGX Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

LANTROVISION (S) LTD
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **LANTROVISION (S) LTD** ("the Company") will be held at 102F Pasir Panjang Road, #03-03 Citilink Warehouse Complex, Singapore 118530 on Friday, 1 November 2002, at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 30 June 2002 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring pursuant to Articles 104 and 108 of the Company's Articles of Association:-

   Ng Gek Noi @ Ng Swee Han (Retiring under Article 104) **(Resolution 2)**
   Ho Swee Seng (Retiring under Article 108) **(Resolution 3)**

   Ho Swee Seng will, upon re-election as Director of the Company, remain as member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of Listing Manual of the Singapore Exchange Securities Trading Limited.

3. To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 4)**

AS SPECIAL BUSINESS

4. To approve the payment of Directors' fees of S$50,000 for the year ended 30 June 2002 (previous year: S$Nil). **(Resolution 5)**

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

5. **Authority to allot and issue shares up to 50 per centum (50%) of issued capital**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors be empowered to allot and issue shares in the capital of the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be allotted and issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the maximum potential issued share capital of the Company at the time of the passing of this resolution ("Maximum Share Capital"), of which the aggregate number of shares to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of Maximum Share Capital of the Company and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note (i)] **(Resolution 6)**

6. **Authority to allot and issue shares under the Lantrovision Employees' Share Option Scheme**

   That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be authorised and empowered to allot and issue shares in the capital of the Company to all the holders of options granted by the Company, whether granted during the subsistence of this authority or otherwise, under the Lantrovision (S) Ltd Employees' Share Option Scheme ("the Scheme") upon the exercise of such options and in accordance with the terms and conditions of the Scheme, provided always that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the Scheme shall not exceed five per centum (5%) of the issued share capital of the Company for the time being. [See Explanatory Note (ii)] **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING

LANTROVISION (S) LTD
(Incorporated in the Republic of Singapore)

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

By Order of the Board

Lim Lee Choo
Secretary

Singapore, 15 October 2002

EXPLANATORY NOTES:

(i) The Ordinary Resolution 6 proposed in item 5 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares in the Company. The number of shares that the Directors may allot and issue under this Resolution would not exceed fifty per centum (50%) of the Maximum Share Capital of the Company at the time of the passing of this resolution. For issue of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be issued shall not exceed twenty per centum (20%) of the Maximum Share Capital of the Company.

The Maximum Share Capital is the maximum potential share capital of the Company at the date the proposed Ordinary Resolution is passed (taking into account the conversion or exercise of any convertible securities and employee share options on issue at the time this proposed Ordinary Resolution is passed, which were issued pursuant to previous shareholders' approval).

(ii) The Ordinary Resolution 7 proposed in item 6 above, if passed, will empower the Directors of the Company, from the date of the above Meeting until the next Annual General Meeting, to allot and issue shares in the Company of up to a number not exceeding in total five per centum (5%) of the issued share capital of the Company for the time being pursuant to the exercise of the options under the Scheme.

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a Member of the Company.

2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 102F Pasir Panjang Road, #03-03, Citilink Warehouse Complex, Singapore 118530 not less than 48 hours before the time for holding the Meeting.

(Please see notes overleaf before completing this Form)

PROXY FORM

LANTROVISION (S) LTD

(Incorporated in the Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy ordinary shares of Lantrovision (S) Ltd, this Notice of Annual General Meeting is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approval Nominees.

I/We, ______________________________

of ______________________________

being a member/members of Lantrovision (S) Ltd (the "Company"), hereby appoint ______________________________

of ______________________________

or, failing him/her, ______________________________

of ______________________________

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on Friday, 1 November 2002, at 10.00 a.m. and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting:

No.	Resolutions relating to:	For	Against
1	Directors' Report and Accounts for the year ended 30 June 2002		
2	Re-election of Ng Gek Noi @ Ng Swee Han as a Director		
3	Re-election of Ho Swee Seng as a Director		
4	Re-appointment of Messrs Ernst & Young as Auditors		
5	Approval of Directors' fees amounting to S$50,000		
6	Authority to allot and issue new shares		
7	Authority to allot and issue shares under the Lantrovision Employees' Share Option Scheme		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the Resolutions as set out in the Notice of the Meeting.)

Dated this ____________ day of ____________ 2002

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

PROXY FORM

LANTROVISION (S) LTD

(Incorporated in the Republic of Singapore)

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 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/her. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 102F Pasir Panjang Road, #03-03, Citilink Warehouse Complex, Singapore 118530 not less than 48 hours before the time appointed for the 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 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 Meeting, as certified by The Central Depository (Pte) Limited to the Company.

LanTroVision

102F Pasir Panjang Road, #03-03 Citibank Warehouse Complex, Singapore 118 530 Tel: 6275 0160 Fax: 6275 7494 Website: www.lantro.com