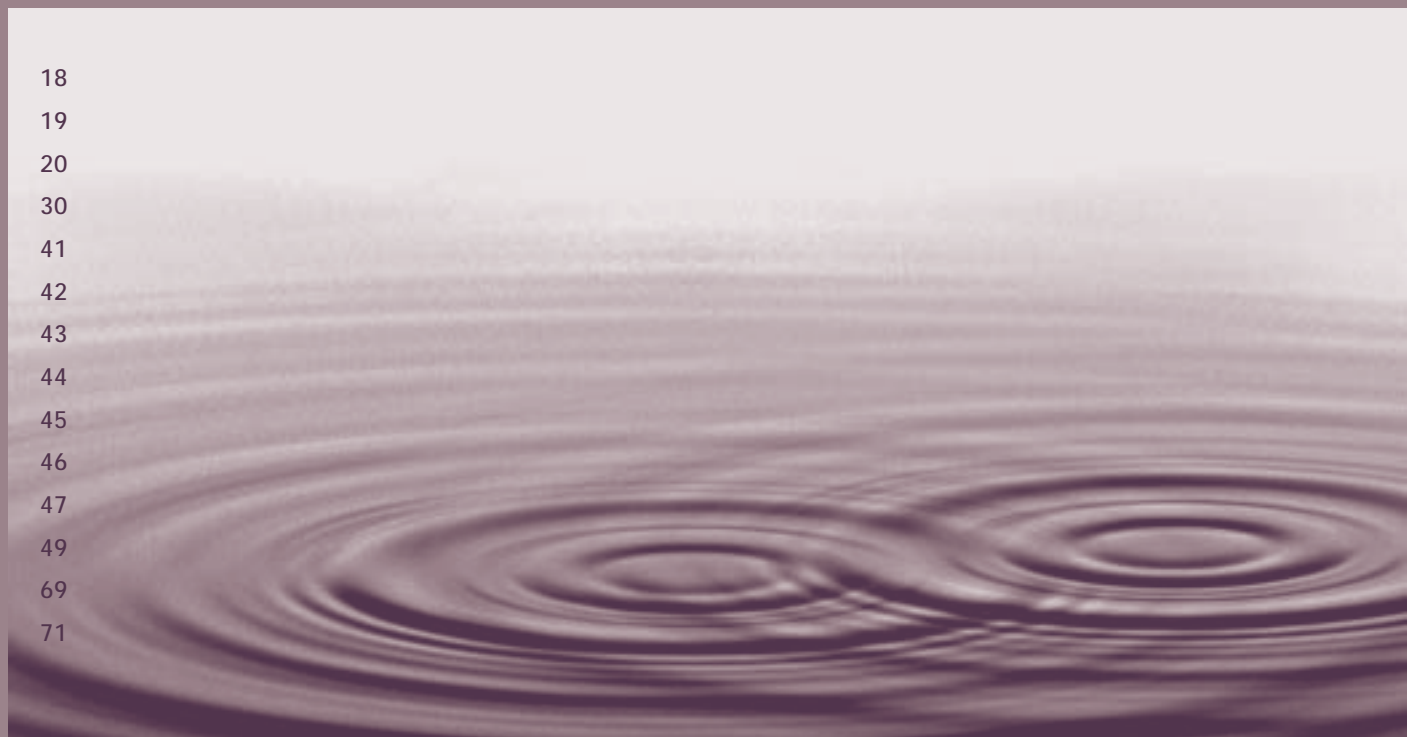
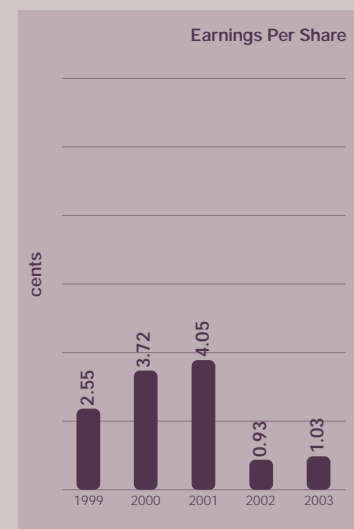
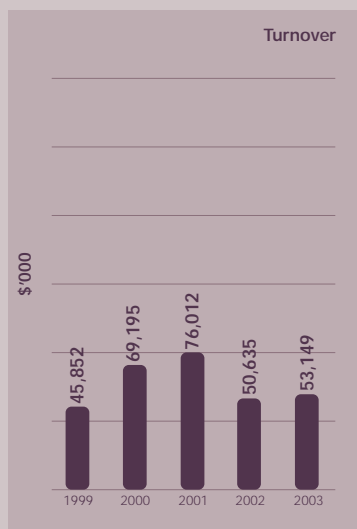


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Financial Highlights



FINANCIAL YEAR	1999	2000	2001	2002	2003
<u>Operating Results</u>	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Turnover	45,852	69,195	76,012	50,635	53,149
Profit attributable to shareholders	14,556	21,988	24,072	5,503	6,107
Dividends paid	1,460	738	4,458	19,324	5,941
<u>Financial Position</u>	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Total assets	91,448	131,177	144,496	128,577	128,600
Total liabilities	14,991	30,391	22,895	20,432	20,611
Shareholders' funds	74,993	99,699	119,034	105,264	104,913
<u>Cash Flow Position</u>	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Cash generated from operations	17,186	27,489	28,788	15,359	14,742
Cash & cash equivalents	32,261	37,082	56,664	49,538	48,759

Shareholders' Value

FINANCIAL YEAR	1999	2000	2001	2002	2003
<u>Per Share Data (Note 1)</u>	CENTS	CENTS	CENTS	CENTS	CENTS
Earnings	2.55	3.72	4.05	0.93	1.03
Net tangible assets	13.44	17.51	20.77	18.57	18.54
Tax-exempt dividends - first & final	0.25	0.25	0.25	0.25	1.00
- special	0.25	-	0.50	3.00	-
<u>Profitability Ratio (Note 2)</u>	%	%	%	%	%
Return on shareholders' funds	23	25	22	5	6
Return on total assets	19	20	17	4	5
<u>Share Price (Note 3)</u>	CENTS	CENTS	CENTS	CENTS	CENTS
Highest	63.50	91.50	58.50	42.00	31.50
Lowest	14.00	48.00	34.00	23.50	16.00
Average	29.29	63.12	45.07	32.73	20.19
Weighted average no. of shares (millions)	570	591	594	595	593
Average market capitalisation (\$'million) (Note 4)	167	373	268	195	120
Average shareholders' funds (\$'million)	64	87	109	112	105
Market value added (\$'million) (Note 5)	103	286	159	83	15

Note 1 : Calculation has been adjusted for the bonus issues in 1998 and 2000.

Note 2 : Calculation of return on shareholders' funds and return on total assets are based on profit attributable to shareholders divided by average shareholders' funds and average total assets respectively.

Note 3 : Share prices and number of shares have been adjusted for bonus issues.

Note 4 : Calculated based on weighted average number of shares multiply by the average share price for the year.

Note 5 : Calculated based on the excess of the average market capitalisation over average shareholders' funds for the year.

Corporate Governance Report for the year ended 31 July 2003

The Board of Directors (the "Board") and the management of Datapulse Technology Limited (the "Company") and its subsidiaries (the "Group") are committed to high standards of corporate governance to protect the interests of its stakeholders, which include shareholders, employees, customers and vendors.

Under the requirements of the Singapore Exchange Securities Trading Limited ("SGX") listing rules ("Listing Rules"), the Company is required to describe its corporate governance practices with specific reference to the Code of Corporate Governance ("Code"). The following report describes the Company's corporate governance policies and practices, with each section of the Code classified into Principles and Guidance Notes.

Board Matters

Board's Conduct of its Affairs

Principle 1: Effective Board to lead and control the Company

The Board's primary role is to protect and enhance long-term shareholders' value. It sets the corporate strategy and directions of the Group and ensures effective management leadership and proper conduct of the Group's business by supervising the executive management.

The Board has established a number of committees to assist in the execution of the Board's responsibilities. These committees include the Nominating Committee ("NC"), Remuneration Committee ("RC") and Audit Committee ("AC") which function within clearly defined terms of references and the effectiveness of each committee is reviewed on a regular basis.

Matters that require approval by the Board include material investment and divestment proposals, major corporate or financial restructuring, key operational initiatives, major fund raising exercises, announcements of periodic results, audited financial statements, proposals of dividends and authorisation of material interested person transactions. Other matters are delegated by the Board to the committees that the Board monitors.

The Board holds scheduled meetings at least twice a year. When circumstances require, ad-hoc meetings are arranged or exchanges of views are held outside the formal environment of board meetings. Board meetings are conducted in Singapore and teleconferencing is used when necessary. The attendance of the directors at meetings of the Board and Board Committees during the financial year is presented below:

	BOARD MEETINGS		AUDIT COMMITTEE MEETINGS		NOMINATING COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ng Khim Guan @ Ngadimin	2	1	-	-	-	-	-	-
Ng Cheow Chye	2	2	-	-	1	1	2	2
Ng Leok Cheng	2	2	-	-	-	-	2	2
Ng Bie Tjin @ Djuniarti Intan	2	2	-	-	1	1	-	-
Si Yok Fong @ Chin Yok Fong	2	2	-	-	-	-	-	-
Ng Cheow Leng	2	2	-	-	-	-	-	-
Lim Lee Meng	2	2	3	3	1	1	2	2
Hee Theng Fong	2	2	3	3	1	1	-	-
Hilary Quah Lam Seng	2	2	3	3	1	1	2	2
Ng Boon Yew	2	1	3	2	-	-	2	2

Board's Conduct of its Affairs *(cont'd)*

To facilitate an effective and efficient discharge of responsibilities, the directors are provided with extensive information about the businesses, values and goals of the Group. All directors are updated regularly concerning any changes in major company policies. The non-executive directors are also welcomed to request for further explanations, briefings or informal discussions on any aspects of the Company's operations or business issues from the management. The executive directors will make the necessary arrangements for the explanations, briefings or informal discussions required. The non-executive directors are regularly invited to visit the Company's manufacturing facility to gain a better understanding of its business and operations.

To ensure that the directors keep pace with regulatory changes that will have important bearing on the Company's or directors' disclosure obligations, the directors are briefed on such changes during the board meetings or specially convened sessions by professionals.

Newly appointed directors are briefed by the management on the business activities, strategic directions and values of the Group. Where required, the Group provides appropriate training and education programmes for the new directors.

Board Composition and Balance

Principle 2: Strong and independent element on the Board

The Board consists of a Chairman, five executive directors and four non-executive and independent directors.

The independence of the non-executive and independent director is subject to the NC's review annually, based on the guidelines on criteria of independence stated in the Code. The NC is of the view that there exists a strong independent element in the Board to enable an objective judgement of the corporate affairs of the Group by Board members, taking into account factors such as the number of non-executive and independent directors, as well as the size and scope of the affairs and operations of the Group.

The Board is also of the opinion that its current size and current mix of expertise and experience of its members, as a group, provide core competencies necessary in the discharge of its responsibilities. The Board, through the NC, examines on an on-going basis the size and the composition of the Board to evaluate whether the Board is effective in carrying out its duties.

Key information regarding the directors of the Company is set out in the section "Profile of Directors" on pages 26 to 29.

Chairman and Chief Executive Officer

Principle 3: Clear division of responsibilities at the top of the Company

There is a clear division of responsibilities between the Chairman and the Managing Director / Chief Executive Officer ("CEO") who are not related to each other. The CEO has the executive responsibility for the overall direction and day-to-day operation of the Group while the responsibilities of the Chairman, who is assisted by the company secretary and the executive directors, among other things, include:

- scheduling meetings of the Board to enable it to perform its duties responsibly;
- preparing meeting agenda in consultation with the CEO;
- reviewing key proposals before they are presented to the Board for decision;
- exercising control over quality, quantity and timeliness of information submitted by the management to the Board; and
- assist in ensuring compliance with the Code and Listing Rules.

Corporate Governance Report for the year ended 31 July 2003 (cont'd)

Access to Information and Accountability

Principle 6: Board members to have complete, adequate and timely information

Principle 10: Accountability of the Board and management

To assist the Board in its discharge of duties, all directors are provided with complete, adequate and timely information prior to Board meetings and have separate and independent access to the Company's management and company secretary. The CEO and executive directors also keep the non-executive directors informed, in between Board meetings, on the status of on-going initiatives by the Group. The management provides the executive Board members with monthly management accounts, and information on major developments and material transactions are also circulated to directors as and when they arise.

Where a decision has to be made before a Board meeting is convened, a directors' resolution is circulated in accordance with the Articles of Association of the Company and the directors are provided with all the necessary information that will allow them to make informed decisions. The executive directors will also ensure that management promptly answers any queries made by the directors. Where the directors, either individually or as a group, require professional advice to discharge their duties, the fee relating to independent professional advice is paid for by the Group.

All non-executive directors have access to all levels of senior executives in the Group and are encouraged to communicate with other employees to seek additional information if they so require. Whenever necessary, senior management staff will be invited to attend Board meetings to answer queries and provide detailed insights into their areas of operations. The directors have been provided with the phone numbers and e-mail addresses of the Group's senior management and company secretary to facilitate access.

Board Committees

Nominating Committee

Principle 4: Formal and transparent process for appointment of new directors

Principle 5: Formal assessment of the effectiveness of the Board and contributions of each director

The NC was established in September 2002 and held its first meeting in the financial year. The composition of the NC is as follows:

Hee Theng Fong (*Chairman*), *Non-Executive and Independent Director*

Lim Lee Meng, *Non-Executive and Independent Director*

Hilary Quah Lam Seng, *Non-Executive and Independent Director*

Ng Cheow Chye, *CEO*

Ng Bie Tjin @ Djuniarti Intan, *Executive Director*

The primary objective of the NC is to make recommendations to the Board on all Board appointments and re-appointments, to assess the Board as a whole and the contribution made by each director and to determine the independence of directors.

The NC is in the process of evaluating the necessity of establishing a formal evaluation process to assess the effectiveness of the Board as a whole and of individual director.

Under the Articles of Association of the Company, one-third of the Board is required to retire by rotation at every Annual General Meeting ("AGM"). The NC has recommended the re-appointment of Mr Ng Cheow Chye, Ms Ng Bie Tjin @ Djuniarti Intan and Mr Si Yok Fong @ Chin Yok Fong at the forthcoming AGM. The two NC members retiring at the AGM have abstained from the deliberations in respect of their own nomination. The Board has accepted the NC's recommendation and the three retiring directors have offered themselves for re-election.

Nominating Committee *(cont'd)*

In the opinion of the NC, Mr Lim Lee Meng, Mr Hee Theng Fong, Mr Hilary Quah Lam Seng and Mr Ng Boon Yew are considered independent. For those directors who hold multiple board representations in public listed companies, the Board is of the opinion that such multiple board representations will not affect their ability to carry out their respective duties as directors of the Company. Going forward, the NC shall be tasked to ascertain whether or not a director is able to and has been adequately carrying out his/her duties as a director of the Company.

Remuneration Committee

Principle 7: Formal and transparent procedure for fixing remuneration packages of directors

Principle 8: Remuneration of directors should be adequate but not excessive

Principle 9: Remuneration policy, level and mix of remuneration and procedure for setting remuneration

The RC was established in September 2002 and held two meetings in the financial year. The composition of the RC is as follows:

Ng Boon Yew *(Chairman), Non-Executive and Independent Director*

Ng Cheow Chye, *CEO*

Lim Lee Meng, *Non-Executive and Independent Director*

Ng Leok Cheng, *Executive Director*

Hilary Quah Lam Seng, *Non-Executive and Independent Director*

The primary objective of the RC is to make recommendations to the Board on the Group's framework of executive remuneration, to review the adequacy and form of compensation of the executive directors and key management executives of the Group to ensure that the compensation realistically commensurate with the responsibilities and performance of the individual, and to review the recommendations of executive directors on the fees for non-executive directors before submitting to the Board for approval.

The RC also undertakes the duties of overseeing the administration of the DT Share Option Scheme 1999 ("Scheme") (and such other similar share plans as may be implemented by the Company from time to time) upon the terms and conditions as defined in the Scheme.

The RC is of the opinion that the executive directors and key management executives of the Group are not excessively compensated, taking into consideration their responsibilities, skills, expertise and contributions to the Group's performance. The service contract of the CEO is renewable for each separate but successive one year term and does not contain any onerous compensation commitments on the part of the Company in the event of early termination.

The Board has accepted the recommendation of the RC on a fixed fee for non-executive directors after taking into account the effort, time spent and responsibilities of each non-executive director. The fees for non-executive directors shall be subject to shareholders' approval at the AGM.

While none of the members of the RC specialises in the area of executive compensation, all members of the RC are knowledgeable in the field of executive compensation through their industry experience. If any of the directors require independent professional advice, such professionals would be hired at the Group's expense.

The Company adopts a remuneration policy comprising a fixed component, a variable component and a shares component to align employees' interests with shareholders. The fixed component is in the form of basic salary and allowance, the variable component is in the form of performance bonus that is linked to the Group and the individual's performance and the shares component is in the form of share options under the Scheme. Information on the Scheme is disclosed in the Directors' Report on pages 37 to 39.

Corporate Governance Report for the year ended 31 July 2003 (cont'd)

Remuneration Committee (cont'd)

A breakdown showing the percentage mix of remuneration payable in financial year 2003 for each of the directors of the Company is set out below:

NAME	FIXED COMPONENT	VARIABLE COMPONENT	CONTRIBUTIONS TO CENTRAL PROVIDENT FUND	BENEFITS IN-KIND	FEE	TOTAL	NO. OF SHARE OPTIONS OFFERED DURING THE YEAR
Executive Directors							
\$250,000 to below \$500,000							
Ng Cheow Chye	50%	35%	4%	11%	0%	100%	2,070,000
Ng Leok Cheng	51%	36%	4%	9%	0%	100%	2,070,000
\$50,000 to below \$250,000							
Ng Bie Tjin @ Djuniarti Intan	49%	34%	5%	12%	0%	100%	2,070,000
Si Yok Fong @ Chin Yok Fong	49%	30%	5%	16%	0%	100%	2,070,000
Ng Cheow Leng	49%	28%	8%	15%	0%	100%	2,070,000
Non-Executive Directors							
Below \$50,000							
Ng Khim Guan @ Ngadimin	0%	0%	0%	0%	100%	100%	1,150,000
Lim Lee Meng	0%	0%	0%	0%	100%	100%	460,000
Hee Theng Fong	0%	0%	0%	0%	100%	100%	460,000
Hilary Quah Lam Seng	0%	0%	0%	0%	100%	100%	460,000
Ng Boon Yew	0%	0%	0%	0%	100%	100%	460,000

The executive directors' remuneration, made up of the fixed component, variable component and contributions to Central Provident Fund, is represented as "Directors' Remuneration" in Note 17 of the financial statements on page 62.

No additional disclosure is made on the remuneration of the key management staff of the Company as they are also the executive directors.

Except among the directors of the Company, the Group does not have employees who are immediate family members (as defined in the Listing Rules) of a director or CEO and whose remuneration exceeds \$150,000 during the financial year.

Audit Committee

Principle 11: Establishment of audit committee with written terms of reference

All members of the AC are Independent Non-Executive Directors and two of them have accounting and financial management-related expertise and experience. The members are as follows:

Lim Lee Meng (Chairman), *Non-Executive and Independent Director*
Hee Theng Fong, *Non-Executive and Independent Director*

Hilary Quah Lam Seng, *Non-Executive and Independent Director*
Ng Boon Yew, *Non-Executive and Independent Director*

The AC performs the functions specified by Section 201B of the Companies Act, the Listing Rules and the Code, and assists the Board in the execution of its corporate governance responsibilities within the Committee's established terms of reference.

Audit Committee *(cont'd)*

The AC held three meetings during the financial year. In performing its functions, the AC met with the Company's external and internal auditors without the presence of management to discuss the scope of their work and the results of their examination and evaluation of the Company's overall financial, operational and compliance internal control systems.

The AC also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- periodic results announcements prior to their submission to the Board for approval;
- financial statements of the Group and the Company prior to their submission to the Board; and
- interested person transactions (as defined in Chapter 9 of the Listing Rules).

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

The AC may also examine, within its terms of reference, any matters pertaining to the Group's affairs and monitor the Group's compliance with legal, regulatory and contractual obligations.

Having reviewed all non-audit services provided by the external auditors, KPMG, the AC is of the view that such services do not affect KPMG's independence and objectivity, and has recommended their re-appointment to the Board.

Internal Controls and Internal Audit

Principle 12: Sound system of internal controls

Principle 13: Setting up independent internal audit function

The Board is responsible for ensuring that the management maintains a system of internal controls to safeguard shareholders' investments and the Group's assets. The Board believes that the existing system of internal controls put in place is adequate in meeting the needs of Group's operation.

The internal audit function is outsourced to external audit professionals, Ernst & Young. These audit professionals report directly to the AC and provide a comprehensive analysis of the business processes and the risks related to each process. An audit plan is also submitted to the AC for approval on an annual basis. The audit professionals perform internal audit reviews and examinations throughout the financial year covering different business processes.

Based on the internal auditors' reports, the Board is satisfied that the system of internal controls in place is in operation and is adequate and effective for the purpose for which it is designed.

The Group's external auditors, KPMG, also contribute an independent perspective on the internal control systems arising from their audit and annually report their findings to the AC.

Corporate Governance Report for the year ended 31 July 2003 (cont'd)

Communication with Shareholders

Principle 14: Regular, effective and fair communication with shareholders

Principle 15: Shareholder participation at AGM

The Board strives to ensure that timely communication is made to the shareholders with regards to all material business matters affecting the Group so as to maintain a high level of transparency and does not practise selective disclosure. Communication is generally achieved through annual reports, press releases and periodic MASNET announcements.

During AGMs, separate resolutions for each distinct issue are tabled for shareholders' approval. The shareholders are also given ample time and opportunities to speak and seek clarification on the Group's affairs and a majority of the directors, including the Chairmen of the Board and the respective Committees, together with the external auditors, are present to answer any shareholder's questions.

Going forward, as required by the Listing Rules, the Group will make quarterly results announcements via MASNET.

Securities Transactions

The Company has adopted its own set of internal code that is in line with the SGX Best Practices Guide with regard to dealings in the Company's shares by its directors and the employees of the Group. The internal code emphasizes that the law on insider dealing is applicable at all times, notwithstanding that there is certain blackout periods for directors and employees to deal in the securities of the Company. Directors and employees with access to sensitive information are prohibited to deal in securities of the Company during the period commencing one month before the announcement of the Group's interim or annual results, as the case may be, and ending on the date of announcement of the relevant results.

With the introduction of quarterly reporting, which is applicable to the Company starting from financial year 2004, SGX had received feedback that the current one-month blackout period is overly restrictive for listed issuers and is in the midst of gathering comments from listed issuers on whether a shorter blackout period should, instead, be put in place.

In view of the overly restrictive blackout period, the Company has decided to adopt a shorter blackout period of two weeks with effect from financial year 2004. The Company will continue to keep itself updated with any changes to the SGX Best Practices Guide and may amend its internal code from time to time to fit the latest best practices.

Interested Person Transactions

During the financial year, there were no interested person transactions entered into by the Group, as defined under the Listing Rules.

Profile of Directors

Ng Khim Guan @ Ngadimin, Chairman (Age: 64)

Mr Ng Khim Guan is one of the two founders of the Company and has been with the Group for 24 years. As the Chairman, he participates actively in the overall strategic planning and business direction of the Group with the objective of steering the Company to be a leading manufacturer of media storage products.

Profile of Directors *(cont'd)*

Mr Ng also has extensive experience in the timber trade. He owns and operates plywood mills and sawmills in Indonesia with his own logging concessions.

Mr Ng was last re-elected in November 2001. He is also a director of the listed company, Pentex-Schweizer Circuits Limited.

Ng Cheow Chye, Managing Director / Chief Executive Officer (Age: 51)

Mr Ng Cheow Chye is one of the two founders of the Company and has been with the Group for 24 years. He has extensive trading and manufacturing experience in the audio industry since the early 1970s.

As the Managing Director, he is responsible for the overall management of the Group and is instrumental in guiding and setting the Group's strategic plans, key operational initiatives and major investments. In striving to be a leading company in the media storage industry, he continues to employ the latest manufacturing technology for CD and DVD to meet and exceed customers' expectations.

Mr Ng is due for re-election as a director of the Company at the forthcoming Annual General Meeting ("AGM") of the Company.

Mr Ng is a member of the Nominating and Remuneration Committees of the Company and is also a director of the listed company, Jadason Enterprises Ltd.

Ng Leok Cheng, Executive Director, General Manager (Age: 43)

Mr Ng Leok Cheng has been with the Group since August 1993. He is currently assisting the Managing Director in overseeing the Group's operations and is also responsible for the marketing and new business development functions of the Company.

Prior to joining the Company, Mr Ng spent eight years in corporate banking where he specialised in the manufacturing and trading sectors of the small and medium enterprise market.

Mr Ng was appointed as an Executive Director in January 1994 and was last re-elected in November 2002. He is a member of the Remuneration Committee of the Company and is also a director of the listed company, TT International Limited.

Mr Ng graduated with a Bachelor of Business Administration (Hons) degree from the National University of Singapore.

Ng Bie Tjin @ Djuniarti Intan, Executive Director, Finance (Age: 37)

Ms Ng Bie Tjin @ Djuniarti Intan, the daughter of the Chairman, is the Finance Director of the Company and a member of the Nominating Committee. She has been with the Group for 11 years and is responsible for the administration and implementation of the Group's corporate finance strategies and policies, corporate governance, internal control policies and procedures, and identification and evaluation of new business opportunities.

Ms Ng was appointed as an Executive Director in January 1994 and was last re-elected in December 2000. She is due for re-election as a director of the Company at the forthcoming AGM of the Company.

Apart from the present directorship of the Company, Ms Ng does not hold directorship in any other listed companies.

Ms Ng holds a Masters in Business Administration degree from the University of Southern California.

Corporate Governance Report for the year ended 31 July 2003 (cont'd)

Profile of Directors *(cont'd)*

Si Yok Fong @ Chin Yok Fong, Executive Director, Technical (Age: 53)

Mr Si Yok Fong joined the Group in 1981. He is responsible for the procurement, production, quality assurance and engineering functions of the Company. He also provides technical support to the marketing department and works closely with the Managing Director to continuously streamline the Company's production processes in order to maximise the efficiency and usage of the Company's assets.

Mr Si was appointed as an Executive Director in January 1994 and was last re-elected in December 2000. He is due for re-election as a director of the Company at the forthcoming AGM of the Company.

Apart from the present directorship of the Company, Mr Si does not hold directorship in any other listed companies.

Mr Si holds a Diploma in Electronic Engineering and Management Studies.

Ng Cheow Leng, Executive Director, Human Resource and Administration (Age: 41)

Mr Ng Cheow Leng, the younger brother of the Managing Director, is the Human Resource and Administration Director of the Company. He has been with the Group for 15 years and is responsible for the administration and implementation of the Company's human resource policies and the formulation and implementation of the Company's information technology strategies.

Mr Ng was appointed as an Executive Director in January 1994 and was last re-elected in November 2001.

Apart from the present directorship of the Company, Mr Ng does not hold directorship in any other listed companies.

Mr Ng graduated with a Bachelor of Arts degree from the Michigan State University.

Lim Lee Meng, Independent Non-Executive Director (Age: 47)

Mr Lim Lee Meng was appointed as a Non-Executive and Independent Director in January 1994 and was last re-elected in November 2001. He is the Chairman of the Audit Committee, as well as a member of the Nominating and Remuneration Committees.

Mr Lim sits on the boards of several other listed companies such as Techwah Industrial Corporation Limited, Tye Soon Limited and Europronic Group Limited as an independent director.

Currently, Mr Lim is a senior partner of Chio Lim & Associates, a member firm of Horwath International, and has more than 20 years of experience in the profession.

Mr Lim holds a Masters in Business Administration degree from the University of Hull, a Bachelor of Commerce (Accountancy) degree from the Nanyang University, a Diploma in Business Law from the National University of Singapore and an ICSA qualification from the Institute of Chartered Secretaries and Administrators.

Hee Theng Fong, Independent Non-Executive Director (Age: 49)

Mr Hee Theng Fong was appointed as a Non-Executive and Independent Director in January 1994 and was last re-elected in November 2002. He is the Chairman of the Nominating Committee and a member of the Audit Committee.

Profile of Directors *(cont'd)*

Mr Hee is also a director of several listed companies, namely, Rotol Singapore Limited, Tye Soon Limited, I.R.E Corporation Limited, Ban Joo & Company Limited, Sinomen Technology Limited and YHI International Limited.

Presently, Mr Hee is a senior partner of a local law firm, Hee Theng Fong & Co. He has been practising as an advocate and solicitor for more than 20 years.

Mr Hee holds a Bachelor of Laws (Hons) degree from the University of Singapore. He is also a fellow of the Chartered Institute of Arbitrators (UK) and a fellow of the Singapore Institute of Arbitrators.

Hilary Quah Lam Seng, Independent Non-Executive Director (Age: 41)

Mr Hilary Quah Lam Seng was appointed as a Non-Executive and Independent Director in October 1999 and was last re-elected in November 2002. He is a member of the Nominating, Remuneration and Audit Committees.

Apart from the present directorship of the Company, Mr Quah does not hold directorship in any other listed companies.

Mr Quah is presently the senior partner and a member of the global executive management committee of The Capital Markets Company ("Capco"), a global service and technology provider focusing in the financial services industry.

Mr Quah joined Capco from Green Dot Payment Services Pte Ltd ("Green Dot Payment") where he was the president. Green Dot Payment is the financial service business start-up of the Singapore Technologies Group. Prior to that, he was the Head / Regional Director of Visa International, Asia Pacific Region, with overall responsibilities for Visa's merchant development and card acceptance activities for the Asia Pacific region.

Graduated in electrical, electronics and computer engineering from the University of Wisconsin, Mr Quah practised semiconductor and circuit design in Japan and in the Silicon Valley for about 5 years. He left high technology business to spend about 5 years at the Singapore Economic Development Board (EDB) where he held various investment and development positions in Singapore and the United States.

Ng Boon Yew, Independent Non-Executive Director (Age: 48)

Mr Ng Boon Yew was appointed as a Non-Executive and Independent Director in September 2001 and was last re-elected in November 2001. He is the Chairman of the Remuneration Committee, as well as a member of the Audit Committee.

Mr Ng is also a director of United Overseas Bank Limited, Fischer Tech Ltd and Royal Clicks Limited and a member of the Public Accountants Board.

Mr Ng has more than 20 years of accounting and auditing experience in both the public and private sectors. He was a partner with an international accounting firm where he was involved in the audit of companies in various industries and the provision of corporate finance services. He had also served as the Chairman of the Disclosure and Accounting Standards Committee and is a member of the Council on Corporate Disclosure and Governance.

Presently, Mr Ng is the Group Chief Financial Officer of Singapore Technologies Pte Ltd.

Mr Ng is a fellow of the Association of Chartered Certified Accountants, associate member of the Institute of Chartered Accountants in England and Wales, associate member of the Chartered Institute of Management Accountants, associate member of the Institute of Chartered Secretaries and Administrators and associate member of the Chartered Institute of Taxation.

Directors' Report for the year ended 31 July 2003

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

Directors

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

Ng Khim Guan @ Ngadimin
Ng Cheow Chye
Ng Leok Cheng
Ng Bie Tjin @ Djuniarti Intan
Ng Cheow Leng

Si Yok Fong @ Chin Yok Fong
Lim Lee Meng
Hee Theng Fong
Hilary Quah Lam Seng
Ng Boon Yew

Principal Activities

The principal activities of the Company during the financial year have been those relating to the manufacture and sale of media storage products used in content distribution including compact discs, digital versatile discs and micro floppy diskettes. The principal activities of the subsidiaries are set out in Note 4 to the financial statements.

There have been no significant changes in the activities of the Group or of the Company during the financial year.

Acquisitions and Disposals of Subsidiaries

During the financial year, the following subsidiaries were incorporated:

Incorporated by the Company
Alchymie Investment Pte. Ltd.

Incorporated by a subsidiary
Elchemi Education Pte. Ltd. (formerly known as Alchimie Pte. Ltd.)

There were no acquisitions or disposals of any other subsidiaries during the financial year.

Financial Results

The results of the Group and of the Company for the financial year were as follows:

	GROUP \$	COMPANY \$
Profit after taxation	6,319,611	5,463,914
Minority interests	(213,088)	-
Profit after taxation and minority interests	<u>6,106,523</u>	<u>5,463,914</u>
Accumulated profit brought forward	61,308,410	61,954,966
Profit available for appropriation	<u>67,414,933</u>	<u>67,418,880</u>
Appropriation:		
First and final tax-exempt dividend of 1 cent per share	(5,940,950)	(5,940,950)
Repurchase of shares	(475,851)	(475,851)
Accumulated profit carried forward	<u>60,998,132</u>	<u>61,002,079</u>

Transfers to and from Reserves and Provision

There were the following movements in reserves during the financial year:

	GROUP AND COMPANY \$
Share premium account:	
- premium arising from issue of ordinary shares under share option scheme	<u>55,800</u>
Capital redemption reserve:	
- repurchase of shares	<u>133,250</u>
	GROUP \$
Exchange translation reserve:	
- exchange difference on translation of net investment in a foreign subsidiary	<u>(111,750)</u>

Material movements in provisions are as set out in the accompanying financial statements.

Issue of Shares and Debentures

During the financial year, the issued share capital of the Company was reduced from \$29,733,000 to \$29,615,250 by the repurchase of 2,665,000 ordinary shares of \$0.05 each and issue of 310,000 ordinary shares of \$0.05 each at the exercise price of \$0.23 each fully paid upon exercise of share options by employees.

Directors' Report for the year ended 31 July 2003 (cont'd)

Issue of Shares and Debentures (cont'd)

Except for the foregoing, neither the Company nor its subsidiaries issued any shares or debentures during the financial year.

Directors' Interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year in shares, debentures or share options in the Company and its subsidiaries are as follows:

Name of director and corporation in which interests are held	HOLDINGS IN WHICH THE DIRECTORS ARE DEEMED TO HAVE INTERESTS		
	AT BEGINNING OF THE YEAR	AT END OF THE YEAR	AT 21/8/2003
Ng Khim Guan @ Ngadimin Datapulse Technology Limited - ordinary shares of \$0.05 each fully paid	101,200,000	101,200,000	101,200,000
Ng Bie Tjin @ Djuniarti Intan Datapulse Technology Limited - ordinary shares of \$0.05 each fully paid	2,500,000	2,500,000	2,500,000
Ng Boon Yew Datapulse Technology Limited - ordinary shares of \$0.05 each fully paid	10,000	10,000	10,000
	HOLDINGS IN THE NAME OF THE DIRECTOR, SPOUSE OR INFANT CHILDREN		
	AT BEGINNING OF THE YEAR	AT END OF THE YEAR	AT 21/8/2003
Name of director and corporation in which interests are held			
Ng Khim Guan @ Ngadimin Datapulse Technology Limited - DT Share Option Scheme 1999			
- options to subscribe for ordinary shares of \$0.05 each at:			
- \$0.525 exercisable between 31/10/2000 and 30/10/2004	1,000,000	1,000,000	1,000,000
- \$0.59 exercisable between 15/1/2001 and 14/1/2005	400,000	400,000	400,000
- \$0.47 exercisable between 16/2/2002 and 15/2/2006	400,000	400,000	400,000
- \$0.30 exercisable between 27/1/2003 and 26/1/2007	400,000	400,000	400,000
- \$0.17 exercisable between 3/10/2003 and 2/10/2007	-	500,000	500,000

Directors' Report for the year ended 31 July 2003 (cont'd)

Directors' Interests (cont'd)

Name of director and corporation in which interests are held	HOLDINGS IN THE NAME OF THE DIRECTOR, SPOUSE OR INFANT CHILDREN		
	AT BEGINNING OF THE YEAR	AT END OF THE YEAR	AT 21/8/2003
Ng Cheow Chye			
Datapulse Technology Limited			
- ordinary shares of \$0.05 each fully paid	106,265,000	77,385,000	77,385,000
- DT Share Option Scheme 1999			
- options to subscribe for ordinary shares of \$0.05 each at:			
- \$0.525 exercisable between 31/10/2000 and 30/10/2009	1,000,000	1,000,000	1,000,000
- \$0.59 exercisable between 15/1/2001 and 14/1/2010	700,000	700,000	700,000
- \$0.47 exercisable between 16/2/2002 and 15/2/2011	700,000	700,000	700,000
- \$0.30 exercisable between 27/1/2003 and 26/1/2012	700,000	700,000	700,000
- \$0.17 exercisable between 3/10/2003 and 2/10/2012	-	900,000	900,000
- \$0.32 exercisable between 20/7/2004 and 19/7/2013	-	1,170,000	1,170,000
Ng Leok Cheng			
Datapulse Technology Limited			
- ordinary shares of \$0.05 each fully paid	100,000	100,000	100,000
- DT Share Option Scheme 1999			
- options to subscribe for ordinary shares of \$0.05 each at:			
- \$0.53 exercisable between 31/10/2000 and 30/10/2009	1,000,000	1,000,000	1,000,000
- \$0.76 exercisable between 15/1/2001 and 14/1/2010	700,000	700,000	700,000
- \$0.55 exercisable between 12/8/2001 and 11/8/2010	700,000	700,000	700,000
- \$0.36 exercisable between 27/1/2003 and 26/1/2012	700,000	700,000	700,000
- \$0.17 exercisable between 3/10/2003 and 2/10/2012	-	900,000	900,000
- \$0.32 exercisable between 20/7/2004 and 19/7/2013	-	1,170,000	1,170,000
Ng Bie Tjin @ Djuniarti Intan			
Datapulse Technology Limited			
- ordinary shares of \$0.05 each fully paid	544,400	544,400	544,400
- DT Share Option Scheme 1999			
- options to subscribe for ordinary shares of \$0.05 each at:			
- \$0.525 exercisable between 31/10/2000 and 30/10/2009	1,000,000	1,000,000	1,000,000
- \$0.59 exercisable between 15/1/2001 and 14/1/2010	700,000	700,000	700,000
- \$0.47 exercisable between 16/2/2002 and 15/2/2011	700,000	700,000	700,000
- \$0.30 exercisable between 27/1/2003 and 26/1/2012	700,000	700,000	700,000
- \$0.17 exercisable between 3/10/2003 and 2/10/2012	-	900,000	900,000

Directors' Report for the year ended 31 July 2003 (cont'd)

Directors' Interests (cont'd)

Name of director and corporation in which interests are held	HOLDINGS IN THE NAME OF THE DIRECTOR, SPOUSE OR INFANT CHILDREN		
	AT BEGINNING OF THE YEAR	AT END OF THE YEAR	AT 21/8/2003
Ng Cheow Leng			
Datapulse Technology Limited			
- DT Share Option Scheme 1999			
- options to subscribe for ordinary shares of \$0.05 each at:			
- \$0.525 exercisable between 31/10/2000 and 30/10/2009	1,000,000	1,000,000	1,000,000
- \$0.59 exercisable between 15/1/2001 and 14/1/2010	700,000	700,000	700,000
- \$0.47 exercisable between 16/2/2002 and 15/2/2011	700,000	700,000	700,000
- \$0.30 exercisable between 27/1/2003 and 26/1/2012	700,000	700,000	700,000
- \$0.17 exercisable between 3/10/2003 and 2/10/2012	-	900,000	900,000
- \$0.32 exercisable between 20/7/2004 and 19/7/2013	-	1,170,000	1,170,000
Si Yok Fong @ Chin Yok Fong			
Datapulse Technology Limited			
- DT Share Option Scheme 1999			
- options to subscribe for ordinary shares of \$0.05 each at:			
- \$0.53 exercisable between 31/10/2000 and 30/10/2009	1,000,000	1,000,000	1,000,000
- \$0.76 exercisable between 15/1/2001 and 14/1/2010	700,000	700,000	700,000
- \$0.55 exercisable between 12/8/2001 and 11/8/2010	700,000	700,000	700,000
- \$0.36 exercisable between 27/1/2003 and 26/1/2012	700,000	700,000	700,000
- \$0.17 exercisable between 3/10/2003 and 2/10/2012	-	900,000	900,000
- \$0.32 exercisable between 20/7/2004 and 19/7/2013	-	1,170,000	1,170,000
Lim Lee Meng			
Datapulse Technology Limited			
- DT Share Option Scheme 1999			
- options to subscribe for ordinary shares of \$0.05 each at:			
- \$0.53 exercisable between 31/10/2000 and 30/10/2004	160,000	160,000	160,000
- \$0.76 exercisable between 15/1/2001 and 14/1/2005	100,000	100,000	100,000
- \$0.36 exercisable between 27/1/2003 and 26/1/2007	150,000	150,000	150,000
- \$0.17 exercisable between 3/10/2003 and 2/10/2007	-	200,000	200,000
- \$0.32 exercisable between 20/7/2004 and 19/7/2008	-	260,000	260,000

Directors' Interests (cont'd)

Name of director and corporation in which interests are held	HOLDINGS IN THE NAME OF THE DIRECTOR, SPOUSE OR INFANT CHILDREN		
	AT BEGINNING OF THE YEAR	AT END OF THE YEAR	AT 21/8/2003
Hee Theng Fong			
Datapulse Technology Limited			
- DT Share Option Scheme 1999			
- options to subscribe for ordinary shares of \$0.05 each at:			
- \$0.53 exercisable between 31/10/2000 and 30/10/2004	160,000	160,000	160,000
- \$0.76 exercisable between 15/1/2001 and 14/1/2005	100,000	100,000	100,000
- \$0.36 exercisable between 27/1/2003 and 26/1/2007	150,000	150,000	150,000
- \$0.17 exercisable between 3/10/2003 and 2/10/2007	-	200,000	200,000
- \$0.32 exercisable between 20/7/2004 and 19/7/2008	-	260,000	260,000
Hilary Quah Lam Seng			
Datapulse Technology Limited			
- DT Share Option Scheme 1999			
- options to subscribe for ordinary shares of \$0.05 each at:			
- \$0.53 exercisable between 31/10/2000 and 30/10/2004	160,000	160,000	160,000
- \$0.76 exercisable between 15/1/2001 and 14/1/2005	100,000	100,000	100,000
- \$0.36 exercisable between 27/1/2003 and 26/1/2007	150,000	150,000	150,000
- \$0.17 exercisable between 3/10/2003 and 2/10/2007	-	200,000	200,000
- \$0.32 exercisable between 20/7/2004 and 19/7/2008	-	260,000	260,000
Ng Boon Yew			
Datapulse Technology Limited			
- DT Share Option Scheme 1999			
- options to subscribe for ordinary shares of \$0.05 each at:			
- \$0.36 exercisable between 27/1/2003 and 26/1/2007	150,000	150,000	150,000
- \$0.17 exercisable between 3/10/2003 and 2/10/2007	-	200,000	200,000
- \$0.32 exercisable between 20/7/2004 and 19/7/2008	-	260,000	260,000

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

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

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

Directors' Report for the year ended 31 July 2003 (cont'd)

Dividends

Since the end of the last financial year, the Company has paid a net final dividend of \$5,940,950 in respect of the previous year as proposed in the directors' report of that year. The directors now propose the payment of a final dividend (net of tax) of 1 cent per share (made up of 0.5 cent franked dividend and 0.5 cent tax-exempt dividend), amounting to \$5,923,050, and a special tax-exempt dividend of 2 cents per share, amounting to \$11,846,100, in respect of the financial year under review.

Bad and Doubtful Debts

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain what action had been taken in relation to writing off bad debts and providing for doubtful debts of the Company. The directors have satisfied themselves that all known bad debts have been written off and that 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 amounts written off for bad debts or provided for doubtful debts in the Group inadequate to any substantial extent.

Current Assets

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain that current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values and that adequate provision has 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 not otherwise dealt with in this report which would render the values attributable to current assets in the Group misleading.

Charges and Contingent Liabilities

Since the end of the financial year:

- (i) no charge on the assets of the Group or of the Company has arisen which secures the liabilities of any other person; and
- (ii) no contingent liability of the Group or of the Company has arisen.

Ability to Meet Obligations

No contingent liability or other liability of the Group or of the Company 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 Group or of the Company to meet their obligations as and when they fall due.

Other Circumstances Affecting the Financial Statements

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

Unusual Items

In the opinion of the directors, no item, transaction or event of a material and unusual nature has substantially affected the results of the operations of the Group or of the Company during 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 is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Share Options

The DT Share Option Scheme 1999 ("Scheme") is administered by the Remuneration Committee.

Since the commencement of the Scheme, the options granted to and exercised by directors, controlling shareholder and associate of the controlling shareholder are as follows:

NAME OF PARTICIPANT	GRANTED DURING THE FINANCIAL YEAR ENDED 31 JULY 2003	AGGREGATE OPTIONS GRANTED SINCE COMMENCEMENT OF SCHEME TO 31 JULY 2003	AGGREGATE OPTIONS EXERCISED/LAPSED SINCE COMMENCEMENT OF SCHEME TO 31 JULY 2003	AGGREGATE OPTIONS OUTSTANDING AS AT 31 JULY 2003
<u>DT Share Option Scheme 1999</u>				
Director who is a controlling shareholder of the Company:				
Ng Khim Guan @ Ngadimin	500,000	2,700,000	-	2,700,000
Director who is an associate of controlling shareholder of the Company:				
Ng Bie Tjin @ Djuniarti Intan	900,000	4,000,000	-	4,000,000

Directors' Report for the year ended 31 July 2003 (cont'd)

Share Options (cont'd)

NAME OF PARTICIPANT	GRANTED DURING THE FINANCIAL YEAR ENDED 31 JULY 2003	AGGREGATE OPTIONS GRANTED SINCE COMMENCEMENT OF SCHEME TO 31 JULY 2003	AGGREGATE OPTIONS EXERCISED/LAPSED SINCE COMMENCEMENT OF SCHEME TO 31 JULY 2003	AGGREGATE OPTIONS OUTSTANDING AS AT 31 JULY 2003
<u>DT Share Option Scheme 1999</u>				
<u>Other directors of the Company:</u>				
Lim Lee Meng	460,000	870,000	-	870,000
Hee Theng Fong	460,000	870,000	-	870,000
Hilary Quah Lam Seng	460,000	870,000	-	870,000
Ng Boon Yew	460,000	610,000	-	610,000
Ng Cheow Chye*	2,070,000	5,170,000	-	5,170,000
Ng Leok Cheng*	2,070,000	5,170,000	-	5,170,000
Ng Cheow Leng*	2,070,000	5,170,000	-	5,170,000
Si Yok Fong @ Chin Yok Fong*	2,070,000	5,170,000	-	5,170,000
Total	10,120,000	23,900,000	-	23,900,000

* These participants have been granted 5% or more of the total number of options available under the Scheme since the commencement of the Scheme.

No option was granted at a discount during the financial year.

Share Options (cont'd)

Options in respect of unissued ordinary shares of \$0.05 each in the Company outstanding as at 31 July 2003 are as follows:

OFFER DATE	NUMBER OF SHARE OPTIONS				BALANCE AT 31/7/2003	NUMBER OF OPTION HOLDERS	EXERCISE PRICE PER SHARE	EXERCISE PERIOD
	BALANCE AT 1/8/2002	OPTIONS OFFERED DURING THE YEAR	LAPSED	EXERCISED				
16/11/1998	435,000	-	(70,000)	(310,000)	55,000	1	\$0.23	17/11/1999 to 16/11/2003
30/10/1999	1,000,000	-	-	-	1,000,000	1	\$0.525	31/10/2000 to 30/10/2004
30/10/1999	480,000	-	-	-	480,000	3	\$0.53	31/10/2000 to 30/10/2004
30/10/1999	3,000,000	-	-	-	3,000,000	3	\$0.525	31/10/2000 to 30/10/2009
30/10/1999	6,590,000	-	(320,000)	-	6,270,000	48	\$0.53	31/10/2000 to 30/10/2009
14/01/2000	400,000	-	-	-	400,000	1	\$0.59	15/01/2001 to 14/01/2005
14/01/2000	300,000	-	-	-	300,000	3	\$0.76	15/01/2001 to 14/01/2005
14/01/2000	2,100,000	-	-	-	2,100,000	3	\$0.59	15/01/2001 to 14/01/2010
14/01/2000	1,400,000	-	-	-	1,400,000	2	\$0.76	15/01/2001 to 14/01/2010
11/08/2000	3,973,000	-	(170,000)	-	3,803,000	61	\$0.55	12/08/2001 to 11/08/2010
15/02/2001	400,000	-	-	-	400,000	1	\$0.47	16/02/2002 to 15/02/2006
15/02/2001	2,100,000	-	-	-	2,100,000	3	\$0.47	16/02/2002 to 15/02/2011
26/01/2002	400,000	-	-	-	400,000	1	\$0.30	27/01/2003 to 26/01/2007
26/01/2002	600,000	-	-	-	600,000	4	\$0.36	27/01/2003 to 26/01/2007
26/01/2002	2,100,000	-	-	-	2,100,000	3	\$0.30	27/01/2003 to 26/01/2012
26/01/2002	4,762,000	-	(342,000)	-	4,420,000	184	\$0.36	27/01/2003 to 26/01/2012
02/10/2002	-	1,300,000	-	-	1,300,000	5	\$0.17	03/10/2003 to 02/10/2007
02/10/2002	-	9,018,000	(544,000)	-	8,474,000	180	\$0.17	03/10/2003 to 02/10/2012
19/07/2003	-	1,690,000	-	-	1,690,000	5	\$0.32	20/07/2004 to 19/07/2008
19/07/2003	-	10,911,000	(148,000)	-	10,763,000	213	\$0.32	20/07/2004 to 19/07/2013
	30,040,000	22,919,000	(1,594,000)	(310,000)	51,055,000	218		

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

Except as disclosed above, during the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries;
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries; and
- (iii) no unissued shares of the Company or its subsidiaries under option.

Directors' Report for the year ended 31 July 2003 (cont'd)

Audit Committee

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

Lim Lee Meng (*Chairman*)
Hee Theng Fong

Hilary Quah Lam Seng
Ng Boon Yew

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

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

The Audit Committee also reviewed the following:

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

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

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

Auditors

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

On behalf of the Board of Directors



Ng Khim Guan @ Ngadimin
Director



Ng Cheow Chye
Director

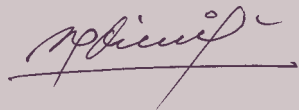
Statement by Directors for the year ended 31 July 2003

We, being directors of the Company, do hereby state that in our opinion:

- (a) the financial statements set out on pages 43 to 68 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 July 2003 and of the results of the business and changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors



Ng Khim Guan @ Ngadimin
Director



Ng Cheow Chye
Director

Singapore
9 September 2003

Report of the Auditors to the Members of Datapulse Technology Limited

We have audited the consolidated financial statements of the Group and the financial statements of the Company for the year ended 31 July 2003 as set out on pages 43 to 68. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Statements of Accounting Standard so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as at 31 July 2003 and of the results and changes in equity of the Group and of the Company and of the 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 the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' report of Datapulse Technology (Taiwan) Inc., of which we have not acted as auditors, being financial statements that have been included in the consolidated financial statements.

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

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

The logo for KPMG, consisting of the letters 'KPMG' in a stylized, handwritten font.

KPMG
Certified Public Accountants

Singapore
9 September 2003

Balance Sheets as at 31 July 2003

	NOTE	GROUP		COMPANY	
		2003 \$	2002 \$	2003 \$	2002 \$
Non-current assets					
Property, plant and equipment	3	53,086,053	64,856,973	38,362,265	49,229,637
Investments in subsidiaries	4	-	-	4	2
Interest in an associate	5	-	-	-	-
Non-financial assets	6	133,700	133,700	133,700	133,700
		<u>53,219,753</u>	<u>64,990,673</u>	<u>38,495,969</u>	<u>49,363,339</u>
Current assets					
Inventories	7	1,206,992	1,306,474	1,071,599	1,244,192
Trade and other receivables	8	21,450,860	10,972,698	25,721,542	14,584,122
Other financial assets	9	3,964,240	1,769,580	3,964,240	1,769,580
Cash and cash equivalents	10	48,758,601	49,537,889	48,544,234	49,237,224
		<u>75,380,693</u>	<u>63,586,641</u>	<u>79,301,615</u>	<u>66,835,118</u>
Less:					
Current liabilities					
Trade and other payables	11	8,180,873	5,913,257	7,033,496	4,314,296
Interest-bearing borrowings	12	2,525,875	3,270,960	-	-
Current tax payable		281,327	349,294	99,739	338,225
		<u>10,988,075</u>	<u>9,533,511</u>	<u>7,133,235</u>	<u>4,652,521</u>
Net current assets		<u>64,392,618</u>	<u>54,053,130</u>	<u>72,168,380</u>	<u>62,182,597</u>
		<u>117,612,371</u>	<u>119,043,803</u>	<u>110,664,349</u>	<u>111,545,936</u>
Less:					
Non-current liabilities					
Interest-bearing borrowings	12	4,705,668	5,748,758	-	-
Deferred tax liability	13	4,916,946	5,149,653	5,256,000	5,256,000
		<u>9,622,614</u>	<u>10,898,411</u>	<u>5,256,000</u>	<u>5,256,000</u>
Less:					
Minority interests		3,076,480	2,881,387	-	-
Net assets		<u>104,913,277</u>	<u>105,264,005</u>	<u>105,408,349</u>	<u>106,289,936</u>
Share capital	14	29,615,250	29,733,000	29,615,250	29,733,000
Reserves	15				
Share premium		14,657,770	14,601,970	14,657,770	14,601,970
Capital redemption reserve		133,250	-	133,250	-
Exchange translation reserve		(491,125)	(379,375)	-	-
Accumulated profit		60,998,132	61,308,410	61,002,079	61,954,966
		<u>104,913,277</u>	<u>105,264,005</u>	<u>105,408,349</u>	<u>106,289,936</u>

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

Profit and Loss Accounts for the year ended 31 July 2003

	NOTE	GROUP		COMPANY	
		2003 \$	2002 \$	2003 \$	2002 \$
Revenue	16	53,148,559	50,634,857	43,495,240	43,046,769
Other income		713,686	847,295	809,351	964,913
		53,862,245	51,482,152	44,304,591	44,011,682
Changes in inventories of finished goods and work-in-progress		(100,514)	(323,476)	(138,384)	(323,476)
Raw materials and consumables used		(14,876,769)	(13,956,160)	(12,266,015)	(11,814,314)
Staff costs		(13,178,180)	(12,149,251)	(10,106,483)	(9,887,128)
Depreciation of property, plant and equipment	3	(7,904,200)	(8,376,619)	(6,847,170)	(7,577,145)
Other operating expenses		(11,103,309)	(9,695,709)	(9,359,173)	(8,754,325)
Profit from operations		6,699,273	6,980,937	5,587,366	5,655,294
Finance costs:					
- interest on borrowings		(303,375)	(434,360)	(3,452)	-
Profit from ordinary activities before taxation	17	6,395,898	6,546,577	5,583,914	5,655,294
Income tax expense	18	(76,287)	(736,005)	(120,000)	(650,000)
Profit from ordinary activities after taxation		6,319,611	5,810,572	5,463,914	5,005,294
Minority interests		(213,088)	(308,060)	-	-
Net profit for the year		6,106,523	5,502,512	5,463,914	5,005,294
Earnings per share	19				
- basic		1.03 cents	0.93 cents		
- fully diluted		1.03 cents	0.92 cents		

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

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

GROUP	SHARE CAPITAL \$	SHARE PREMIUM \$	CAPITAL REDEMPTION RESERVE \$	EXCHANGE TRANSLATION RESERVE \$	ACCUMULATED PROFIT \$	TOTAL \$
At 1 August 2001	29,724,500	14,571,370	-	(392,042)	75,130,073	119,033,901
Issue of shares under share option scheme	8,500	30,600	-	-	-	39,100
Exchange difference on translation of net investment in a foreign subsidiary	-	-	-	12,667	-	12,667
Net profit for the year	-	-	-	-	5,502,512	5,502,512
Final tax-exempt dividend paid of 0.25 cents per share	-	-	-	-	(1,486,475)	(1,486,475)
Special tax-exempt dividend paid of 3 cents per share	-	-	-	-	(17,837,700)	(17,837,700)
Dividends	-	-	-	-	(19,324,175)	(19,324,175)
At 31 July 2002	29,733,000	14,601,970	-	(379,375)	61,308,410	105,264,005
Issue of shares under share option scheme	15,500	55,800	-	-	-	71,300
Exchange difference on translation of net investment in a foreign subsidiary	-	-	-	(111,750)	-	(111,750)
Net profit for the year	-	-	-	-	6,106,523	6,106,523
First and final tax-exempt dividend paid of 1 cent per share	-	-	-	-	(5,940,950)	(5,940,950)
Repurchase of shares	(133,250)	-	133,250	-	(475,851)	(475,851)
At 31 July 2003	29,615,250	14,657,770	133,250	(491,125)	60,998,132	104,913,277

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

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

COMPANY	SHARE CAPITAL \$	SHARE PREMIUM \$	CAPITAL REDEMPTION RESERVE \$	ACCUMULATED PROFIT \$	TOTAL \$
At 1 August 2001	29,724,500	14,571,370	-	76,273,847	120,569,717
Issue of shares under share option scheme	8,500	30,600	-	-	39,100
Net profit for the year	-	-	-	5,005,294	5,005,294
Final tax-exempt dividend paid of 0.25 cents per share	-	-	-	(1,486,475)	(1,486,475)
Special tax-exempt dividend paid of 3 cents per share	-	-	-	(17,837,700)	(17,837,700)
Dividends	-	-	-	(19,324,175)	(19,324,175)
At 31 July 2002	29,733,000	14,601,970	-	61,954,966	106,289,936
Issue of shares under share option scheme	15,500	55,800	-	-	71,300
Net profit for the year	-	-	-	5,463,914	5,463,914
First and final tax-exempt dividend paid of 1 cent per share	-	-	-	(5,940,950)	(5,940,950)
Repurchase of shares	(133,250)	-	133,250	(475,851)	(475,851)
At 31 July 2003	29,615,250	14,657,770	133,250	61,002,079	105,408,349

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

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

	NOTE	2003 \$	2002 \$
Operating Activities			
Profit from ordinary activities before taxation		6,395,898	6,546,577
Adjustments for:			
Depreciation of property, plant and equipment		7,904,200	8,376,619
Loss/(gain) on disposal of property, plant and equipment		180,521	(32,659)
Property, plant and equipment written off		579,367	568,434
Interest expense		303,375	434,360
Interest income		(582,132)	(866,796)
Dividend income		(59,951)	(40,194)
Non-financial assets written off		-	39,500
Allowance for diminution in value of other financial assets written back		-	(284,409)
Gain on sale of other financial assets		(124,432)	(46,463)
Operating profit before working capital changes		14,596,846	14,694,969
Changes in working capital:			
Inventories		99,484	400,575
Trade and other receivables		(2,271,045)	3,110,447
Trade and other payables		2,316,268	(2,847,210)
Cash generated from operations		14,741,553	15,358,781
Income tax paid		(378,743)	(451,757)
Cash flows from operating activities		14,362,810	14,907,024
Investing Activities			
Purchase of other financial assets		(3,405,957)	-
Proceeds from sale of other financial assets		1,335,729	135,099
Purchase of property, plant and equipment		(6,223,955)	(3,747,727)
Proceeds from sale of property, plant and equipment		685,259	107,694
Dividend received from other financial assets		59,951	40,194
Interest received		582,132	866,796
Cash flows from investing activities		(6,966,841)	(2,597,944)

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

Consolidated Statement of Cash Flows for the year ended 31 July 2003 (cont'd)

	NOTE	2003 \$	2002 \$
Financing Activities			
Bank borrowings		-	370,900
Dividends paid		(5,940,950)	(19,324,175)
Capital contributions from minority shareholders in a subsidiary		60,000	-
Payment of finance lease rentals		(4,985)	(16,667)
Proceeds from issue of shares		71,300	39,100
Repayment of bank loans		(1,574,390)	(70,800)
Interest paid		(303,375)	(434,360)
Repurchase of share capital		(475,851)	-
Cash flows from financing activities		<u>(8,168,251)</u>	<u>(19,436,002)</u>
Net decrease in cash and cash equivalents		(772,282)	(7,126,922)
Effect of exchange rate changes on balances held in foreign currency		(7,006)	584
Cash and cash equivalents at beginning of year		49,537,889	56,664,227
Cash and cash equivalents at end of year	10	<u>48,758,601</u>	<u>49,537,889</u>

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$4,526,641 (2002: \$3,778,267) of which \$Nil (2002: \$30,540) was acquired by means of finance leases. Cash payments of \$4,526,641 (2002: \$3,747,727) were made in purchase of these assets.

Notes to the Financial Statements for the year ended 31 July 2003

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 9 September 2003.

1. Domicile and Activities

Datapulse Technology Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 15A Tai Seng Drive, Datapulse Industrial Building, Singapore 535225.

The principal activities of the Company are the manufacture and sale of media storage products used in content distribution including compact discs, digital versatile discs and micro floppy diskettes. The principal activities of the subsidiaries are set out in Note 4 to the financial statements.

The consolidated financial statements for the year ended 31 July 2003 relate to the Company and its subsidiaries (referred to as the "Group") and the Group's interest in an associate.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Statements of Accounting Standard ("SAS") including related Interpretations promulgated by the Institute of Certified Public Accountants of Singapore and the applicable requirements of the Singapore Companies Act, Chapter 50.

The historical cost basis is used and amounts are expressed in Singapore dollars.

(b) Consolidation

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

Investments in subsidiaries in the Company's balance sheet are stated at cost less impairment losses. Subsidiaries are consolidated with the Company in the Group's financial statements.

Investment in associate in the Company's balance sheet is stated at cost less impairment losses.

Unless the interests in the associates are acquired and held exclusively with a view to subsequent disposal in the near future, an investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for post acquisition changes in the Group's share of the associate's net assets. The consolidated profit and loss account reflects the Group's share of the post-acquisition results of the associate for the year. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

The results of the associate are included in the Company's profit and loss account to the extent of dividends received and receivable, providing the Company's right to receive the dividend is established before the balance sheet date.

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

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

(c) Foreign currencies

Foreign currency transactions

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

Foreign operations

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of the foreign operations are translated into Singapore dollars at the rates of exchange ruling at the balance sheet date. The results of foreign operations are translated at average exchange rates for the year. Exchange differences arising on translation are recognised directly in equity.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight line basis to write off items of property, plant and equipment over their estimated useful lives as follows:

Freehold property	-	50 years	Furniture and fittings	-	10 years
Leasehold property	-	50 years	Motor vehicles	-	5 years
Plant and machinery	-	7 to 10 years	Renovations	-	3 to 6 years
Office equipment	-	3 to 10 years			

Depreciation is charged upon the commencement of use of property, plant and equipment in production. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss account. Capitalised leased assets are depreciated over the shorter of the economic useful life of the asset and the lease term.

(e) Other financial assets

Quoted equity securities held for the short term are stated at the lower of cost or market value on a portfolio basis. Any increases or decreases in carrying amount are included in the profit and loss account.

Unquoted debt securities held for the short term are stated at amortised cost.

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

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes materials, direct labour and an appropriate share of overheads based on normal operating capacity.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments which are readily convertible to cash and which are subject to insignificant risk of changes in value.

(h) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to the profit and loss account unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

(i) Deferred tax

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

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

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

(j) Revenue recognition

(i) Sale of goods and services

Revenue is recognised upon delivery of goods to the customer's premises, which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership, or services rendered. Revenue excludes goods and services or other sales taxes and is after the deduction of any trade discounts.

(ii) Dividends

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

(iii) Interest income

Interest income from bank deposits is accrued on the time-apportioned basis.

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

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

(k) Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the profit and loss account on the straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease payments made.

(l) Repurchase of share capital

When share capital recognised as equity is repurchased, the issued share capital is reduced by the par value of the shares repurchased and transferred to the capital redemption reserve. The costs associated with the repurchase are set off against accumulated profit.

3. Property, Plant and Equipment

GROUP	FREEHOLD PROPERTY \$	LEASEHOLD PROPERTY \$	PLANT AND MACHINERY \$	OFFICE EQUIPMENT \$	FURNITURE AND FITTINGS \$	MOTOR VEHICLES \$	RENOVATIONS \$	TOTAL \$
Cost								
At 1 August 2002	8,727,545	14,744,225	65,832,209	1,462,129	2,103,440	1,969,766	1,646,961	96,486,275
Translation difference	(203,360)	-	(176,073)	(1,473)	(628)	(1,885)	(15,710)	(399,129)
Reclassification	-	-	73,744	(73,744)	-	-	-	-
Additions	-	-	3,784,710	107,692	59,713	559,035	15,491	4,526,641
Disposals	-	-	(17,557,618)	-	-	(611,110)	-	(18,168,728)
At 31 July 2003	8,524,185	14,744,225	51,956,972	1,494,604	2,162,525	1,915,806	1,646,742	82,445,059
Accumulated depreciation								
At 1 August 2002	162,591	2,089,423	25,585,077	858,611	1,176,669	1,180,461	576,470	31,629,302
Translation difference	(3,033)	-	(12,447)	(187)	(9)	(184)	(3,447)	(19,307)
Reclassification	-	-	64,166	(64,166)	-	-	-	-
Depreciation charge for the year	75,306	294,883	6,506,195	197,917	198,411	326,737	304,751	7,904,200
Disposals	-	-	(9,748,574)	-	-	(406,615)	-	(10,155,189)
At 31 July 2003	234,864	2,384,306	22,394,417	992,175	1,375,071	1,100,399	877,774	29,359,006
Depreciation charge for 2002	77,877	294,883	6,869,627	270,135	202,063	360,792	301,242	8,376,619
Carrying amount								
At 31 July 2003	8,289,321	12,359,919	29,562,555	502,429	787,454	815,407	768,968	53,086,053
At 31 July 2002	8,564,954	12,654,802	40,247,132	603,518	926,771	789,305	1,070,491	64,856,973

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

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

COMPANY	LEASEHOLD PROPERTY \$	PLANT AND MACHINERY \$	OFFICE EQUIPMENT \$	FURNITURE AND FITTINGS \$	MOTOR VEHICLES \$	RENOVATIONS \$	TOTAL \$
Cost							
At 1 August 2002	14,744,225	58,034,532	1,398,905	2,076,469	1,888,859	972,733	79,115,723
Reclassification	-	73,744	(73,744)	-	-	-	-
Additions	-	3,322,787	62,439	58,030	528,100	-	3,971,356
Disposals	-	(17,603,179)	-	-	(588,978)	-	(18,192,157)
At 31 July 2003	14,744,225	43,827,884	1,387,600	2,134,499	1,827,981	972,733	64,894,922
Accumulated depreciation							
At 1 August 2002	2,089,423	24,231,963	847,052	1,174,217	1,162,400	381,031	29,886,086
Reclassification	-	64,166	(64,166)	-	-	-	-
Depreciation charge for the year	294,883	5,671,224	189,765	193,669	303,083	194,546	6,847,170
Disposals	-	(9,805,050)	-	-	(395,549)	-	(10,200,599)
At 31 July 2003	2,384,306	20,162,303	972,651	1,367,886	1,069,934	575,577	26,532,657
Depreciation charge for 2002	294,883	6,278,077	264,949	199,611	346,928	192,697	7,577,145
Carrying amount							
At 31 July 2003	12,359,919	23,665,581	414,949	766,613	758,047	397,156	38,362,265
At 31 July 2002	12,654,802	33,802,569	551,853	902,252	726,459	591,702	49,229,637

As at 31 July 2003, the freehold property and plant and machinery of the Group with net book values of \$8,289,321 (2002: \$8,564,954) and \$3,701,154 (2002: \$4,331,607), respectively, are pledged as a security for long term loans as set out in Note 12.

The net book value of property, plant and equipment of the Group includes an amount of \$57,360 as at 31 July 2003 (2002: \$62,846) in respect of motor vehicles purchased under finance leases.

4. Investments in Subsidiaries

	2003 \$	COMPANY	2002 \$
Unquoted equity shares, at cost	4		2

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

4. Investments in Subsidiaries *(cont'd)*

Details of the subsidiaries are as follows:

NAME OF COMPANY	PRINCIPAL ACTIVITIES	PLACE OF INCORPORATION AND BUSINESS	EFFECTIVE EQUITY INTEREST HELD BY THE GROUP		COST OF INVESTMENT	
			2003 %	2002 %	2003 \$	2002 \$
1 Datapulse Investment Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100	2	2
2 Datapulse Technology (Taiwan) Inc.	Manufacture and sale of compact discs	Taiwan	67	67	-	-
1 Alchymie Investment Pte. Ltd. and its subsidiary:	Investment holding	Singapore	100	-	2	-
1 Elchemi Education Pte. Ltd. (formerly known as Alchimie Pte. Ltd.)	Provision of on-site training and creative learning services	Singapore	60	-	-	-
					4	2

1 Audited by KPMG Singapore.

2 Audited by KPMG Taiwan.

5. Interest in an Associate

	GROUP		COMPANY	
	2003 \$	2002 \$	2003 \$	2002 \$
(a) Unquoted equity shares, at cost	689,915	689,915	689,915	689,915
Allowance for diminution in value	(409,999)	(409,999)	(689,915)	(689,915)
Share of post-acquisition accumulated loss	(279,916)	(279,916)	-	-
-				

(b) Details of the associate are set out below:

NAME OF ASSOCIATE	PRINCIPAL ACTIVITIES	PLACE OF INCORPORATION AND BUSINESS	EQUITY INTEREST HELD BY THE GROUP	
			2003 %	2002 %
Media Labs Limited (under receivership)	Manufacture and sale of compact discs and micro floppy diskettes	Australia	37	37

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

6. Non-Financial Assets

	2003 \$	GROUP AND COMPANY 2002 \$
Club memberships, at cost	133,700	173,200
Cost written off during the year	-	(39,500)
	133,700	133,700

7. Inventories

	GROUP		COMPANY	
	2003 \$	2002 \$	2003 \$	2002 \$
Raw materials	1,011,945	1,010,913	914,422	948,631
Work-in-progress	65,948	81,644	65,948	81,644
Finished goods	129,099	213,917	91,229	213,917
	1,206,992	1,306,474	1,071,599	1,244,192

8. Trade and Other Receivables

	GROUP		COMPANY	
	2003 \$	2002 \$	2003 \$	2002 \$
Trade receivables	13,059,895	11,169,848	10,026,919	7,985,605
Less:				
Allowance for doubtful receivables:				
At 1 August	948,187	677,542	618,634	549,534
Translation difference	(7,076)	248	-	-
Allowance made	142,700	301,597	82,710	100,300
Allowance written back	(38,398)	-	(38,398)	-
Allowance utilised	(468,595)	(31,200)	(468,595)	(31,200)
At 31 July	576,818	948,187	194,351	618,634
Net trade receivables carried forward	12,483,077	10,221,661	9,832,568	7,366,971

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

8. Trade and Other Receivables (cont'd)

	GROUP		COMPANY	
	2003 \$	2002 \$	2003 \$	2002 \$
Net trade receivables brought forward	12,483,077	10,221,661	9,832,568	7,366,971
Deposits	4,977	471,705	-	466,712
Prepayments	8,929,494	186,467	8,897,453	147,145
Staff loans	16,000	22,000	16,000	22,000
Non-trade receivables	17,312	70,865	12,094	41,120
Amounts due from:				
- subsidiaries				
- trade	-	-	-	889
- non-trade	-	-	6,963,427	6,539,285
Amount due from an associate (trade)	-	-	-	518,216
Amount written off during the year	-	-	-	(518,216)
At 31 July	-	-	-	-
Amount due from an associate (non-trade)	-	-	-	124,126
Amount written off during the year	-	-	-	(124,126)
At 31 July	-	-	-	-
	21,450,860	10,972,698	25,721,542	14,584,122

The non-trade amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

Prepayments include deposits of \$8,255,652 paid for the purchase of plant and machinery as at 31 July 2003.

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

9. Other Financial Assets

	2003 \$	GROUP AND COMPANY	2002 \$
Unquoted debt securities, at cost	1,752,509		-
Quoted equity investments, at cost			
[Market value as at 31 July: \$2,303,348 (2002: \$1,827,589)]	2,211,731		1,769,580
Less:			
Allowance for diminution in value:			
At 1 August	-		284,409
Allowance written back during the year	-		(284,409)
At 31 July	-		-
	3,964,240		1,769,580

10. Cash and Cash Equivalents

	GROUP		COMPANY	
	2003 \$	2002 \$	2003 \$	2002 \$
Fixed deposits	42,811,541	41,206,467	42,811,541	41,206,467
Cash at banks and in hand	5,947,060	8,331,422	5,732,693	8,030,757
	48,758,601	49,537,889	48,544,234	49,237,224

The weighted effective interest rates per annum at the balance sheet date are as follows:

	GROUP		COMPANY	
	2003	2002	2003	2002
Fixed deposits	1.06%	1.60%	1.06%	1.60%

The interest rates reprice at intervals of 1 or 4 weeks.

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

11. Trade and Other Payables

	GROUP		COMPANY	
	2003 \$	2002 \$	2003 \$	2002 \$
Trade payables	4,170,645	2,790,139	3,786,264	2,039,830
Accrued operating expenses	3,462,585	2,253,935	2,910,292	1,837,545
Deposits received	-	6,542	-	6,542
Other payables	547,643	862,641	323,710	430,379
Amount due to a subsidiary (trade)	-	-	13,230	-
	<u>8,180,873</u>	<u>5,913,257</u>	<u>7,033,496</u>	<u>4,314,296</u>

12. Interest-Bearing Borrowings

	GROUP	
	2003 \$	2002 \$
Non-current liabilities		
Secured bank loans	4,677,900	5,716,500
Finance lease liabilities	27,768	32,258
	<u>4,705,668</u>	<u>5,748,758</u>
Current liabilities		
Secured bank loans	905,400	2,214,500
Unsecured bank loans	1,594,510	1,030,000
Finance lease liabilities	25,965	26,460
	<u>2,525,875</u>	<u>3,270,960</u>
	<u>7,231,543</u>	<u>9,019,718</u>

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

12. Interest-Bearing Borrowings (cont'd)

	2003 \$	GROUP	2002 \$
<i>Maturity of borrowings (excluding finance lease liabilities):</i>			
Within 1 year	2,499,910		3,244,500
After 1 year but within 5 years	1,861,000		2,420,500
After 5 years	2,816,900		3,296,000
	7,177,810		8,961,000

The bank loans of \$5,583,300 (2002: \$7,931,000) are secured by way of charges over the freehold property and plant and machinery of the subsidiary.

Several guarantees amounting to NT\$230,000,000; \$11,569,000 (2002: NT\$180,000,000; \$9,270,000) have been provided by the Company and minority shareholders of the subsidiary as collateral for the bank loans totalling \$7,177,810 (2002: \$8,961,000).

Finance lease liabilities

At 31 July 2003, the Group has obligations under finance leases that are repayable as follows:

	← 2003 →			← 2002 →		
	PAYMENTS \$	INTEREST \$	PRINCIPAL \$	PAYMENTS \$	INTEREST \$	PRINCIPAL \$
Repayable within 1 year	33,356	7,391	25,965	34,975	8,515	26,460
Repayable after 1 year but within 5 years	31,796	4,028	27,768	36,139	3,881	32,258
	65,152	11,419	53,733	71,114	12,396	58,718

Under the terms of the lease agreements, no contingent rents are payable.

Effective interest rates and repricing analysis

GROUP	EFFECTIVE INTEREST RATE	FLOATING INTEREST	FIXED INTEREST RATE MATURING		
			WITHIN 1 YEAR	1 TO 5 YEARS	TOTAL
2003	%	\$	\$	\$	\$
NT\$ floating rate loans	2.85 - 7.85	7,177,810	-	-	7,177,810
Finance lease liabilities	16.80	-	25,965	27,768	53,733
		7,177,810	25,965	27,768	7,231,543
2002					
NT\$ floating rate loans	3.46 - 8.13	8,961,000	-	-	8,961,000
Finance lease liabilities	16.80	-	26,460	32,258	58,718
		8,961,000	26,460	32,258	9,019,718

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

13. Deferred Tax Liability

GROUP	2003			2002		
	ASSETS \$	LIABILITIES \$	NET \$	ASSETS \$	LIABILITIES \$	NET \$
Property, plant and equipment	-	(5,210,123)	(5,210,123)	-	(5,215,892)	(5,215,892)
Trade and other receivables	88,226	-	88,226	74,314	-	74,314
Inventories	24,144	-	24,144	20,600	-	20,600
Trade and other payables	24,949	-	24,949	-	-	-
Investment tax credit	141,325	-	141,325	11,124	-	11,124
Other items	60,410	(45,877)	14,533	309	(40,108)	(39,799)
Net tax assets / (liabilities)	339,054	(5,256,000)	(4,916,946)	106,347	(5,256,000)	(5,149,653)
COMPANY						
Property, plant and equipment	-	(5,210,123)	(5,210,123)	-	(5,215,892)	(5,215,892)
Other items	-	(45,877)	(45,877)	-	(40,108)	(40,108)
Tax liabilities	-	(5,256,000)	(5,256,000)	-	(5,256,000)	(5,256,000)

14. Share Capital

	2003		2002	
	NUMBER OF SHARES	\$	NUMBER OF SHARES	\$
Authorised:				
Ordinary shares of \$0.05 each	1,000,000,000	50,000,000	1,000,000,000	50,000,000
Issued and fully paid:				
Ordinary shares of \$0.05 each				
At beginning of the year	594,660,000	29,733,000	594,490,000	29,724,500
Issue of shares	310,000	15,500	170,000	8,500
Repurchase of shares	(2,665,000)	(133,250)	-	-
At end of the year	592,305,000	29,615,250	594,660,000	29,733,000

During the financial year, the issued share capital of the Company was reduced from \$29,733,000 to \$29,615,250 by the repurchase of 2,665,000 ordinary shares of \$0.05 each and issue of 310,000 ordinary shares of \$0.05 each at the exercise price of \$0.23 each fully paid upon exercise of share options by employees.

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

15. Reserves

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

The exchange translation reserve comprises foreign exchange differences arising from the translation of the financial statements of an overseas operation that is not integral to the operations of the Group.

16. Revenue - Group and Company

Revenue comprises net invoiced value of goods and services supplied to customers.

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

17. Profit from Ordinary Activities Before Taxation

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

	NOTE	2003 \$	GROUP 2002 \$	2003 \$	COMPANY 2002 \$
Dividend income from other financial assets		(59,951)	(40,194)	(59,951)	(40,194)
Interest income from:					
- bank		(578,629)	(863,052)	(577,357)	(859,267)
- others		(3,503)	(3,744)	(3,503)	(3,744)
Loss / (gain) on disposal of:					
- other financial assets		(124,432)	(46,463)	(124,432)	(46,463)
- property, plant and equipment		180,521	(32,659)	3,579	(206,814)
Allowance made for doubtful receivables (trade), net	8	104,302	301,597	44,312	100,300
Amounts due from an associate written off	8	-	642,342	-	642,342
Allowance for diminution in value of other financial assets written back	9	-	(284,409)	-	(284,409)
Auditors' remuneration:					
- auditors of the Company					
- current year		63,000	58,700	63,000	58,700
- underprovision in respect of prior year		-	3,354	-	3,354
- other auditors:					
- current year		12,450	12,875	-	-
- underprovision in respect of prior year		-	6,180	-	-
Exchange (gain) / loss		(19,608)	220,408	(20,999)	223,228
Non-audit fees paid to:					
- auditors of the Company		8,100	16,530	8,100	16,530
- other auditors		5,976	8,755	-	-
Non-financial asset written off	6	-	39,500	-	39,500
Operating lease expenses		373,237	380,069	348,776	358,150
Property, plant and equipment written off		579,367	568,434	280,063	427,165
Contributions to defined contribution plans*		1,021,844	939,751	786,518	821,893
Directors' remuneration		1,202,116	1,100,456	1,202,116	1,100,456
Directors' fee		150,000	150,000	150,000	150,000
Average number of employees		503	531	382	460

* Contributions for directors, also included in directors' remuneration, amounted to \$65,810 (2002: \$72,259).

18. Income Taxes

	GROUP		COMPANY	
	2003 \$	2002 \$	2003 \$	2002 \$
Current tax expense				
Current year	300,354	280,051	120,000	268,000
Under / (over) provided in prior years	8,640	(268,000)	-	(268,000)
	308,994	12,051	120,000	-
Deferred tax expense				
Origination and reversal of temporary differences	140	1,193,954	-	1,120,000
Reduction in tax rate	-	(470,000)	-	(470,000)
Tax benefits recognised	(232,847)	-	-	-
	(232,707)	723,954	-	650,000
	76,287	736,005	120,000	650,000

Reconciliation of effective tax rate

	GROUP		COMPANY	
	2003 \$	2002 \$	2003 \$	2002 \$
Profit before tax	6,395,898	6,546,577	5,583,914	5,655,294
Income tax using Singapore tax rate at 22%	1,407,098	1,440,247	1,228,461	1,244,164
Effect of tax rates in foreign jurisdictions	22,054	30,585	-	-
Effect of reduction in tax rate	-	(470,000)	-	(470,000)
Expenses not deductible for tax purposes	101,247	94,783	14,282	93,496
Effect of pioneer status	(1,173,831)	(77,750)	(1,173,831)	(77,750)
Under / (over) provided in prior years	8,640	(268,000)	-	(268,000)
Others	(288,921)	(13,860)	51,088	128,090
	76,287	736,005	120,000	650,000

The Company has been granted pioneer status by the Economic Development Board for the production of compact discs. During the approved period which expires on 30 November 2003, the Company's pioneer profit derived from sale of approved pioneer products would be exempt from income tax.

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

19. Earnings Per Share

Basic earnings per share is based on:
Net profit for the year

	2003 \$	GROUP	2002 \$
	6,106,523		5,502,512
	NUMBER OF SHARES		NUMBER OF SHARES
	593,344,250		594,603,333

Weighted average number of shares outstanding during the year

In calculating diluted earnings per share, the weighted average number of ordinary shares is adjusted for the effects of all dilutive potential ordinary shares:

	2003 NUMBER OF SHARES	2002 NUMBER OF SHARES
Weighted average number of shares issued, used in the calculation of basic earnings per share	593,344,250	594,603,333
Number of shares that would have been issued at fair value	1,009,391	296,356
Weighted average number of ordinary shares (diluted)	594,353,641	594,899,689

20. Commitments

Capital commitments:

Contracted but not provided for
Authorised but not contracted for

	2003 \$	GROUP AND COMPANY	2002 \$
	4,200,000		2,000,000
	8,300,000		8,000,000
	12,500,000		10,000,000

Lease commitments:

The leasehold building which is owned by the Company, is built on land subject to a 60-year lease, commencing from 16 October 1993. The annual land rent payable under the lease agreement is \$348,776 (2002: \$358,150). The land rental is subject to review every year, with a maximum increase in rent not exceeding 7.6% of the annual rent for the preceding year.

21. Segment Reporting - Group

Segment information is presented in respect of the Group's geographical segments and is based on the Group's management and internal reporting structure. The Group operates principally in one business segment, media storage products used in content distribution.

Inter-segment pricing is determined on mutually agreed terms.

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

21. Segment Reporting - Group (cont'd)

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

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

Geographical Segment

	SINGAPORE	TAIWAN	ELIMINATIONS	TOTAL
	\$	\$	\$	\$
2003				
Revenue and expenses				
Revenue	43,568,388	9,580,171	-	53,148,559
Inter-segment revenue	73,714	35,870	(109,584)	-
Total revenue	<u>43,642,102</u>	<u>9,616,041</u>	<u>(109,584)</u>	<u>53,148,559</u>
Segment results	<u>5,241,421</u>	<u>1,035,048</u>	<u>422,804</u>	<u>6,699,273</u>
Finance costs				(303,375)
Income tax expense				(76,287)
Minority interests				(213,088)
Net profit for the year				<u>6,106,523</u>
Assets and liabilities				
Segment assets	<u>117,968,062</u>	<u>17,699,274</u>	<u>(7,066,890)</u>	<u>128,600,446</u>
Segment liabilities	<u>7,033,494</u>	<u>1,187,115</u>	<u>13,997</u>	<u>8,234,606</u>
Unallocated liabilities:				
- borrowings				7,177,810
- tax				281,327
- deferrred tax liability				4,916,946
				<u>20,610,689</u>
Other segmental information				
Capital expenditure	3,989,311	1,377,410	(840,080)	4,526,641
Depreciation	<u>6,848,109</u>	<u>1,071,274</u>	<u>(15,183)</u>	<u>7,904,200</u>

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

21. Segment Reporting - Group (cont'd)

Geographical Segment (cont'd)

2002	SINGAPORE \$	TAIWAN \$	ELIMINATIONS \$	TOTAL \$
Revenue and expenses				
Revenue	42,976,589	7,658,268	-	50,634,857
Inter-segment revenue	70,180	64,120	(134,300)	-
Total revenue	43,046,769	7,722,388	(134,300)	50,634,857
Segment results	5,655,294	1,453,880	(128,237)	6,980,937
Finance costs				(434,360)
Income tax expense				(736,005)
Minority interest				(308,060)
Net profit for the year				5,502,512
Assets and liabilities				
Segment assets	116,198,457	20,186,296	(7,807,439)	128,577,314
Segment liabilities	4,314,296	1,702,349	(44,670)	5,971,975
Unallocated liabilities:				
- borrowings				8,961,000
- tax				349,294
- deferred tax liability				5,149,653
				20,431,922
Other segmental information				
Capital expenditure	2,975,951	2,066,516	(1,264,200)	3,778,267
Depreciation	7,577,145	802,542	(3,068)	8,376,619

21. Segment Reporting - Group (cont'd)

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the segment assets. Sales revenue based on the countries in which the customers are located is as follows:

Geographical Segment by location of customers

Revenue	EXTERNAL SALES \$	INTER-SEGMENT SALES \$	TOTAL \$
2003			
Singapore	28,684,078	35,870	28,719,948
Taiwan	10,663,719	73,714	10,737,433
Others	13,800,762	-	13,800,762
Elimination	-	(109,584)	(109,584)
	53,148,559	-	53,148,559
2002			
Singapore	30,458,834	64,120	30,522,954
Taiwan	8,213,649	70,180	8,283,829
Others	11,962,374	-	11,962,374
Elimination	-	(134,300)	(134,300)
	50,634,857	-	50,634,857

22. Financial Instruments

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the potential financial loss resulting from failure of a customer or a counterparty in settling their financial and contractual obligations to the Group, as and when they fall due.

The Group's primary exposure to credit risk arises through its trade receivables. The management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Cash and fixed deposits are placed with financial institutions which are regulated.

At the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

Notes to the Financial Statements for the year ended 31 July 2003 (cont'd)

22. Financial Instruments (cont'd)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

Foreign currency risk

The Group incurs foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than Singapore dollars. The currencies giving rise to this risk are primarily the United States dollar and New Taiwan dollar.

Exposure to currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level with a view to determining the currency requirements of the Group.

Fair value

At the balance sheet date, the fair values of all the financial assets and liabilities, except for unquoted debt securities, approximate their carrying amounts.

It is not practical to calculate the fair value of unquoted debt securities because of the lack of quoted market prices. However, the Group does not anticipate that the carrying amount recorded at balance sheet date would be significantly different from the value that would eventually be received.

23. Contingent Liabilities - Company

At 31 July 2003, there were contingent liabilities in respect of the following:

	2003 \$	2002 \$
Guarantees given to banks by the Company in respect of bank loans extended to a subsidiary	7,142,600	5,768,000

24. Subsequent Events

Subsequent to the balance sheet date, the directors propose the payment of a final dividend (net of tax) of 1 cent per share (made up of 0.5 cent franked dividend and 0.5 cent tax-exempt dividend), amounting to \$5,923,050, and a special tax-exempt dividend of 2 cents per share, amounting to \$11,846,100, in respect of the financial year ended 31 July 2003.

Shareholding Statistics as at 13 October 2003

Share Capital

Authorised Capital	:	1,000,000,000 shares @ \$0.05 each	=	\$50,000,000
Issued and Paid-Up Capital	:	598,807,000 shares @ \$0.05 each	=	\$29,940,350
Voting Rights	:		=	On a show of hands: one vote for each member On a poll: one vote for each share

Analysis of Shareholdings

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	8	0.06	1,646	0.00
1,000 - 10,000	9,811	67.60	50,189,000	8.38
10,001 - 1,000,000	4,666	32.15	189,622,900	31.67
1,000,001 AND ABOVE	29	0.19	358,993,454	59.95
	14,514	100.00	598,807,000	100.00

Substantial Shareholders

NAME	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	% OF TOTAL ISSUED SHARES	NO. OF SHARES	% OF TOTAL ISSUED SHARES
Ng Cheow Chye	77,385,000	12.92	-	-
Ng Khim Guan @ Ngadimin ⁽¹⁾	-	-	101,200,000	16.9
Uniseraya Holdings Pte Ltd ⁽²⁾	61,200,000	10.22	40,000,000	6.68
Kwek Li Chien @ Intan Soeliana ⁽³⁾	-	-	101,200,000	16.9

NOTES: (1) Mr Ng Khim Guan @ Ngadimin is deemed to be interested in the 101,200,000 shares held by Uniseraya Holdings Pte Ltd of which he is a director and in which he has a direct shareholding interest of 75%.

(2) Uniseraya Holdings Pte Ltd's deemed interest arises from the 40,000,000 shares held by Singapore Nominees Private Limited and United Overseas Bank Nominees (Private) Limited as its nominees.

(3) Ms Kwek Li Chien @ Intan Soeliana is deemed to be interested in the 101,200,000 shares held by Uniseraya Holdings Pte Ltd.

Shareholding Statistics

as at 13 October 2003 (cont'd)

Top Twenty Shareholders

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	%
1	NG CHEOW CHYE	77,385,000	12.92
2	UNISERAYA HOLDINGS PTE LTD	61,200,000	10.22
3	SINGAPORE NOMINEES PTE LTD	31,240,000	5.22
4	HUANG SHUHUI CHERYL	28,280,000	4.72
5	RAFFLES NOMINEES PTE LTD	28,145,000	4.70
6	UNITED OVERSEAS BANK NOMINEES PTE LTD	27,484,000	4.59
7	CITIBANK NOMINEES SINGAPORE PTE LTD	20,508,000	3.43
8	DBS NOMINEES PTE LTD	18,321,000	3.06
9	DBS VICKERS SECS (S) PTE LTD	6,251,000	1.04
10	HL BANK NOMINEES PTE LTD	6,118,000	1.02
11	OVERSEA-CHINESE BANK NOMINEES PTE LTD	5,739,470	0.96
12	PHILLIP SECURITIES PTE LTD	5,627,384	0.94
13	UOB KAY HIAN PTE LTD	5,384,000	0.90
14	YEO BEE NAH	4,416,000	0.74
15	HSBC (SINGAPORE) NOMINEES PTE LTD	4,023,000	0.67
16	OCBC SECURITIES PRIVATE LTD	3,938,000	0.66
17	KIM ENG SECURITIES PTE LTD	3,376,000	0.56
18	CITIBANK CONSUMER NOMINEES PTE LTD	3,147,000	0.53
19	KB NOMINEES PTE LTD	2,748,000	0.46
20	NG CHEOW GEOK	2,000,000	0.33
		345,330,854	57.67

Shareholdings In The Hands Of Public As At 13 October 2003

The percentage of shareholdings in the hands of the public is approximately 60% and hence the Company has complied with Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual which states that an issuer must ensure that at least 10% of its listed securities is at all time held by the public.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of the Company will be held at Meritus Mandarin Hotel, Suite 831 Level 8 South Tower, 333 Orchard Road Singapore 238867 on Friday, 28 November 2003 at 2.00 p.m. to transact the following businesses:-

Ordinary Business

- 1 To receive and consider the financial statements for the year ended 31 July 2003 and the directors' and auditors' reports thereon.
- 2 To declare a first and final dividend of 1 cent (net) per share in respect of the year ended 31 July 2003.
- 3 To declare a special tax-exempt dividend of 2 cents per share in respect of the year ended 31 July 2003.
- 4 To approve directors' fees of S\$150,000 for the year ended 31 July 2003 (2002 : S\$150,000).
- 5 To re-elect the following directors retiring by rotation pursuant to Article 100 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:-
 - (a) Mr Ng Cheow Chye
Note: Mr Ng Cheow Chye is an executive director. If re-elected, he will remain a member of the remuneration and nominating committees.
 - (b) Ms Ng Bie Tjin @ Djuniarti Intan
Note: Ms Ng Bie Tjin @ Djuniarti Intan is an executive director. If re-elected, she will remain a member of the nominating committee.
 - (c) Mr Si Yok Fong @ Chin Yok Fong
- 6 To re-appoint KPMG as auditors of the Company and to authorise the directors to fix their remuneration.

Special Business

- 7 To consider and, if thought fit, to pass with or without any modifications, the following resolutions as ordinary resolutions:-
 - (a) "That pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the directors of the Company to allot and issue shares in the Company (whether by way of rights, bonus or otherwise) at any time and from time to time thereafter to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed 50% of the issued share capital of the Company as at the date of the passing of this resolution, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company as at the date of the passing of this resolution, and for the purpose of this resolution, the issued share capital shall be the Company's issued share capital at the time this resolution is passed (after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue at the time this resolution is passed and any subsequent consolidation or subdivision of the Company's shares), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

Notice of Annual General Meeting (cont'd)

- (b) "That approval be and is hereby given to the directors of the Company to offer and grant options in accordance with the provisions of the DT Share Option Scheme 1999 (including options over shares at a subscription price per share set at a discount to the market price of a share) and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the DT Share Option Scheme 1999, provided that the aggregate number of shares to be issued pursuant to the DT Share Option Scheme 1999 shall not exceed 15% of the issued share capital of the Company from time to time."

AND to transact any other business which may be properly transacted at an Annual General Meeting.

By Order of the Board

Lee Kay Beng
Company Secretary

Singapore
3 November 2003

Statement Pursuant To Article 62 Of The Company's Articles Of Association

Resolution no. 7(a) is to authorise the directors, from the date of the Annual General Meeting until the date of the next Annual General Meeting, to allot and issue shares in the Company. The number of shares which the directors may allot and issue under this resolution shall not exceed 50% of the issued share capital of the Company at the time this resolution is passed. For allotments and issues of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be allotted and issued shall not exceed 20% of the issued share capital of the Company at the time this resolution is passed.

Resolution no. 7(b) is to authorise the directors to offer and grant options and to allot and issue shares in the capital of the Company pursuant to the DT Share Option Scheme 1999 provided that the aggregate number of shares to be issued shall not exceed 15% of the issued share capital of the Company from time to time.

Note

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy must be lodged at the Company's registered office at 15A Tai Seng Drive, Datapulse Industrial Building, Singapore 535225 not less than 48 hours before the time appointed for the Annual General Meeting.

Notice of Annual General Meeting (cont'd)

Notice Of Books Closure And Dividend Payment Dates

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 8 December 2003 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Registrar, M & C Services Private Limited of 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 up to 5:00 p.m. on 5 December 2003 will be registered to determine members' entitlements to the first and final dividend and special tax-exempt dividend.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 5 December 2003 will be entitled to the first and final dividend and special tax-exempt dividend.

Payment of the first and final dividend and special tax-exempt dividend, if approved by members at the Twenty-Third Annual General Meeting, will be made on 18 December 2003.

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Datapulse Technology Limited

(Incorporated in the Republic of Singapore)

PROXY FORM

TWENTY-THIRD ANNUAL GENERAL MEETING

IMPORTANT:-

- 1 For investors who have used their CPF monies to buy Datapulse Technology Limited shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
- 2 This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ NRIC/Passport No. _____

of _____

being a member/members of Datapulse Technology Limited hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

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as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Twenty-Third Annual General Meeting of the Company to be held at Meritus Mandarin Hotel, Suite 831 Level 8 South Tower, 333 Orchard Road Singapore 238867 on Friday, 28 November 2003 at 2.00 p.m. and at any adjournment thereof.

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

No.	Ordinary Resolution	For	Against
1	To receive and consider the financial statements and directors' and auditors' reports		
2	To declare a first and final dividend		
3	To declare a special tax-exempt dividend		
4	To approve directors' fees		
5	(a) To re-elect Mr Ng Cheow Chye as director		
	(b) To re-elect Ms Ng Bie Tjin @ Djuniarti Intan as director		
	(c) To re-elect Mr Si Yok Fong @ Chin Yok Fong as director		
6	To re-appoint KPMG as auditors		
7	Special Business		
	(a) To authorise directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50		
	(b) To authorise directors to offer and grant options and allot and issue shares pursuant to the DT Share Option Scheme 1999		

Dated this _____ day of November 2003

TOTAL NUMBER OF SHARES HELD

Signature(s) of member(s) or common seal

IMPORTANT

PLEASE READ NOTES OVERLEAF



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), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- 2 A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- 3 Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
- 4 The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 15A Tai Seng Drive, Datapulse Industrial Building, Singapore 535225 not less than 48 hours before the time set for the meeting.
- 5 The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
- 6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- 7 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.
- 8 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointer, 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.