ASPIRING
TRANSFORMING
PROGRESSING

EXCELPOINT is a value-added partner to Asia's electronics manufacturers. Headquartered in Singapore, Excelpoint began as a distributor of electronic components in 1987. The company has since evolved and grown into a total solutions provider of quality components, engineering designs and supply chain services to OEM (original equipment manufacturers), ODM (original design manufacturers) and CM (contract manufacturers) in Asia.

Working closely with its principals, Excelpoint has a team of dedicated research and development professionals who will identify new trends and developments in the electronics industry to create and test drive new technical features that will complement their customers' products.

The total solutions and reference designs created by Excelpoint for OEM customers are found in a wide range of applications – from medical equipment devices to the VoIP (Voice over Internet Protocol) devices, and from power protection and metering devices used in the industrial sector to video surveillance devices for homes, commercial buildings and national homeland security projects as well as the wireless communications domain.

Excelpoint also extends its expertise in supply chain management and wide value chain network to its customers, helping them to improve efficiency, manage costs and reduce their lead time to market.

Excelpoint is listed on the Mainboard of Singapore Stock Exchange since 2004. The company employs over 600 staff and has facilities and offices in 30 cities across Asia and the Pacific, including Singapore, Australia, Hong Kong, China, India, Korea, Malaysia, Philippines and Thailand.

For more information, please visit our website: www.excelpoint.com

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SINGAPORE
Headquarters

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Hyderabad
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Seoul

MALAYSIA
Kuala Lumpur
Penang

PHILIPPINES
Manila

THAILAND
Bangkok

CHINA
Beijing
Chengdu
Harbin
Hong Kong
Nanjing
Qingdao
Shanghai
Shenzhen
Xiamen
Xian
Zhu Hai


ALBERT PHUAY YONG HEN
CHAIRMAN AND GROUP CEO

"... Excelpoint managed to maintain customer loyalty, grow our customer base and deepen our market penetration... we have built the groundwork that will allow us to leverage new opportunities in the global market for growth. The sky is our limit."

2007 has been a highly memorable year for Excelpoint. It marked a turning point in our journey of transformation – from that of being the region's electronic components distributor to that of a highly regarded value-added partner to Asia's electronics manufacturers and industrial corporations.

The Group focused on our three core pillars of our business – financial, knowledge and human capital. We have a strong, experienced team of leaders and engineering professionals working closely with our partners and customers to deliver total solutions – from engineering designs to supply chain management services using our impressive network across Asia.

As such, despite the difficult market conditions marked by industry consolidation, a weakening US dollar and rising costs, Excelpoint managed to maintain customer loyalty, grow our customer base and deepen our market penetration.

We re-aligned our business units towards key customer segments and grew sales into various segments ranging from consumer electronics, industrial projects, commercial and government infrastructure projects, automotive and even navigational products.

The new partner signings made with major names Legend Silicon Corporation ("Legend Silicon") and Xilinx, Inc. ("Xilinx") will give us the ability to offer our total solutions to a growing customer segment – from nation-wide digital broadcast infrastructure projects to power meters for industrial projects across the markets we operate in.

Over our 20 years in business, we have built the groundwork that will allow us to leverage new opportunities in the global market for growth. The sky is our limit.

The Group achieved a profit after taxation of $1.2 million with revenue of $486.8 million. The shining beacon in our business continues to be our Design-in services which delivered 9.5% rise in operating profit. Similarly, the Group's Distribution business posted a 3.9% rise in operating profit.

My heartfelt thanks to our Board of Directors for their guidance and support to the senior leadership team. Together, with our employees, shareholders, customers and partners, Excelpoint had adapted well to the changing needs of the electronics marketplace and made inroads into wider sets of customer segments to deliver value to our shareholders.

In appreciation for all of our shareholders, the Board recommends a dividend of 0.25 Singapore cents per ordinary share subject to your approval at the forthcoming Annual General Meeting.

ALBERT PHUAY YONG HEN
CHAIRMAN AND GROUP CEO

Excelpoint 1987 - 2007 20th ANNIVERSARY

CELEBRATING 20 YEARS OF ENTERPRISE EXCELLENCE!

It has been a remarkable journey of developments, challenges and growth by Excelpoint Technology Ltd – 20 years of enterprise excellence that has seen the Group transform from being a winning and preferred distributor of electronic components to a dynamic total solutions provider with impressive R&D capabilities that drive value creation in product designs for our business partners.

These achievements would not have been possible without the support of our customers and valuable partners.

OUR KEY MILESTONES AND AWARDS SUMMARY

- Voted as the Top 10 Preferred Regional Distributors in China by Electronics Buyers' News China for the last 4 years.
- Ranked #9 amongst the Top 10 Companies by Market (India) and #47 amongst the Singapore Top 100 Companies, in year 2007.
- Awarded recognition by Spansion LLC ("Spansion") for being the Best Distributor in Asia for year 2007.
- Gained strategic distributorship agreements with world leaders in semiconductor technology solutions such as Analog Devices B.V. ("ADI"), Cambridge Silicon Radio Limited ("CSR"), Fujitsu Mircoelectronics Asia Pte Ltd ("Fujitsu"), Legend Silicon, Leadis Technology, Inc. ("Leadis"), Microchip Technology Incorporated ("Microchip"), NXP Semiconductors Singapore Pte Ltd ("NXP"), RF Micro Devices, Inc. ("RFMD"), Spansion, Samsung Asia Pte Ltd ("Samsung"), SigmaTel, Inc ("SigmaTel"), TDK Singapore (Pte) Ltd ("TDK") and Xilinx, just to name a few, across the Asia Pacific region.
- Outstanding and Special Awards presented to Group CEO of ETL by ADI and CSR respectively, for Highest Level of Passion and Commitment in driving the business in Asia.
- Awarded recognition for being innovative on our Design-In effort for Amoi Mobile Phone by CSR.
- Awarded recognition by our principals – ADI, Samsung and TDK, for outstanding performance, sales records and business growth.
- Awarded recognition by our principals – ADI for excellent efforts in sales and promotional activities in Asia Pacific region.

OUR COMMITTED AND LOYAL EMPLOYEES

Excelpoint had been building the careers of our employees over the last 20 years. In return, these committed and loyal professionals had contributed immensely to the Group, making the journey of transformation possible.

ROSALIND TAY
(VICE PRESIDENT OF FINANCE)
18 YEARS WITH EXCELPOINT

It's not easy to come to this stage from a mere two-man operation. Today, Excelpoint has over 600 staff worldwide. It's due to hard work, perseverance and great leadership that we have come so far in the last 20 years. I'm grateful for our management team – they are loyal and committed in their respective fields. Staff like myself, we can see their commitment and we truly appreciate them. It's a great place to work!

ESTHER ANG
(ASSISTANT MIS MANAGER)
15 YEARS WITH EXCELPOINT

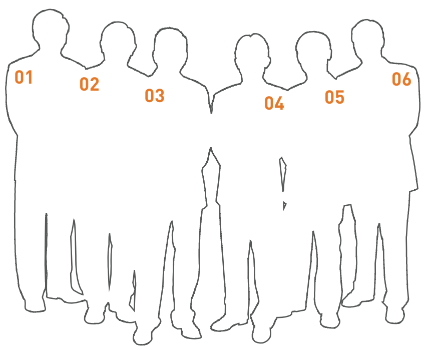
Over the years, Excelpoint had grown with more people and operations. As an IT professional, I've had to deal with the growing information needs of this company. This has really given me a lot of opportunities to explore, learn and deliver IT solutions to meet the company's needs. I'm looking forward to more challenges to take up!

SAMUEL GE
(VICE PRESIDENT OF FIELD APPLICATIONS)
15 YEARS WITH EXCELPOINT

Unlike other companies where I've worked, Excelpoint gives me opportunities to prove myself and rewards me with the ability to see the business roadmap and offers me career development opportunities. I feel appreciated by the company for the work I've put in over the years. The senior leaders continue to encourage me and help me utilise my talents as the Group continues to grow and expand into new territories.

JOACHIM D'SOUZA
(DEPUTY DIRECTOR OF SALES)
10 YEARS WITH EXCELPOINT

I have learnt much over the last ten years from our Chairman and Group CEO, Albert Phuay, and our Vice President of Operations, William Low. These leaders, despite their busy schedules, had given me invaluable guidance and insights into building and growing the Excelpoint business. I admire their entrepreneurial spirit, traditional values and their progressive outlook. They have made me excited about the role I play in bringing the Group to the next level.



01 | ALAN KWAN WAI LOEN
02 | KWAH THIAM HOCK
03 | ALBERT PHUAY YONG HEN
04 | SUNNY WONG FOOK CHOY
05 | DAVID KOK FAT KEUNG
06 | PROFESSOR LOW TECK SENG

ALBERT PHUAY YONG HEN

is the founder of our Group and is also our Chairman and Group Chief Executive Officer. He was appointed as an Executive Director on 18 May 2001 and was last re-elected on 28 April 2004. He is also a member of the Nominating Committee. He oversees the general management of our business and is also responsible for our Group's strategic direction and planning and business development. Prior to forming Excelpoint Systems (Pte) Ltd ("ESPL"), Mr. Phuay had held various management positions in several companies from 1977-1986. Mr. Phuay holds a Technical Certificate in Electronics from the Institute of Technical Education in Singapore. He has also received a Long Service Award certificate in recognition of his voluntary contributions to the Ministry of Community Development and Sports since 1985, as a Probation Officer.

ALAN KWAN WAI LOEN

was appointed as an Executive Director on 18 May 2001 and was last re-elected on 19 April 2006. He is the Managing Director of the Lights Electronics Pte Ltd ("LES") Group and was appointed as a director of LES in 1993. He is responsible for the general management in the LES Group. Mr. Kwan holds a Diploma in Production Engineering from the Singapore Polytechnic, a Diploma in Marketing Management from the Ngee Ann Polytechnic and a Diploma from the Chartered Institute of Marketing in the United Kingdom.

DAVID KOK FAT KEUNG

was appointed as an Executive Director on 5 July 2001 and was last re-elected on 26 April 2005. He is the Chief Operating Officer of the Excelpoint Systems (H.K.) Limited ("ESHK") Group and was appointed as a director of ESHK in 1995. He is responsible for the general management and business development of the ESHK Group. Mr. Kok holds an Ordinary Certificate in Electronics Engineering from the Morrison Hill Technical Institute of Hong Kong.

SUNNY WONG FOOK CHOY

was appointed as an Independent Non-Executive Director on 13 November 2003 and was re-elected on 26 April 2005. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. He is a practising advocate and solicitor of the Supreme Court of Singapore. He started his legal career in 1982. He is currently the Managing Director of Wong Tan & Molly Lim LLC. He holds a Bachelor of Laws (Honours) from the National University of Singapore. He is a director in the following public listed companies in Singapore: Global Testing Corporation Limited and Albedo Limited.

PROFESSOR LOW TECK SENG

was appointed as an Independent Non-Executive Director on 19 April 2006. He is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. He holds a Bachelor of Science (First Class) and Ph.D, in 1978 and 1982 from the Southampton University, United Kingdom. Prof. Low currently chairs Singapore's A*STAR (Agency for Science, Technology and Research) TSRP (Thematic Strategic Research Programmes) and its program on Nanoelectronics. He is also a Board Member of the Health Science Authority, the National Community Leadership Institute and a Technical Panel member for the National Environmental Agency.

KWAH THIAM HOCK

was appointed as an Independent Non-Executive Director on 18 April 2007. He is the Chairman of the Audit Committee and also a member of the Remuneration Committee. Mr. Kwah holds a Bachelor in Accountancy from the National University of Singapore. He is a Fellow CPA of Australian Society of Accountants and also a Fellow Member of both the Institute of Certified Public Accountants of Singapore and ACCA (UK).

WILLIAM LOW MONG CHAI

is the Vice President of Operations of the ESPL Group. He oversees the overall operations of the ESPL Group. Mr. Low holds a Diploma in Production Engineering and Industrial Systems from the Singapore Polytechnic and a Manufacturing Management Consultant Certificate from SANNO Institute of Business Administration in Japan. He is also a Certified Practitioner of Method-Time-Measurement-2 from Method-Time-Measurement Association Limited in the United Kingdom.

HERBERT KWOK FEI LUNG

is the Senior Vice President of Business Unit of the ESHK Group. He oversees all the activities for PRC (including Hong Kong). Mr. Kwok holds a Higher Diploma in Marine Electronics from the Hong Kong Polytechnic.

PHUAY YONG CHOON

is the Vice President of Sales of the ESHK Group. He is responsible for and oversees the sales activities of the ESHK Group for PRC (including Hong Kong). Mr. Phuay holds a Diploma in Electronics and Communications from the Singapore Polytechnic and a Postgraduate Diploma in Sales and Marketing from the Chartered Institute of Marketing in the United Kingdom.

GE YIXIN

is the Vice President of Field Applications of the ESHK Group. His areas of responsibilities include planning of technical designs and evaluation of projects for the design and development divisions of the ESHK Group. Mr. Ge holds a degree in Automatic Manufacturing Systems from the Shanghai University of Technology and was conferred the Masters of Engineering degree by the same university.

ANG TOK BENG

is the Vice President of Sales (Southern China) of ESHK Group. He is responsible for the sales and profitability for the Southern China as well as the strategic accounts within the Group. Mr. Ang holds a Diploma in Electronics & Communication from the Singapore Polytechnic, a Diploma in Sales & Marketing from the Singapore Institute of Marketing and a Diploma in Marketing from the Institute of Marketing in the United Kingdom.

IVAN LEE SEE THIAM

is the Chief Financial Officer of ETL. He oversees the overall financial activities of the Group. Mr. Lee holds a Masters of Commerce (Accounting and Finance) from The University of Sydney, Australia and a Bachelor of Business Administration with Merit from the National University of Singapore.

Excelpoint™

EXCELPOINT TECHNOLOGY LTD

- **EXCELPOINT SYSTEMS (PTE) LTD SINGAPORE (100%)**
  - **Excelpoint Systems Sdn. Bhd.** Malaysia • 100%
  - **Excelpoint Systems (Pte) Ltd (Australia Branch)** Australia
  - **Representative Offices**
    - **India -** Bangalore, Hyderabad, Mumbai, New Delhi, Pune
    - **Korea -** Seoul
    - **The Philippines -** Manila
    - **Thailand -** Bangkok
- **EXCELPOINT SYSTEMS (H.K.) LIMITED HONG KONG (100%)**
  - **Excelpoint International Trading (Shanghai) Co., Ltd** PRC • 100%
  - **Excelpoint International Trading (Shenzhen) Co., Ltd** PRC • 100%
  - **General Engineers (H.K.) Limited** Hong Kong • 100%
  - **Representative Offices**
    - **PRC -** Beijing, Chengdu, Harbin, Nanjing, Qingdao, Xiamen, Xian
- **LIGHTS ELECTRONICS PTE LTD SINGAPORE (100%)**
  - **Lights Electronics (H.K.) Limited** Hong Kong • 100%
  - **Lights Electronics (Shanghai) Co., Ltd.** PRC • 100%
  - **Lights Electronics (Shenzhen) Co., Ltd.** PRC • 100%
  - **Sun Lights Electronics (M) Sdn. Bhd.** Malaysia • 100%
  - **Representative Offices**
    - **India -** Bangalore, New Delhi
    - **PRC -** Beijing, Xiamen
- **EXCELPOINT SOLUTIONS PTE. LTD. SINGAPORE (100%)**
  - **Excelpoint Manufacturing Pte. Ltd.** Singapore • 100%
  - **Excelpoint Manufacturing (Zhu Hai) Co., Ltd** PRC • 100%

Driving greater synergies across functional units and markets
Widening solutions portfolio
Responding faster to market changes and needs
SETTING THE FOUNDATION FOR GROWING CUSTOMER BASE

Excelpoint's business units registered a healthy growth for FY2007. We generated $1.2 million in net profit after tax with revenue of $486.8 million.

Importantly, the Group's Design-in business brought in an operating profit of $3.3 million, a slight increase from $3.0 million in FY2006, while Distribution activities record a similar growth at $2.1 million as compared to FY2006.

BE CUSTOMER FOCUSED

In FY2007, the Group encountered a number of challenges, namely rising operating expenses in rentals, materials and talent, weakening of the US dollar which we use for transactions, as well as consolidations in the electronics industry. We saw mergers and acquisitions at both the principal and customer levels.

In order to stay the course in such challenging environments and as a part of our transformational journey, we took a number of steps in FY2007:-

1. We became customer-focused, not product-focused. We wanted to be a total solutions provider to our customers – from component levels to high value-added services that will drive greater efficiencies and savings for our customers. With that in mind, Excelpoint restructured our business units across all markets.

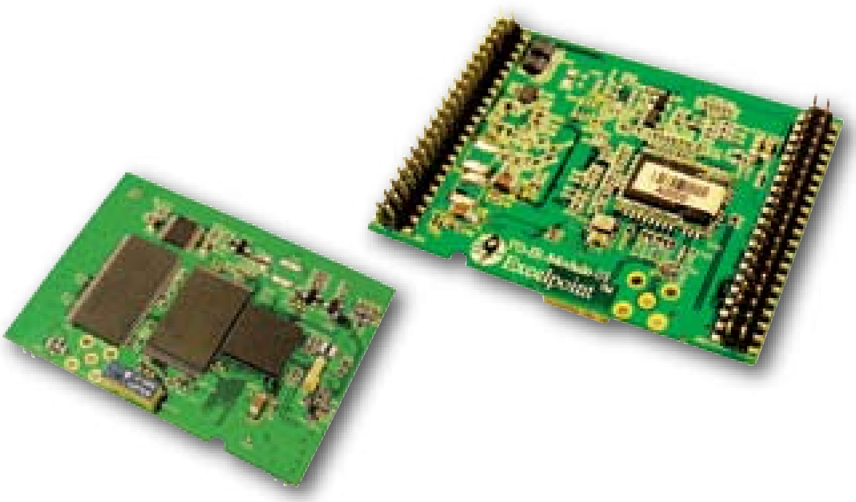
   For our OEM and CM customers, for instance, we collaborated with them to create technical modules that will complement their own electronic products to a range of supply chain management services. The solution modules which we had created for our customers made their way into a wider applications – from medical equipment devices to the highly popular VoIP (Voice over Internet Protocol) devices, power protection and metering devices used in the industrial sector to video surveillance devices for homes, commercial buildings and national homeland security projects.

2. We ventured into new markets. We identified Asian markets like Bangladesh and Korea, which we believed to have the potential for growth, and sent our sales teams in.

3. We signed up new partners. Among the partners we signed in FY2007 were Xilinx, the world's market leader in programmable logic devices; Legend Silicon, co-developer of China's Digital Television Terrestrial Broadcasting System Standard and provider of the Standard compliant demodulator products needed to create applications for digital television; and with Leadis for semiconductors integral to mobile media players and associated accessories. This new set of partners will enable us to offer a wider range of solutions to our customers and to grow our customers at all levels.

4. We groomed our top talents. Talented professionals whom we believe to have the potential to serve as next-generation leaders were identified. We groomed these talented team members to ensure that they understand our business and our transformation journey clearly. Their on-ground experience had also in turn deepened our understanding of our customers' needs, wants and challenges.

Going forward, we will be able to drive greater synergies across the functional units and markets, deliver a wider range of solutions to our customers, respond faster to market changes and needs, and more importantly, set the foundation for a growing customer base. Essentially, we will be able to operate efficiently while maintaining customer loyalty.



RESULTS OF OPERATIONS (US$'000)	2003	2004	2005	2006	2007
Total revenue	373,430	576,693	453,290	454,212	**486,785**
Profit before taxation	7,605	8,986	1,969	3,508	**2,104**
Profit after taxation attributable to equity holders	6,123	7,031	767	2,516	**1,210**
Earnings per share (cents)*	1.76	1.46	0.16	0.52	**0.25**
Return on equity (%)	41	17	2	6	**3**
BALANCE SHEETS (US$'000)					
Shareholders' equity	14,913	42,194	42,824	44,553	**44,169**
Fixed assets	6,019	6,567	4,280	4,895	**5,736**
Intangibles	255	244	223	223	**223**
Current assets	141,890	147,483	120,351	124,673	**144,278**
Current liabilities	132,169	111,182	81,551	84,821	**105,645**
Net current assets	9,721	36,301	38,800	39,852	**38,633**
Long-term liabilities	1,131	918	478	417	**423**
Borrowings	42,691	29,127	15,202	12,497	**31,655**
Net assets value per share (cents)*	4.29	8.75	8.81	9.17	**9.09**

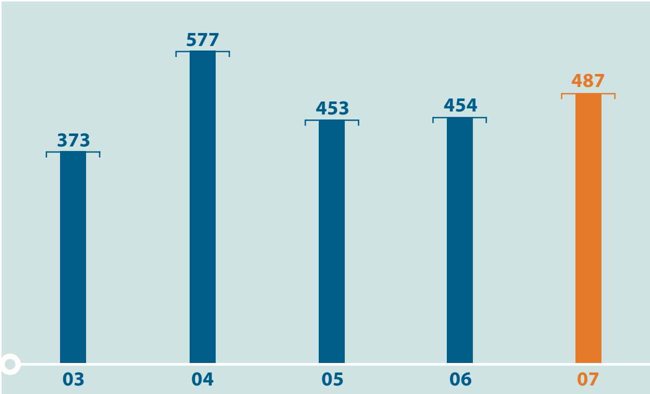
* For comparative purposes, the earnings per share and net asset value per share as at 31 December 2003 were computed based on the pre-invitation share capital of 347,971,200 shares.

As at 31 December 2004, the earnings per share and net assets value per share were computed based on the weighted average share capital of 482,378,299 shares issued during the financial year and year-end share capital of 486,022,200 shares, respectively.

As at 31 December 2005 to 2007, the earnings per share and net assets value per share were computed based on the share capital of 486,022,200 shares.

REVENUE

FY2007 revenue increased partly due to Excelpoint's transformation initiatives. The Group maintained customer loyalty while leveraging new opportunities in the global market to grow its customer base and deepen market penetration.



REVENUE (US$'MILLION)

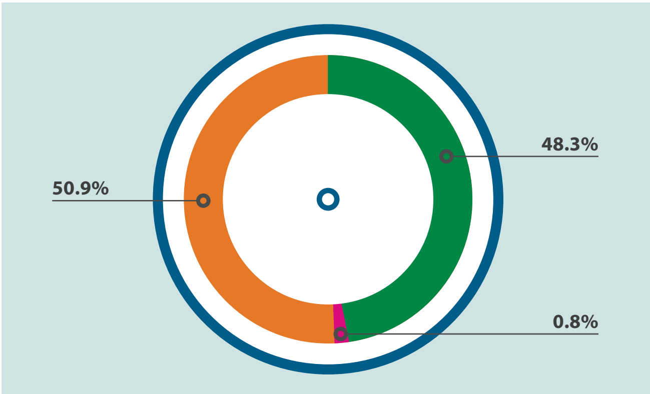
REVENUE BY BUSINESS ACTIVITIES

From a segmental business standpoint, the Group's Design-in activities accounted for 50.9% of total Group revenue. While the Distribution activities followed closely with 48.3%, the Sub-System Manufacturing activities amounted for 0.8% of total Group revenue for FY2007.

Design-in 50.9%

Distribution 48.3%

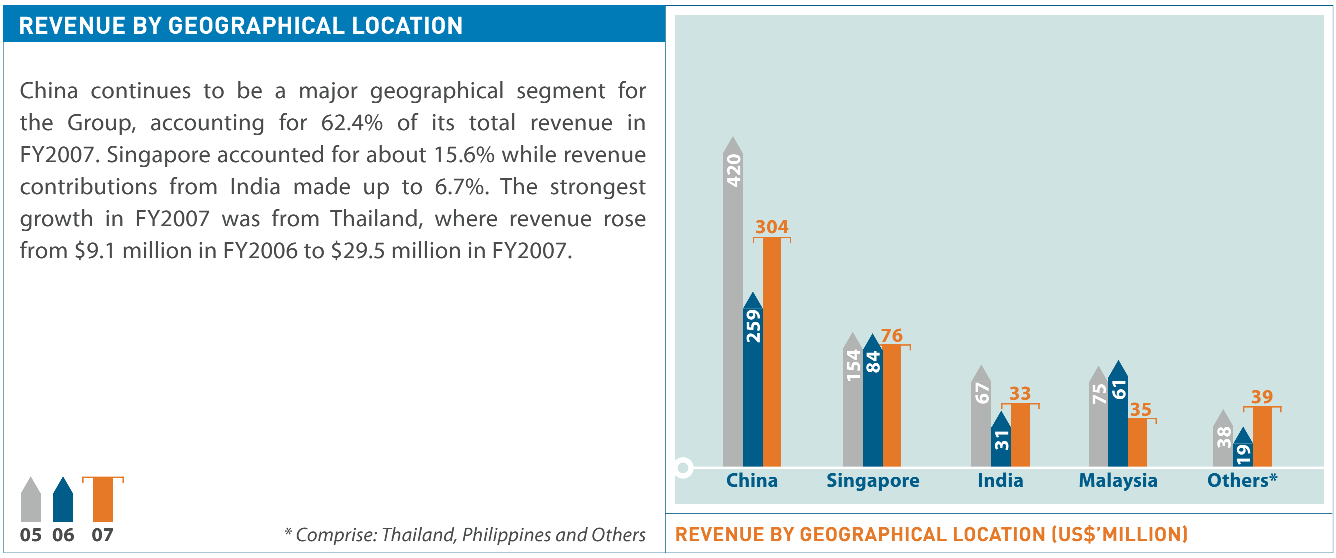
Sub-System 0.8%



REVENUE BY BUSINESS ACTIVITIES (%)

REVENUE BY GEOGRAPHICAL LOCATION

China continues to be a major geographical segment for the Group, accounting for 62.4% of its total revenue in FY2007. Singapore accounted for about 15.6% while revenue contributions from India made up to 6.7%. The strongest growth in FY2007 was from Thailand, where revenue rose from $9.1 million in FY2006 to $29.5 million in FY2007.

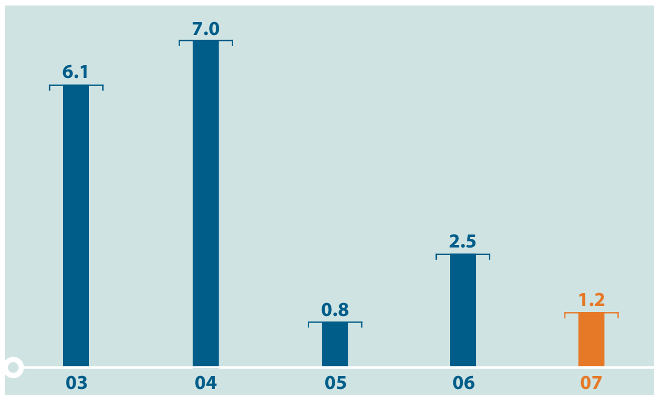


** Comprise: Thailand, Philippines and Others*

REVENUE BY GEOGRAPHICAL LOCATION (US$'MILLION)

NET PROFIT AFTER TAX

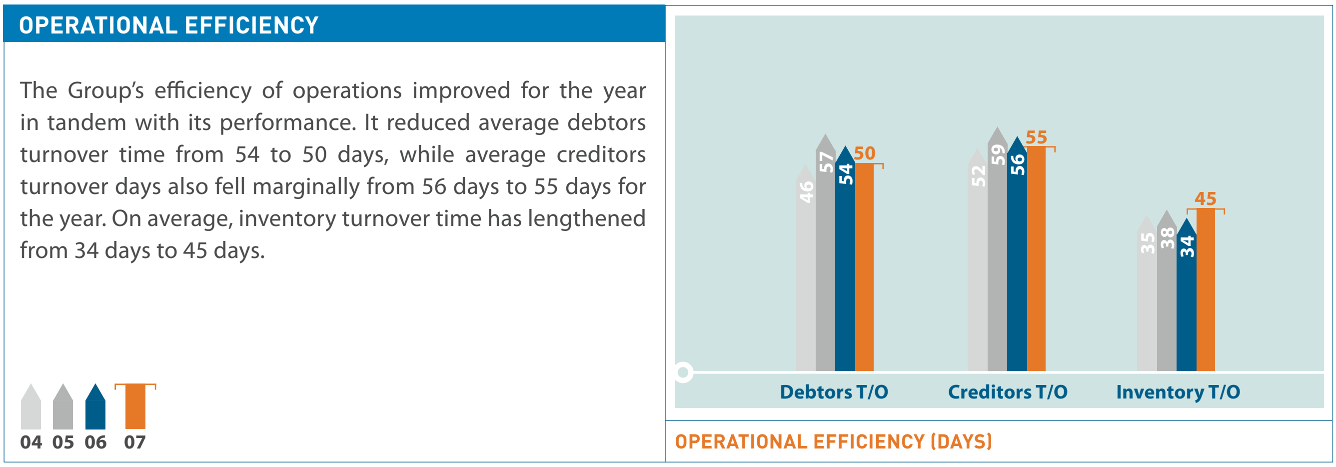
Despite the difficult market conditions in FY2007 with challenges such as a weakening US dollar, rising costs and industry consolidation, the Group remained profitable. Net profit after tax stood at $1.2 million in FY2007.



NET PROFIT AFTER TAX (US$'MILLION)

OPERATIONAL EFFICIENCY

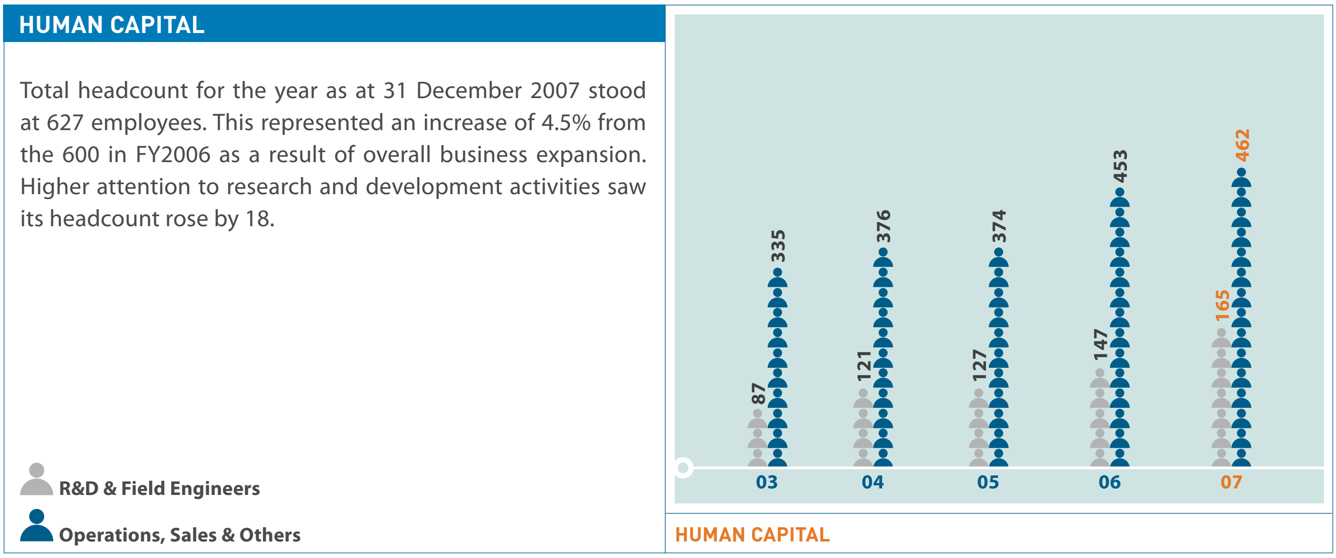
The Group's efficiency of operations improved for the year in tandem with its performance. It reduced average debtors turnover time from 54 to 50 days, while average creditors turnover days also fell marginally from 56 days to 55 days for the year. On average, inventory turnover time has lengthened from 34 days to 45 days.



OPERATIONAL EFFICIENCY (DAYS)

HUMAN CAPITAL

Total headcount for the year as at 31 December 2007 stood at 627 employees. This represented an increase of 4.5% from the 600 in FY2006 as a result of overall business expansion. Higher attention to research and development activities saw its headcount rose by 18.



HUMAN CAPITAL

BOARD OF DIRECTORS

EXECUTIVE

Mr. Albert Phuay Yong Hen
(Chairman and Group Chief Executive Officer)
Mr. Alan Kwan Wai Loen
Mr. David Kok Fat Keung

NON-EXECUTIVE

Mr. Sunny Wong Fook Choy *(Independent)*
Professor Low Teck Seng *(Independent)*
Mr. Kwah Thiam Hock *(Independent)*
(Appointed as Director on 18 April 2007)

AUDIT COMMITTEE

Mr. Kwah Thiam Hock *(Chairman)*
(Appointed on 18 April 2007)
Mr. Sunny Wong Fook Choy *(Member)*
Professor Low Teck Seng *(Member)*

NOMINATING COMMITTEE

Professor Low Teck Seng *(Chairman)*
Mr. Sunny Wong Fook Choy *(Member)*
Mr. Albert Phuay Yong Hen *(Member)*

REMUNERATION COMMITTEE

Mr. Sunny Wong Fook Choy *(Chairman)*
Professor Low Teck Seng *(Member)*
Mr. Kwah Thiam Hock *(Member)*
(Appointed on 18 April 2007)

COMPANY SECRETARIES

Mr. Tan Cher Liang
Ms. Wong Yoen Har

REGISTERED OFFICE AND BUSINESS ADDRESS

15 Changi Business Park Central 1
5th and 6th level
Singapore 486057
Tel: 6741 8966
Fax: 6741 8980
Website: www.excelpoint.com
Company Registration No. 200103280C

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
3 Church Street #08-01
Samsung Hub
Singapore 049483

AUDITORS

Ernst & Young
Certified Public Accountant
One Raffles Quay
North Tower #18-00
Singapore 048583

AUDIT PARTNER-IN-CHARGE

Mr. Yee Woon Yim
(since financial year ended 31 December 2007)

FINANCIAL CONTENTS

//REPORT ON CORPORATE GOVERNANCE

EXCELPOINT TECHNOLOGY LTD (the "Company") is committed to having and maintaining high standards of corporate governance. The Company believes that good corporate governance inculcates an ethical environment and enhances the interest of all shareholders. Since our incorporation on 18 May 2001 and our subsequent admission to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), we have taken steps to comply with the Code of Corporate Governance (the "Code").

The Group's approach in 2007 remains unchanged. This Report describes the Company's corporate governance processes and activities with specific reference to the Code in its annual report.

BOARD MATTERS

1 PRINCIPLE 1 : THE BOARD'S CONDUCT OF ITS AFFAIRS

The principal functions of the Board are:-

1.1 Approving the broad policies, strategies and financial objectives of the Company and monitoring the performance of management;

1.2 Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;

1.3 Approving the nominations of directors and appointment of key personnel;

1.4 Approving major funding proposals, investment and divestment proposals; and

1.5 Assuming responsibility for corporate governance.

The Board makes decisions in matters specifically involving conflict of interest situations relating to a substantial shareholder or a director, material acquisitions and disposal of assets, corporate or financial restructuring and share issuances, dividends and other returns to shareholders and other matters which require Board approval as specified under the Company's interested person transaction policy.

The Board conducts regular scheduled meetings. Ad-hoc meetings are convened when circumstances require. The Company's Articles of Association allows a board meeting to be conducted by way of telephone conference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear each other. The Board is supported by the Audit Committee, Remuneration Committee and Nominating Committee. The attendance of the directors at these meetings is disclosed in this Report.

2 PRINCIPLE 2 : BOARD COMPOSITION AND BALANCE

The Board currently comprises three independent non-executive directors and three executive directors. The Board has examined its size and is satisfied that it is an appropriate size for effective decision making, taking into account the nature and scope of the Company's operations. The independent directors consist of respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary. The independence of each non-executive director is reviewed by the Nominating Committee annually in accordance with the guidelines of the Code. The Board of Directors are as follows:-

Executive Directors

Albert Phuay Yong Hen	(Chairman and Group Chief Executive Officer)
Alan Kwan Wai Loen	
David Kok Fat Keung	

2 PRINCIPLE 2 : BOARD COMPOSITION AND BALANCE (CONT'D)

Independent Directors

Sunny Wong Fook Choy
Low Teck Seng
Kwah Thiam Hock

Profiles of the Directors are found on page 7 of this Annual Report.

3 PRINCIPLE 3 : ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Group's Chairman and Group CEO, Mr. Albert Phuay Yong Hen, plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. He is responsible for the day-to-day running of the Group as well as the exercise of control over the quality, quantity and timeliness of information flow between the Board and Management. As the Chairman and Group CEO, he also schedules Board meetings, oversees the preparation of the agenda for Board meetings and ensures the Group's compliance with the Code. The role of Chairman is not separate from that of the Group CEO as the Board considers that there is considerable accountability and transparency within the Group. The independent directors currently form half the composition of the Board and exercise objective judgement on corporate matters impartially, thus ensuring a balance of power and authority. As such, it would not be necessary for the Group to effect a separation of the role of Chairman and Group CEO.

4 PRINCIPLE 4 : BOARD MEMBERSHIP

Nominating Committee (NC)

The Nominating Committee comprises the following directors:-

Low Teck Seng	(Chairman)
Sunny Wong Fook Choy	(Member)
Albert Phuay Yong Hen	(Member)

The NC's principal functions are to:-

4.1 Identify candidates and review all nominations for the appointment or re-appointment of members of the Board of Directors and the members of the various Board Committees for the purpose of proposing such nominations to the Board for its approval;

4.2 Determine the criteria for identifying candidates and reviewing nominations for the appointments referred to in paragraph 1;

4.3 Decide the manner in which the Board's performance may be evaluated and propose objective performance criteria for the Board's approval;

4.4 Assess the effectiveness of the Board as a whole, and the contribution by each individual director to the effectiveness of the Board; and

4.5 To determine on an annual basis the independence of directors.

The NC had held a meeting in October 2006 for the nomination of directors for the Sixth AGM.

At present, new directors are appointed by way of a board resolution, upon the NC's approval of their appointment. The new directors must submit themselves for re-election at the next AGM of the Company. In addition, the Company's Articles of Association requires all Directors to retire from office at regular intervals and at least once every three years.

4 PRINCIPLE 4 : BOARD MEMBERSHIP (CONT'D)

Nominating Committee (NC) (cont'd)

Although the Independent Directors and the Chairman & Group CEO hold directorships in other companies which are not in the Group, the Board is of the view that such multiple board representations do not hinder them from carrying out their duties as directors. These directors would widen the experience of the Board and give it a broader perspective.

5 PRINCIPLE 5 : BOARD PERFORMANCE

The NC, in considering the re-appointment of any director, evaluates the performance of the director. The NC and the Chairman of the Board implemented a self-assessment process that required each director to assess the performance of the Board as a whole for FY2007. The self-assessment process took into consideration, inter alia, board structure, corporate strategy and planning, risk management and internal control, performance measurement and compensation, succession planning, financial reporting, conduct of meetings and communication with shareholders.

The NC is of the opinion that the independence of the non-executive directors is maintained and that each director has contributed to the effectiveness of the Board as a whole and has recommended the re-election of the following Directors to be put forward for re-election at the forthcoming Annual General Meeting:-

Mr. Kwah Thiam Hock	(Retiring pursuant to Article 108)
Mr. Sunny Wong Fook Choy	(Retiring pursuant to Article 104)
Mr. David Kok Fat Keung	(Retiring pursuant to Article 104)

The attendance of each Director at meetings of the Board and Audit Committee during the financial year ended 31 December 2007 is as follows:-

Attendance at Board and Committee Meetings

NAME OF DIRECTORS	BOARD		AUDIT COMMITTEE ("AC")		NOMINATING COMMITTEE ("NC")		REMUNERATION COMMITTEE ("RC")	
	NO. OF MEETINGS	ATTENDANCE	NO. OF MEETINGS	ATTENDANCE	NO. OF MEETINGS	ATTENDANCE	NO. OF MEETINGS	ATTENDANCE
Albert Phuay Yong Hen	4	4	-	-	-	-	-	-
Alan Kwan Wai Loen	4	4	-	-	-	-	-	-
David Kok Fat Keung	4	4	-	-	-	-	-	-
Sunny Wong Fook Choy	4	4	4	4	-	-	1	1
Low Teck Seng	4	4	4	4	-	-	1	1
Kwah Thiam Hock(1)	4	3	3	3	-	-	-	-
David Chia Tian Bin(2)	4	1	1	1	-	-	1	1

(1) Appointed as Director, AC Chairman and RC member on 18 April 2007.
(2) Resigned as Director, AC Chairman and RC member on 18 April 2007.

The NC had held a meeting in October 2006 instead of February 2007 for the nomination of directors for the Sixth AGM.

6 PRINCIPLE 6 : ACCESS TO INFORMATION

Prior to each Board meeting, the Board is supplied with relevant information by the management pertaining to matters to be brought before the Board for decision as well as ongoing reports relating to operational and financial performance of the Group. In addition, the Board has separate and independent access to senior management and the Company Secretaries at all times.

6 PRINCIPLE 6 : ACCESS TO INFORMATION (CONT'D)

Should directors, whether individually or as a group, need independent professional advice, the Company Secretaries will, upon direction by the Board, appoint a professional advisor selected by the group or individual, and approved by the Chairman to render advice. The cost of such professional advice will be borne by the Company.

The Company Secretaries attend all Board meetings and Committee meetings and are responsible to ensure that board procedures are followed.

REMUNERATION MATTERS

7 PRINCIPLES 7, 8 AND 9 : REMUNERATION MATTERS

Remuneration Committee (RC)

The Remuneration Committee comprises the following three directors, of whom all are independent directors:-

Sunny Wong Fook Choy	(Chairman)
Low Teck Seng	(Member)
Kwah Thiam Hock	(Member)

The RC met once in FY2007. Its principal responsibilities are to:-

7.1 Recommend to the Board base pay levels, benefits and incentive opportunities, and identify components of pay which can best be used to focus management staff on achieving corporate objectives, including identifying equity-based incentives such as stock options;

7.2 Recommend to the Board the structure of the compensation programme for directors and senior management to ensure that the programme is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully; and

7.3 Review compensation packages of directors, senior management and employees who are related to the Executive Directors and Controlling Shareholders (including the compensation package of the CEO) annually and determine appropriate adjustments for approval by the Board.

The Company has adopted the Excelpoint Share Option Scheme which was approved by the shareholders at an Extraordinary General Meeting held on 13 November 2003. To-date, no options had been granted.

Our executive directors are paid based on their Service Agreements with the Company as disclosed in the Company's Prospectus dated 18 December 2003. The Agreements were renewed for a further period of three years from 1 January 2008. The non-executive and independent directors are paid basic fee and additional fees for serving on any of the committees.

Key executives' remuneration are set in accordance with a remuneration framework comprising basic salary (including variable bonuses and benefits-in-kind). To preserve the confidentiality of the remuneration packages of these key executives, the breakdown (in percentage terms) of each executive's remuneration is not disclosed.

7 PRINCIPLES 7, 8 AND 9 : REMUNERATION MATTERS (CONT'D)

Remuneration Committee (RC) (cont'd)

The remuneration in FY2007 of the Directors and key executives are set out below:-

Directors' Remuneration

	YEAR 2007 NO. OF DIRECTORS	YEAR 2006 NO. OF DIRECTORS
$500,000 and above	3	3
$250,000 to below $500,000	-	-
Below $250,000	3	3
Total	6	6

Key Executives' Remuneration

	YEAR 2007 NO. OF KEY EXECUTIVES	YEAR 2006 NO. OF KEY EXECUTIVES
$250,000 to below $500,000	2	2
Below $250,000	3	3
Total	5	5

There are two employees who are immediate family members of our Chairman and Group CEO and their remuneration are between $250,000 to below $500,000 for FY2007.

ACCOUNTABILITY AND AUDIT

8 PRINCIPLE 10 : ACCOUNTABILITY AND AUDIT

The Board seeks to provide shareholders with a comprehensive view of the Company's financial performance, position and prospects on a quarterly basis.

9 PRINCIPLE 11: AUDIT COMMITTEE (AC)

The AC comprises the following three directors, all of whom are independent directors:-

Kwah Thiam Hock	(Chairman)
Low Teck Seng	(Member)
Sunny Wong Fook Choy	(Member)

All the members of the AC have had many years of experience in senior management positions in different sectors. The Board is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC's functions.

The AC meets quarterly to perform the following key functions:-

9.1 Recommends to the Board of Directors, the external and internal auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit;

9.2 Reviews (with the other committees, management, and the external and internal auditors) significant risks or exposures that exist and assesses the steps management has taken to minimise such risk to the Company;

9 PRINCIPLE 11: AUDIT COMMITTEE ("AC") (CONT'D)

9.3 Reviews with the Chief Financial Officer and external auditors at the completion of the annual examination:-

- the external auditors' audit of the annual financial statements and reports;
- the adequacy of the Group's system of accounting controls;
- the level of assistance and cooperation given by management to external auditors;
- any significant findings and recommendations of the external auditors and internal auditors and the related management's responses thereto; and
- any significant changes required in the external auditors' audit plan, any serious difficulties or disputes with management encountered during the course of the audit and their resolution, and other matters related to the conduct of the audit.

9.4 Reviews legal and regulatory matters that may have a material impact on the financial statements' related exchange compliance policies, and programmes and reports received from regulators; and

9.5 Reports actions and resolutions of the AC to the Board of Directors with such recommendations as the AC considers appropriate. The AC has the expressed power to conduct or authorise investigations into any matters within its terms of reference. Minutes of AC meetings are regularly submitted to the Board for its information and review.

The AC has conducted an annual review of the volume of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the auditors before confirming their re-nomination.

The AC also conducts reviews of interested person transactions and meets with the external auditors, without the presence of management, at least once a year. No material contract involving the interests of any director or controlling shareholder of the company has been entered into by the Company or any of its subsidiaries since the end of the previous financial year.

The Company has in place a whistle-blowing framework, which provides an avenue for the staff of the company to raise concerns about improprieties and the independent investigations of such matters by the AC. Contact details of the AC have been made available to all staff.

10 PRINCIPLE 12 : INTERNAL CONTROLS

The Board believes in the importance of maintaining a sound system of internal controls to safeguard the interests of the shareholders and the Group's assets. In the absence of any evidence to the contrary, the Board believes that the system of internal controls maintained by the Company's management is adequate to meet the needs of the Group in its current business environment.

However, the Board notes that no system of internal control can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

As part of the annual statutory audit on financial statements, the external auditors report to the AC and the appropriate level of management any material weaknesses in financial controls over the areas which are significant to the audit.

11 PRINCIPLE 13 : INTERNAL AUDITS

Since FY2006, the Company, upon the recommendation of the AC, appointed Messrs Baker Tilly TFWLCL as internal auditors to review key business processes of the Company and its material subsidiaries with the primary objective of identifying significant control issues that the AC and management should focus their attention on.

In the discharge of its functions, the internal auditors report directly to the Chairman of the AC on functional matters and to the Chief Financial Officer on administrative matters. The AC reviews and approves the internal audit plans and ensures that resources are adequate to perform the function.

COMMUNICATION WITH SHAREHOLDERS

12 PRINCIPLES 14 AND 15 : COMMUNICATION WITH SHAREHOLDERS AND GREATER SHAREHOLDER PARTICIPATION

The Company does not practise selective disclosure of material information. Material and price-sensitive information is always released on SGXNET after trading hours. Results and annual reports are announced or issued within the mandatory periods and are available on the Company website. When press conference and briefings will be held on major events and financial results, the management will only meet the press and analysts after the announcement is released on SGXNET.

All shareholders of the Company receive the Annual Report and Notice of AGM. The Notice is also advertised in a national newspaper. At AGMs, shareholders are given the opportunity to air their views and ask directors or management questions regarding the Company. Separate resolutions on each distinct issue are proposed at general meetings for approval. The external auditors and legal advisors (if necessary) are present to assist the Directors in addressing any queries by shareholders.

The Articles of Association allows a member of the Company to appoint one or two proxies to attend and vote in place of the member.

DEALINGS IN SECURITIES

The Company has issued an Internal Compliance Code on Securities Transactions to Directors and key employees (including employees with access to price-sensitive information to the Company's shares) of the Group setting out the code of conduct on transactions in the Company's shares by these persons, the implications of insider trading and the recommendations of the Best Practices Guide issued by the SGX-ST. The Code forbids the trading of the Company's shares during the period commencing from the end of each of the financial quarters and ending on the date of the announcement of the relevant results.

On Behalf of the Directors,

Albert Phuay Yong Hen
Chairman and Group CEO
Singapore

//DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Excelpoint Technology Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2007.

1. DIRECTORS

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

Albert Phuay Yong Hen	(Chairman and Group Chief Executive Officer)
Alan Kwan Wai Loen	
David Kok Fat Keung	
Sunny Wong Fook Choy	
Low Teck Seng	
Kwah Thiam Hock	(Appointed on 18 April 2007)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as described in paragraph 5 below, 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 object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. DIRECTORS' INTEREST IN SHARES AND DEBENTURES

The following directors who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap.50, an interest in shares of the Company as stated below:-

	DIRECT INTEREST		DEEMED INTEREST	
NAME OF DIRECTOR	AT BEGINNING OF FINANCIAL YEAR	AT END OF FINANCIAL YEAR	AT BEGINNING OF FINANCIAL YEAR	AT END OF FINANCIAL YEAR
Ordinary shares of the Company				
Albert Phuay Yong Hen	237,457,520	237,244,520	12,990,840	12,990,840
Alan Kwan Wai Loen	30,981,220	30,981,220	–	–
David Kok Fat Keung	2,371,620	2,371,620	–	–
Sunny Wong Fook Choy	100,000	100,000	–	–

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2008.

By virtue of Section 7 of the Singapore Companies Act, Cap.50, Albert Phuay Yong Hen is deemed to have interests in shares of the subsidiaries of the Company, all of which are wholly-owned.

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

4. DIRECTORS' CONTRACTUAL BENEFITS

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

5. OPTIONS

At an Extraordinary General Meeting held on 13 November 2003, shareholders approved the Excelpoint Share Option Scheme (the "Scheme") for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company. As at the date of this report, no options have been granted under the Scheme.

6. AUDIT COMMITTEE

The Audit Committee ("AC") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:-

- Reviews the audit plans of the internal and external auditors of the Company and reviews the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors;

- Reviews the quarterly and annual financial statements and the auditors' report on the annual financial statements of the Company before their submission to the board of directors;

- Reviews the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;

- Meets with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- Reviews the cost effectiveness and the independence and objectivity of the external auditors;

- Reviews the nature and extent of non-audit services provided by the external auditors;

- Recommends to the board of directors the external auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit;

- Reports actions and minutes of the AC to the board of directors with such recommendations as the AC considers appropriate; and

- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited (SGX-ST)'s Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the financial year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance in the Annual Report of the Company.

7. AUDITORS

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

On behalf of the board of directors,

Albert Phuay Yong Hen
Director

Alan Kwan Wai Loen
Director

Singapore
11 March 2008

//STATEMENT BY DIRECTORS
PURSUANT TO SECTION 201(15)

We, Albert Phuay Yong Hen and Alan Kwan Wai Loen, being two of the directors of Excelpoint Technology Ltd, do hereby state that, in the opinion of the directors:-

(a) the accompanying balance sheets, consolidated income statement, statements of changes in equity, and consolidated cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial 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.

On behalf of the board of directors,

Albert Phuay Yong Hen
Director

Alan Kwan Wai Loen
Director

Singapore
11 March 2008

//INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EXCELPOINT TECHNOLOGY LTD

We have audited the accompanying financial statements of Excelpoint Technology Ltd (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 30 to 68, which comprise the balance sheets of the Group and the Company as at 31 December 2007, the statements of changes in equity of the Group and the Company, the income statement and cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion,

(i) the consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

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

ERNST & YOUNG
Certified Public Accountants

Singapore
11 March 2008

//CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Note	GROUP	
		2007	2006
		US$'000	US$'000
Revenue	4	**486,785**	454,212
Cost of sales		**(451,873)**	(420,350)
Gross profit		**34,912**	33,862
Other income	5	**1,711**	950
Sales and distribution costs		**(18,958)**	(15,002)
General and administrative expenses		**(12,967)**	(12,158)
Other expenses	7	**(325)**	(2,892)
Finance costs	6	**(2,269)**	(1,252)
Profit before taxation	7	**2,104**	3,508
Income tax expense	8	**(894)**	(992)
Profit after taxation and attributable to equity holders of the Company		**1,210**	2,516
Basic earnings per share (cents)	9	**0.25**	0.52

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

//BALANCE SHEETS
AS AT 31 DECEMBER 2007

	Note	GROUP 2007 US$'000	GROUP 2006 US$'000	COMPANY 2007 US$'000	COMPANY 2006 US$'000
Non-current assets					
Property, plant and equipment	10	**3,768**	4,895	**3**	5
Investment property	11	**1,968**	–	**–**	–
Intangible assets	12	**223**	223	**–**	–
Investments in subsidiaries	13	**–**	–	**13,049**	13,700
		5,959	5,118	**13,052**	13,705
Current assets					
Trade debtors	14	**69,935**	65,018	**5**	2
Other debtors	15	**1,099**	1,715	**1**	1
Prepayments		**92**	67	**–**	–
Stocks	16	**63,437**	49,807	**–**	–
Amounts due from subsidiaries	17	**–**	–	**20,836**	19,862
Tax recoverable		**99**	1,108	**–**	–
Cash and cash equivalents	26	**9,616**	6,958	**87**	356
		144,278	124,673	**20,929**	20,221
Current liabilities					
Trade creditors and accruals	18	**(69,371)**	(67,517)	**(148)**	(117)
Other creditors	19	**(4,398)**	(4,711)	**–**	–
Interest-bearing loans and borrowings	20	**(31,381)**	(12,151)	**–**	–
Finance lease obligations	21	**(96)**	(129)	**–**	–
Provision for taxation		**(399)**	(313)	**(60)**	(126)
		(105,645)	(84,821)	**(208)**	(243)
Net current assets		**38,633**	39,852	**20,721**	19,978
Non-current liabilities					
Finance lease obligations	21	**(178)**	(217)	**–**	–
Deferred tax liabilities	22	**(245)**	(200)	**–**	–
		(423)	(417)	**–**	–
Net assets		**44,169**	44,553	**33,773**	33,683
Equity attributable to equity holders of the Company					
Share capital	23	**31,429**	31,429	**31,429**	31,429
Reserves		**12,740**	13,124	**2,344**	2,254
		44,169	44,553	**33,773**	33,683

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

//STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Group	Note	Equity, Total US$'000	Share capital US$'000	Share premium US$'000	Foreign currency translation reserve US$'000	Statutory reserve fund US$'000	Revenue reserves US$'000
At 1 January 2007		44,553	31,429	–	(938)	17	14,045
Foreign currency translation		11	–	–	11	–	–
Net income recognised directly in equity		11	–	–	11	–	–
Profit for the year		1,210	–	–	–	–	1,210
Total recognised income for the year		1,221	–	–	11	–	1,210
Transfer to statutory reserve fund		–	–	–	–	8	(8)
Dividends paid on ordinary shares	35	(1,605)	–	–	–	–	(1,605)
At 31 December 2007		44,169	31,429	–	(927)	25	13,642
At 1 January 2006		42,824	14,872	16,557	(910)	17	12,288
Foreign currency translation		(28)	–	–	(28)	–	–
Net expense recognised directly in equity		(28)	–	–	(28)	–	–
Profit for the year		2,516	–	–	–	–	2,516
Total recognised income and expense for the year		2,488	–	–	(28)	–	2,516
Transfer of share premium to share capital		–	16,557	(16,557)	–	–	–
Dividends paid on ordinary shares	35	(759)	–	–	–	–	(759)
At 31 December 2006		44,553	31,429	–	(938)	17	14,045

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

//STATEMENTS OF CHANGES IN EQUITY

Company	Note	Equity, Total US$'000	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY Share capital US$'000	Share premium US$'000	Revenue reserves US$'000
At 1 January 2007		33,683	31,429	–	2,254
Profit for the year		1,695	–	–	1,695
Total recognised income for the year		1,695	–	–	1,695
Dividends paid on ordinary shares	35	(1,605)	–	–	(1,605)
At 31 December 2007		33,773	31,429	–	2,344
At 1 January 2006		32,193	14,872	16,557	764
Profit for the year		2,249	–	–	2,249
Total recognised income for the year		2,249	–	–	2,249
Transfer from share premium to share capital		–	16,557	(16,557)	–
Dividends paid on ordinary shares	35	(759)	–	–	(759)
At 31 December 2006		33,683	31,429	–	2,254

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

//CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	GROUP	
	2007	2006
	US$'000	US$'000
Cash flows from operating activities		
Profit before taxation	**2,104**	3,508
Adjustments for:-		
Interest income	**(347)**	(412)
Interest expense	**2,269**	1,252
Reversal of impairment loss on investment property	**(885)**	–
Impairment loss on plant and machinery	**354**	–
Depreciation of property, plant and equipment	**1,111**	894
Depreciation of investment property	**24**	–
Net (gain)/loss on disposal of property, plant and equipment	**(220)**	291
Operatingcash flows before reinvestment in working capital	**4,410**	5,533
Increase in stocks	**(13,630)**	(21,557)
(Increase)/decrease in debtors	**(4,326)**	3,454
Increase in creditors	**1,541**	5,873
Cash used in operations	**(12,005)**	(6,697)
Interest received	**347**	412
Interest paid	**(2,269)**	(1,252)
Income tax rebate/(paid)	**250**	(2,056)
Net cash used in operating activities	**(13,677)**	(9,593)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1,898)**	(2,487)
Proceeds on disposals of property, plant and equipment	**675**	688
Net cash used in investing activities	**(1,223)**	(1,799)
Cash flows from financing activities		
Proceeds from/(repayment of) loans and borrowings	**925**	(40)
Increase/(decrease) in bills payable	**18,305**	(2,626)
Repayment of finance lease obligations	**(72)**	(39)
Dividends paid on ordinary shares by the Company	**(1,605)**	(759)
Net cash flows generated from/(used in) financing activities	**17,553**	(3,464)
Net increase/(decrease) in cash and cash equivalents	**2,653**	(14,856)
Effects of exchange rate changes	**5**	(32)
Cash and cash equivalents at beginning of financial year	**6,958**	21,846
Cash and cash equivalents at end of financial year (Note 26)	**9,616**	6,958

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

//NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

1. CORPORATE INFORMATION

Excelpoint Technology Ltd (the "Company") is a limited liability company incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 15 Changi Business Park Central 1, 6th Level, Singapore 486057.

The principal activities of the Company are that of an investment holding company and the provision of support services to its subsidiaries. The principal activities of the subsidiaries include the trading of electronic equipment, sale and distribution of electronic components and dealers of all types of electronic and electrical components and accessories, and sub-system manufacturing.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (USD or US$) and all values are rounded to the nearest thousand (US$'000) except when otherwise indicated.

The accounting policies have been consistently applied by the Group and the Company during the financial year and are consistent with those used in the previous financial year except for the changes in accounting policies discussed below.

2.2 Changes in accounting policies

On 1 January 2007, the Group adopted the following FRS which are effective for annual periods beginning on or after 1 January 2007.

REFERENCE	DESCRIPTION
Amendment to FRS 1	Revised Presentation of Financial Statements (Capital Disclosures)
FRS 40	Investment Property
FRS 107	Financial Instruments : Disclosures

As a result of adopting FRS 40, the Group has classified its property as investment property arising from a change in use of the property. The Group adopted the cost model and has stated the investment property at cost less accumulated depreciation and impairment loss.

FRS 107 requires disclosures that enable users of the financial statements to evaluate the significance of the Company's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of the Group, comparative information has been included/ revised where appropriate.

Amendment to FRS 1 requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These disclosures are shown in Note 31 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Future changes in accounting policies

The Group has not applied the following FRS and INT FRS that have been issued but not yet effective:-

REFERENCE	DESCRIPTION	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
FRS 23	Amendment to FRS 23, Borrowing Costs	1 January 2009
FRS 108	Operating Segments	1 January 2009
INT FRS 111	Group and Treasury Share Transactions	1 March 2007
INT FRS 112	Service Concession Arrangements	1 January 2008

The directors expect that the adoption of the above pronouncements will have no material impact to the financial statements in the period of initial application, except for FRS 108, as indicated below.

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The impact of this standard on the other segment disclosures is to be determined. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented 2009.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 Functional and foreign currency

(a) Functional currency

The management has determined the currency of the primary economic environment in which the Company operates, i.e. the functional currency, to be the United States Dollars (USD), as it best reflects the economic substance of the underlying events and circumstances relevant to the entity.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated income statement on disposal of the subsidiary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Functional and foreign currency (cont'd)

(b) Foreign currency transactions (cont'd)

The assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity as foreign currency translation reserve. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of an asset begins when it is available for use and is computed on the straight-line basis over the expected useful lives of the assets as follows:-

Leasehold building	-	46 years (remaining lease of the land)
Furniture and fittings	-	5 - 10 years
Office equipment	-	3 - 10 years
Motor vehicles	-	5 - 10 years
Computers	-	3 - 5 years
Renovations	-	3 - 5 years
Plant and machinery	-	5 - 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

2.7 Investment property

Investment property is initially recorded at cost. Subsequent to recognition, investment property is measured using the cost method and is stated at cost less accumulated depreciation and impairment loss.

Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

(a) Club memberships

Club memberships are measured on initial recognition at cost. Following initial recognition, club memberships are carried at cost less any accumulated impairment losses. The useful lives of club memberships are assessed to be indefinite as these are lifetime memberships and have no dates of expiry and are tested for impairment annually. The useful life of club memberships is reviewed annually to determine whether the useful life assessment continues to be supportable. Gains or losses on disposal of club memberships are taken to the income statement.

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income statement.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the income statement.

2.10 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial assets

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets classified as held for trading. Financial assets classified as held for trading are derivatives (including separate embedded derivatives) or are acquired principally for the purpose of selling or repurchasing in the near term.

The Group does not designate any financial assets held for trading as financial assets at fair value through profit and loss account.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the assets to maturity.

The Group does not designate any non-derivative financial assets as held-to-maturity investments.

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are not classified in any of the other categories.

The Group does not designate any non-derivative financial assets as available-for-sale.

2.12 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(a) Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Impairment of financial assets (cont'd)

(a) Assets carried at amortised cost (cont'd)

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term fixed deposits in banks.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value. Costs incurred in bringing the stocks to its present location and condition are accounted for as follows:-

- Trading stocks and raw materials – purchase costs on a first-in first-out basis; and
- Finished goods and work-in-progress – costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. These costs are assigned on a first-in first-out basis.

2.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event. It is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Financial liabilities (cont'd)

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the income statement when the liabilities are derecognised or impaired, and through the amortisation process. Any gains or losses arising from the changes in fair value of derivatives are recognised in the income statement. Net gains or losses on derivatives include exchange differences.

2.17 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are recognised initially at fair value. Subsequent to initial recognition, financial guarantees are recognised as income in the income statement over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the income statement.

2.18 Employee benefits

(a) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the same period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

2.19 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. 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 to the income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.20.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Revenue

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) *Sale of goods*

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible returns of goods.

(b) *Commission income*

Commission income is recognised as and when services are rendered.

(c) *Dividend income*

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

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Rental income*

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(f) *Grant income*

Grant income is recognised at their fair value as and when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

(g) *Royalty income*

Royalty income is recognised as and when the Group's right to receive payment is established.

2.21 Income taxes

(a) *Current tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

Current taxes are recognised in the income statement.

(b) *Deferred tax*

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred income tax liabilities are recognised for all temporary differences, except:-

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

- In respect of temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

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

Deferred taxes are recognised in the income statement except that deferred tax relating to items recognised directly in equity is recognised directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:-

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.22 Segment reporting

A business segment is a distinguishable component of the Group that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:-

(a) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payables and deferred tax liabilities at the balance sheet date was US$399,000 (2006: US$313,000) and US$245,000 (2006: US$200,000) respectively.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of plant and equipment

The cost of plant and equipment for the manufacture of electronic components is depreciated on a straight-line basis over the machineries' economic useful lives. Management estimates the useful lives of these plant and equipment to be within 5 to 10 years. These are common life expectancies applied in the electronics industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the balance sheet date is disclosed in Note 10 to the financial statements.

(b) Impairment testing on investments in subsidiaries and its fixed assets

The Company assesses at each reporting date whether there are any indicators of impairment for the investments in subsidiaries and its fixed assets. This requires an estimation of the value in use of the cash generating units.

Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the assets or cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of investments in subsidiaries and its fixed assets, are given in Note 13 to the financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Impairment testing on investments in subsidiaries and its fixed assets (cont'd)

Impairment losses of US$651,000 (2006:NIL) (Note 13) and US$354,000 (2006:NIL) (Note 10) were made during the financial year for investment in a subsidiary and its fixed assets respectively.

(c) Impairment of loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and the timing of future cash flows are being estimated based on historical loss experience with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the balance sheet date is disclosed in Note 14 to the financial statements.

4. REVENUE

	GROUP	
	2007	2006
	US$'000	US$'000
Revenue:-		
Sale of goods	**486,327**	454,069
Commission income	**458**	143
	486,785	454,212

5. OTHER INCOME

	GROUP	
	2007	2006
	US$'000	US$'000
Other income includes:-		
Rental income from investment property	**91**	–
Interest income on bank deposits	**347**	412
Reversal of impairment loss on investment property (Note 11)	**885**	–
Grant income	**261**	79

6. FINANCE COSTS

	GROUP	
	2007	2006
	US$'000	US$'000
Interest expense on:-		
Bank loans and borrowings (including bank overdrafts)	**(2,233)**	(1,227)
Obligations under finance leases	**(36)**	(25)
	(2,269)	(1,252)

7. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before tax:-

	GROUP	
	2007	2006
	US$'000	US$'000
Other expenses		
- Net gain/(loss) on disposal of property, plant and equipment	**220**	(291)
- (Impairment) and reversal of impairment of financial assets (Note 14)		
- Allowance for doubtful trade debts	**(1,070)**	(2,546)
- Allowance for doubtful trade debts written back	**363**	313
- Bad trade debts written off	**–**	(6)
- Stocks written down/off	**(2,157)**	(2,532)
- Reversal of stocks written down/stocks recovered	**2,456**	1,659
- Impairment on property, plant and equipment (Note 10)	**(354)**	–
- Net foreign exchange gain	**138**	190
Salaries and employee benefits (including directors)		
- Salaries and bonuses	**(17,651)**	(15,721)
- Contributions to CPF and other defined contribution pension schemes	**(1,371)**	(981)
- Others	**(1,657)**	(1,349)
Depreciation of property, plant and equipment	**(1,111)**	(894)
Depreciation of investment property	**(24)**	–
Non-audit fees paid to auditors of the Company	**(27)**	(20)
Stocks recognised as an expense in cost of sales	**(450,542)**	(419,871)

8. INCOME TAX EXPENSE

(a) Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2007 and 2006 are:-

	GROUP	
	2007	2006
	US$'000	US$'000
Current income taxation	**(737)**	(848)
Under provision in respect of previous years	**(112)**	(32)
Deferred taxation (Note 22)	**(45)**	(112)
Income tax expense recognised in the income statement	**(894)**	(992)

8. INCOME TAX EXPENSE (CONT'D)

(b) Relationship between tax expense and profit before taxation

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the financial years ended 31 December 2007 and 2006 is as follows:-

	GROUP	
	2007	2006
	US$'000	US$'000
Profit before taxation	**2,104**	3,508
Tax expense at statutory tax rate	**(379)**	(702)
Adjustments:-		
Non-deductible expenses	**(286)**	(694)
Income not subject to taxation	**185**	440
Tax rebates and tax incentives	**37**	14
Difference in tax rates of overseas subsidiaries	**(56)**	85
Underprovision in respect of previous years	**(112)**	(32)
Losses of foreign subsidiaries not available for set-off against profits of other companies within the Group	**(283)**	(103)
Income tax expense recognised in the income statement	**(894)**	(992)

The corporate income tax rate applicable to Singapore companies of the Group was reduced to 18% for the year of assessment 2008 onwards from 20% for year of assessment 2007. The corporate income tax rate applicable to Malaysian companies of the Group was reduced from 28% to 27% and 26% for the year of assessment 2007 and the year of assessment 2008 onwards respectively.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

9. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit after taxation for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the profit and loss and share data used in the computation of basic earnings per share for the years ended 31 December:-

	GROUP	
	2007	2006
Profit after taxation attributable to ordinary equity holders of the Company used in the computation of basic earnings per share (US$'000)	**1,210**	2,516
Number of ordinary shares for basic earnings per share computation ('000)	**486,022**	486,022

10. PROPERTY, PLANT AND EQUIPMENT

Group	Furniture and fittings US$'000	Office equipment US$'000	Motor vehicles US$'000	Computers US$'000	Renovations US$'000	Leasehold buildings US$'000	Plant and machinery US$'000	Total US$'000
Cost:-								
At 1 January 2006	462	1,427	1,599	815	736	4,470	14	9,523
Additions	19	951	319	178	385	–	635	2,487
Disposals	(45)	(85)	(277)	(6)	(142)	(782)	(196)	(1,533)
Currency realignment	–	–	–	1	–	–	–	1
At 31 December 2006 and 1 January 2007	436	2,293	1,641	988	979	3,688	453	10,478
Additions	36	248	1,055	281	204	–	74	1,898
Disposals	(27)	(42)	(760)	–	(12)	–	(193)	(1,034)
Transfer to investment property	–	–	–	–	–	(3,688)	–	(3,688)
Currency realignment	–	–	–	1	–	–	–	1
At 31 December 2007	445	2,499	1,936	1,270	1,171	–	334	7,655
Accumulated depreciation and impairment:-								
At 1 January 2006	202	754	775	485	254	2,772	1	5,243
Charge for the financial year	65	267	213	164	141	34	10	894
Disposals	(38)	(77)	(142)	(4)	(68)	(225)	–	(554)
At 31 December 2006 and 1 January 2007	229	944	846	645	327	2,581	11	5,583
Charge for the financial year	57	410	226	171	201	–	46	1,111
Impairment loss	2	18	14	11	32	–	277	354
Transfer to investment property	–	–	–	–	–	(2,581)	–	(2,581)
Disposals	(19)	(25)	(527)	–	(8)	–	–	(579)
Currency realignment	–	–	–	(1)	–	–	–	(1)
At 31 December 2007	269	1,347	559	826	552	–	334	3,887
Net book value:-								
At 31 December 2007	176	1,152	1,377	444	619	–	–	3,768
At 31 December 2006	207	1,349	795	343	652	1,107	442	4,895

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Assets held under finance leases

The carrying amount of motor vehicles and office equipment held under finance leases at 31 December 2007 is US$434,000 (2006: US$670,000).

Leased assets are pledged as security for the related finance lease liabilities.

Company	Office equipment US$'000
Cost:-	
At 1 January 2006 and 31 December 2007	10
Accumulated depreciation:-	
At 1 January 2006	4
Charge for the financial year	1
At 31 December 2006 and 1 January 2007	5
Charge for the financial year	2
At 31 December 2007	7
Net book value:-	
At 31 December 2007	3
At 31 December 2006	5

11. INVESTMENT PROPERTY

	GROUP	
	2007 US$'000	2006 US$'000
Balance sheet		
Cost:-		
At 1 January	**–**	–
Transfer from property, plant and equipment	**3,688**	–
At 31 December	**3,688**	–
Accumulated depreciation and impairment:-		
At 1 January	**–**	–
Transfer from property, plant and equipment	**2,581**	–
Charge for the financial year	**24**	–
Reversal of impairment loss	**(885)**	–
At 31 December	**1,720**	–
Net book value:-		
At 31 December	**1,968**	–
Income statement		
Rental income from investment property	**91**	–

11. INVESTMENT PROPERTY (CONT'D)

Valuation of investment property

Investment properties are stated at cost less accumulated depreciation and impairment. Valuation on the investment property was carried out on 12 December 2007. The valuation is performed by an accredited independent valuer with recent experience in the location and category of the property being valued. Based on the valuation, there was a reversal of impairment loss amounting to $885,000 (2006: $Nil) recognised in the income statement.

Transfer from property, plant and equipment

As a result of adopting FRS 40, the Group has transferred its leasehold building from property, plant and equipment to investment property, arising from a change in use of the property.

12. INTANGIBLE ASSETS

Group	Club memberships US$'000
Cost:-	
At 1 January 2006 and 31 December 2007	244
Accumulated impairment:-	
At 1 January 2006 and 31 December 2007	21
Net book value:-	
At 31 December 2007 and 31 December 2006	223

13. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2007 US$'000	2006 US$'000
Unquoted shares, at cost	**13,700**	13,700
Impairment losses	**(651)**	–
	13,049	13,700

Impairment assessment

For purpose of impairment assessment, the Group's operating divisions of Lights Electronics Pte Ltd ("LES") Group and Excelpoint Solutions Pte Ltd ("ESOL") Group were assessed as the cash-generating units ("CGUs").

The recoverable values of these CGUs are determined based on a value-in-use calculation, using the cash flow projections based on the financial budgets approved by management covering a three-year period. Cash flow projections are based on assumptions of the average growth rate which are consistent with industry report and past practice. The discount rates applied to the cash flow projections is approximately 7% to 10% (2006 : 8% to 10%) per annum based on the weighted average cost of capital which reflect the specific risks relating to the respective CGUs.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Based on the above, the value-in-use for ESOL Group CGU is assessed to be below the carrying cost. Impairment losses of US$651,000 (2006 : Nil) and US$354,000 (2006 : Nil) have been recognised on both the investment in ESOL Group CGU and its fixed assets respectively.

The subsidiary companies as at 31 December 2007 are:-

NAME	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES (PLACE OF BUSINESS)	UNQUOTED EQUITY SHARES, AT COST		PROPORTION (%) OF OWNERSHIP INTEREST	
			2007 US$'000	2006 US$'000	**2007 %**	2006 %
Held by the Company						
Excelpoint Systems (Pte) Ltd [1]	Singapore	Trading of electronic components (Singapore)	**3,927**	3,927	**100**	100
Excelpoint Systems (H.K.) Limited [2]	Hong Kong	Trading of electronic components (Hong Kong)	**5,951**	5,951	**100**	100
Lights Electronics Pte Ltd [1]	Singapore	Dealers of all types of electronic and electrical components and accessories (Singapore)	**3,171**	3,171	**100**	100
Excelpoint Solutions Pte Ltd [1]	Singapore	Investment holding and general wholesale trade (Singapore)	**651**	651	**100**	100
			13,700	13,700		

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

NAME	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES (PLACE OF BUSINESS)	PROPORTION (%) OF OWNERSHIP INTEREST 2007 %	2006 %
Held by Excelpoint Systems (Pte) Ltd				
Excelpoint Systems Sdn. Bhd. [(3)]	Malaysia	Dormant	**100**	100
Held by Excelpoint Systems (H.K.) Limited				
Excelpoint International Trading (Shanghai) Co., Ltd. [(4)]	The People's Republic of China	Trading of electronic components (The People's Republic of China)	**100**	100
Excelpoint International Trading (Shenzhen) Co., Ltd. [(5)]	The People's Republic of China	Trading of electronic components (The People's Republic of China)	**100**	100
General Engineers (H.K.) Limited [(2)]	Hong Kong	Dormant	**100**	100
Held by Lights Electronics Pte Ltd				
Lights Electronics (Shanghai) Co., Ltd. [(4)]	The People's Republic of China	Trading of electronic components (The People's Republic of China)	**100**	100
Lights Electronics (Shenzhen) Co., Ltd. [(5)]	The People's Republic of China	Trading of electronic components (The People's Republic of China)	**100**	100
Lights Electronics (H.K.) Limited [(2)]	Hong Kong	Trading of electronic components (Hong Kong)	**100**	100
Lights Electronics (China) Limited	Hong Kong	Dormant	**–***	100
Sun Lights Electronics (M) Sdn. Bhd. [(6)]	Malaysia	Sale and distribution of electronic components (Malaysia)	**100**	100
Held by Excelpoint Solutions Pte. Ltd.				
Excelpoint Manufacturing Pte. Ltd. [(1)]	Singapore	Contract manufacturer (PCBA and electronic sub-systems) (Singapore)	**100**	100
Held by Excelpoint Manufacturing Pte. Ltd.				
Excelpoint Manufacturing (Zhu Hai) Co., Ltd [(7)]	The People's Republic of China	Contract manufacturer (PCBA and electronic sub-systems) (The People's Republic of China)	**100**	100
Excelpoint Manufacturing (Dong Guan) Co., Ltd	The People's Republic of China	Dormant	**–***	100

(1) Audited by Ernst & Young, Singapore.
(2) Audited by Ernst & Young, Hong Kong.
(3) Audited by Yong & Leonard Chartered Accountants, Malaysia formerly know as K.K. Yong & Co. Chartered Accountants, Malaysia.
(4) Audited by Shanghai Shenzhou Certified Public Accountants Co., Limited, The People's Republic of China.
(5) Audited by Shenzhen Yi Da Certified Public Accountants Company Limited, The People's Republic of China.
(6) Audited by Ng & Associates Chartered Accountants, Malaysia.
(7) Audited by Zhuhai Rong An Da, Certified Public Accountants Company Limited, The People's Republic of China.
* Subsidiaries deregistered during the financial year

14. TRADE DEBTORS

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Trade debtors	**69,935**	65,018	**5**	2

Trade debtors are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

Trade debtors that are past due but not impaired

The Group has trade debtors amounting to US$27,358,000 (2006: US$27,534,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:-

	GROUP	
	2007	2006
	US$'000	US$'000
Trade debtors past due:-		
1 to 30 days	**16,550**	16,850
31 to 60 days	**6,859**	6,716
61 to 90 days	**2,147**	1,073
More than 90 days	**1,802**	2,895
	27,358	27,534

Trade debtors that are impaired

The Group's trade debtors that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:-

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Trade debtors – nominal amounts	**3,612**	8,846	**–**	–
Allowance for doubtful trade debts	**(2,838)**	(4,618)	**–**	–
	774	4,228	**–**	–
Allowance for doubtful trade debts:-				
At beginning of financial year	**(4,618)**	(3,216)	**–**	–
Allowance during the financial year	**(1,070)**	(2,546)	**–**	–
Allowance written back	**363**	313	**–**	–
Bad debts written off	**2,511**	844	**–**	–
Currency realignment	**(24)**	(13)	**–**	–
At end of financial year	**(2,838)**	(4,618)	**–**	–

14. TRADE DEBTORS (CONT'D)

Trade debtors that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Included in trade debtors are the following amounts denominated in different currencies:-

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
USD	**66,062**	61,582	**–**	–
RMB	**2,921**	3,054	**–**	–
HKD	**156**	128	**–**	–
MYR	**196**	43	**–**	–
SGD	**570**	211	**5**	2
EUR	**30**	–	**–**	–
	69,935	65,018	**5**	2

15. OTHER DEBTORS

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Other debtors:-				
Recoverables from suppliers	**–**	942	**–**	–
Deposits	**813**	641	**–**	–
Staff loans	**24**	29	**–**	–
Others	**262**	103	**1**	1
	1,099	1,715	**1**	1

Staff loans

Staff loans are unsecured, non-interest bearing and have scheduled repayment dates.

Included in other debtors are the following amounts denominated in different currencies:-

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
USD	**143**	741	**–**	–
RMB	**518**	497	**–**	–
HKD	**192**	235	**–**	–
MYR	**11**	6	**–**	–
SGD	**200**	236	**1**	1
INR	**35**	–	**–**	–
	1,099	1,715	**1**	1

16. STOCKS

	GROUP	
	2007	2006
	US$'000	US$'000
Balance Sheet:-		
Trading stocks at lower of cost and net realisable value	**63,437**	49,807
Income Statement:-		
Stocks written down/off	**(2,157)**	(2,532)
Reversal of stocks written down/stocks recovered	**2,456**	1,659

Reversal of stocks written down and stocks recovered were made when the related stocks were sold above their carrying amounts.

17. AMOUNTS DUE FROM SUBSIDIARIES

All amounts due from subsidiaries are non-interest bearing, repayable on demand, unsecured and are to be settled in cash.

	COMPANY	
	2007	2006
	US$'000	US$'000
Amounts due from subsidiaries (non-trade)		
- loans	**18,473**	19,218
- non-trade	**3,131**	644
Less : Impairment losses		
- loans	**(762)**	–
- non-trade	**(6)**	–
	20,836	19,862

At the balance sheet date, the Company has provided for impairment of the unsecured loan and receivable from a subsidiary company. This subsidiary company has been suffering financial losses for the current financial year.

Included in amounts due from subsidiaries are the following amounts denominated in difference currencies:-

	COMPANY	
	2007	2006
	US$'000	US$'000
USD	**20,095**	19,278
SGD	**741**	584
	20,836	19,862

18. TRADE CREDITORS AND ACCRUALS

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Trade creditors	**(65,843)**	(65,069)	**–**	–
Accruals	**(3,528)**	(2,448)	**(148)**	(117)
	(69,371)	(67,517)	**(148)**	(117)

Trade creditors and accruals are non-interest bearing and are normally settled on 30 to 90 days' terms.

Included in trade creditors and accruals are the following amounts denominated in different currencies:-

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
USD	**(66,219)**	(61,170)	**(133)**	–
RMB	**(1,528)**	(1,526)	**–**	–
HKD	**(1,486)**	(870)	**–**	–
SGD	**(63)**	(3,934)	**(15)**	(117)
MYR	**(68)**	(14)	**–**	–
Others	**(7)**	(3)	**–**	–
	(69,371)	(67,517)	**(148)**	(117)

19. OTHER CREDITORS

	GROUP	
	2007	2006
	US$'000	US$'000
Recoverables due to suppliers	**(1,715)**	(2,088)
Deposits received	**(1,860)**	(1,544)
Sundries	**(823)**	(1,079)
	(4,398)	(4,711)

Other creditors are non-interest bearing and are normally settled on 30 to 90 days' terms.

Included in other creditors are the following amounts denominated in different currencies:-

	GROUP	
	2007	2006
	US$'000	US$'000
USD	**(3,028)**	(1,304)
RMB	**(711)**	(420)
HKD	**(151)**	(2,624)
SGD	**(506)**	(363)
Others	**(2)**	–
	(4,398)	(4,711)

20. INTEREST-BEARING LOANS AND BORROWINGS

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE PER ANNUM	MATURITY	GROUP 2007 US$'000	GROUP 2006 US$'000
Current:-				
Bills payable, unsecured	5.37% to 6.75%	2008	**(30,456)**	(12,151)
Short term loan, unsecured	7.27% to 8.20%	2008	**(925)**	–
			(31,381)	(12,151)

The short-term bank loan bears interest at 2% (2006: Nil) above the banks' cost of funds per annum. The Group's bills payable bear interest ranging from 1.0% to 1.5% (2006: 1.0% to 1.5%) per annum above SIBOR. The interest-bearing loans and borrowings are denominated in USD.

21. FINANCE LEASE OBLIGATIONS

The Group has finance leases for certain items of motor vehicles. The finance leases bear effective rates from 4.51% to 6.09% (2006: 3.82% to 6.09%) per annum. The interest rates for the finance lease obligations are fixed upon entering into the lease agreements and are therefore not subjected to fluctuations in market interest rates.

	GROUP 2007 US$'000	GROUP 2006 US$'000
The present value of finance lease obligations may be analysed as follows:-		
Within one year	**(96)**	(129)
Within two to five years	**(178)**	(217)
Present value of net minimum lease payments [Note 28(c)]	**(274)**	(346)

22. DEFERRED TAX LIABILITIES

	GROUP 2007 US$'000	GROUP 2006 US$'000
At beginning of financial year	**(200)**	(88)
Charge for the financial year (Note 8)	**(45)**	(112)
At end of financial year	**(245)**	(200)
Deferred tax liabilities recognised are as follows:-		
Differences in depreciation	**(251)**	(239)
Other deferred tax liabilities	**(59)**	(18)
Provision for employee leave entitlement	**65**	57
Net deferred tax liabilities recognised	**(245)**	(200)

Unrecognised temporary differences relating to investments in subsidiaries

At the balance sheet date, no deferred tax liability (2006: Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as there is no significant deferred tax liability in relation to the undistributed earnings.

Tax consequences of proposed dividends

There are no income tax consequences (2006: Nil) attached to the dividends to the shareholders propsoed by the Company but not recognised as a liability in the financial statement (Note 33).

23. SHARE CAPITAL AND SHARE PREMIUM

	GROUP AND COMPANY	
	2007	2006
	US$'000	US$'000
Share capital		
Issued and fully paid:-		
At beginning of financial year - 486,022,200 (2006: 486,022,200) ordinary shares	**31,429**	14,872
Transfer of share premium reserve to share capital	**–**	16,557
At end of financial year - 486,022,200 (2006: 486,022,200) ordinary shares	**31,429**	31,429

The holders of ordinary shares of the Company are entitled to receive dividends as and when declared by the Company. All ordinary shares of the Company carry one vote per share without restrictions.

In accordance with the Companies (Amendment) Act 2005, on 30 January 2006, the shares of the Company ceased to have a par value and the amount standing in the share premium reserve become part of the Company's share capital.

24. STATUTORY RESERVE FUND

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the People's Republic of China ("PRC"), a subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

	GROUP	
	2007	2006
	US$'000	US$'000
At 1 January	**17**	17
Transfer to statutory reserve fund	**8**	–
At 31 December	**25**	17

25. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	GROUP	
	2007	2006
	US$'000	US$'000
At 1 January	**(938)**	(910)
Net effect of exchange differences arising from the translation of financial statements of foreign operations	**11**	(28)
At 31 December	**(927)**	(938)

26. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Cash and bank balances	**8,355**	4,786	**87**	356
Short-term fixed deposits	**1,261**	2,172	**–**	–
	9,616	6,958	**87**	356

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates.

Included in cash and cash equivalents are the following amounts denominated in different currencies:-

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
USD	**6,944**	4,825	**49**	325
RMB	**1,006**	1,406	**–**	–
HKD	**677**	301	**–**	–
SGD	**602**	193	**38**	31
Others	**387**	233	**–**	–
	9,616	6,958	**87**	356

27. RELATED PARTY TRANSACTIONS

(a) *Sales and purchase of goods and services*

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place during the financial year at terms agreed between the parties:-

	GROUP	
	2007	2006
	US$'000	US$'000
Rental expense paid to a director	**72**	64

(b) *Compensation of key management personnel*

	GROUP	
	2007	2006
	US$'000	US$'000
Short-term employee benefits	**2,944**	2,795
Contributions to CPF and other defined contribution pension schemes	**66**	57
Directors' fee	**151**	81
	3,161	2,933
Comprise amounts paid to:-		
Directors of the Company	**1,988**	1,818
Other key management personnel	**1,173**	1,115
	3,161	2,933

28. COMMITMENTS

(a) Operating lease commitments – as lessee

The Group leases certain properties under lease arrangements that are non-cancellable. The leases have an average life of between 1 month and 4 years with renewal option and escalation clauses included in the contracts. There are no restrictions placed upon the Group by entering into these leases. Operating lease payments recognised in the consolidated income statement during the financial year amounted to US$2,292,000 (2006: US$1,972,000).

Future minimum lease payments payable under non-cancellable operating leases as at 31 December are as follows:-

	GROUP	
	2007	2006
	US$'000	US$'000
Not later than one year	**2,259**	1,980
Later than one year but not later than five years	**1,604**	1,264
	3,863	3,244

(b) Operating lease commitments – as lessor

The Group has entered into property lease on its investment property. This non-cancellable lease has remaining lease term of 3 months. The lease will be renewed for a further term of 2 years upon expiry.

Future minimum rentals receivable under non-cancellable operating lease at the balance sheet date are as follows:-

	GROUP	
	2007	2006
	US$'000	US$'000
Not later than one year	**159**	87
Later than one year but not later than five years	**250**	22
	409	109

(c) Finance lease commitments

The Group has finance leases for certain items of motor vehicles. The finance leases do not carry any escalation clauses, renewal options and do not provide for contingent rents. There are no restrictions placed upon the Group by entering into these leases. Future commitment payments under finance lease together with the present value of the net minimum payments are as follows:-

	GROUP	
	2007	2006
	US$'000	US$'000
Minimum lease payments due:-		
Within one year	**(108)**	(151)
Within two to five years	**(201)**	(253)
	(309)	(404)
Less : Future finance charges	**35**	58
Present value of minimum finance lease payments (Note 21)	**(274)**	(346)

28. COMMITMENTS (CONT'D)

(d) Contingent liabilities

Corporate guarantees

As at 31 December 2007, the Company has given corporate guarantees to banks in connection with banking facilities provided to subsidiary companies, of which US$31,381,000 (2006: US$12,151,000) of the banking facilities have been utilised as at year end.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. It is, and has been throughout the current and previous financial year the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other debtors. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets and an amount of US$31,381,000 (2006: US$12,151,000) relating to the corporate guarantees provided by the Company to various banks on subsidiaries' bank loans.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade at the balance sheet date is as follows:-

	GROUP			
	2007		2006	
	US$'000	**% of total**	US$'000	% of total
Singapore	**16,815**	**24.0%**	17,532	27.0%
Malaysia	**7,894**	**11.3%**	7,875	12.1%
Thailand	**5,461**	**7.8%**	3,382	5.2%
Philippines	**735**	**1.1%**	521	0.8%
India	**1,728**	**2.5%**	2,455	3.8%
Hong Kong/The People's Republic of China	**36,404**	**52.1%**	32,324	49.7%
Others	**898**	**1.2%**	929	1.4%
	69,935	**100.0%**	65,018	100.0%

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other debtors that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 14 Trade debtors.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors its liquidity risk and maintains adequate liquid financial assets and stand-by credit facilities with different banks to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

At the balance sheet date, the Group's and the Company's financial liabilities will mature in less than one year, except for non-current finance lease obligations. The maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on the contractual undiscounted payment is tabled in Note 29 (c).

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their interest-bearing loans and borrowings.

The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. Surplus funds are placed with reputable banks.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Interest rate risk (cont'd)*

The following table sets out the carrying amount of the Group's and the Company's financial instruments that are exposed to interest rate risk:-

Group	WITHIN 1 YEAR US$'000	1-2 YEARS US$'000	2-3 YEARS US$'000	TOTAL US$'000
2007				
Fixed rate				
Obligations under finance leases	(96)	(96)	(82)	(274)
Floating rate				
Cash and cash equivalents	9,616	–	–	9,616
Bills payable	(30,456)	–	–	(30,456)
Short-term bank loan	(925)	–	–	(925)
2006				
Fixed rate				
Obligations under finance leases	(129)	(129)	(88)	(346)
Floating rate				
Cash and cash equivalents	6,958	–	–	6,958
Bills payable	(12,151)	–	–	(12,151)
Company				
2007				
Floating rate				
Cash and cash equivalents	87	–	–	87
2006				
Floating rate				
Cash and cash equivalents	356	–	–	356

Sensitivity analysis for interest rate risk

As the balance sheet date, if USD interest rates had been 100 (2006: 100) basis points lower/higher with all other variables held constant, the Group's net profit of tax would have been US$314,000 (2006: US$122,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(d) *Foreign currency risk*

The Group has transactional currency exposures arising from its ordinary course of business that are denominated in a currency other than the respective functional currencies of Group entities, primarily USD. The foreign currencies in which these transactions are denominated are mainly in Singapore Dollars (SGD), Hong Kong Dollars (HKD) and Renminbi (RMB).

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. Such foreign currency balances for the Group and the Company are detailed in Note 26 Cash and cash equivalents.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the (decrease)/increase in the Group's profit after taxation to a reasonably possible change in the SGD, HKD and RMB exchange rates (against USD), with all other variables held constant:-

	GROUP	
	2007	2006
	US$'000	US$'000
SGD - strengthened 5% (2006: 5%)	(37)	240
SGD - weakened 5% (2006: 5%)	43	(131)
HKD - strengthened 5% (2006: 5%)	31	125
HKD - weakened 5% (2006: 5%)	(30)	(156)
RMB - strengthened 5% (2006: 5%)	(93)	(109)
RMB - weakened 5% (2006: 5%)	124	188

30. FINANCIAL ASSETS

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Trade debtors (Note 14)	**69,935**	65,018	**5**	2
Add:-				
Other debtors (Note 15)	**1,099**	1,715	**1**	1
Cash and cash equivalents (Note 26)	**9,616**	6,958	**87**	356
Amounts due from subsidiaries (Note 17)	**–**	–	**20,836**	19,862
Total loans and receivables	**80,650**	73,691	**20,929**	20,221

31. FINANCIAL LIABILITIES

	GROUP		COMPANY	
	2007	2006	**2007**	2006
	US$'000	US$'000	**US$'000**	US$'000
Trade creditors and accurals (Note 18)	**(69,371)**	(67,517)	**(148)**	(117)
Add:-				
Other creditors (Note 19)	**(4,398)**	(4,711)	**–**	–
Interest-brearing loans and borrowings (Note 20)	**(31,381)**	(12,151)	**–**	–
Finance lease obligations (Note 21)	**(274)**	(346)	**–**	–
Total financial liabilities carried at amortised cost	**(105,424)**	(84,725)	**(148)**	(117)

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

Cash and cash equivalents, current trade and other debtors, current trade and other creditors, other liabilities, and current interest-bearing loans and borrowings at floating rates

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are frequently repriced to market interest rates.

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Non-current finance lease obligations

The fair value of non-current finance lease obligations that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:-

	GROUP			
	2007		2006	
	US$'000	**US$'000**	US$'000	US$'000
	Carrying amount	**Fair value**	Carrying amount	Fair value
Obligations under finance leases	**178**	**195**	217	236

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2007 and 2006.

The Group monitors capital using a gearing ratio, which is net debt over total capital plus net debt. The Group's policy is to keep the gearing ratio between 30% to 100%. The Group includes within net debt, loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the Company less statutory reserve fund.

	GROUP	
	2007	2006
	US$'000	US$'000
Loans and borrowings (Note 20)	**31,381**	12,151
Less: Cash and cash equivalents (Note 26)	**(9,616)**	(6,958)
Net debt	**21,765**	5,193
Equity attributable to equity holders of the Company	**44,169**	44,553
Less: Statutory reserve fund	**(25)**	(17)
Total capital	**44,144**	44,536
Capital and net debt	**65,909**	49,729
Gearing ratio	**33.0%**	10.4%

34. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically.

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

34. SEGMENT INFORMATION (CONT'D)

(b) Business segments

The Group is organised into 3 main operating divisions namely:-

- Design-in
- Distribution
- Sub-system manufacturing

Design-in segment relates to product sales that include field application services and design and development services which require a higher level of technical expertise and involve research and development.

Distribution segment includes value-added distribution and supply chain management which primarily involve the provision of electronic components and related logistics to customers.

Sub-system manufacturing segment includes the manufacture of memory modules and communication products for customers.

Segment accounting policies are the same as the policies described in Note 2 to the financial statements. Segment results, assets and liabilities include items directly attributable to a segment as well as those expenses, assets and liabilities that can be allocated on a reasonable basis based on the percentage of revenue.

Segment assets consist primarily of fixed assets, intangible assets, current assets and exclude tax recoverable. Segment liabilities comprise mainly current liabilities and exclude taxation liabilities, loans and borrowings and finance lease obligations.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

34. SEGMENT INFORMATION (CONT'D)

(b) Business segments (cont'd)

The following table presents segment information regarding the Group's business segments for the years ended 31 December 2007 and 2006.

	DESIGN-IN		DISTRIBUTION		SUB-SYSTEM MANUFACTURING		TOTAL	
	2007 US$'000	2006 US$'000	**2007 US$'000**	2006 US$'000	**2007 US$'000**	2006 US$'000	**2007 US$'000**	2006 US$'000
Segment revenue								
Sales to external customers	**247,803**	231,279	**235,310**	210,288	**3,672**	12,645	**486,785**	454,212
Segment results	**3,281**	2,997	**2,146**	2,066	**(1,054)**	(303)	**4,373**	4,760
Finance costs							**(2,269)**	(1,252)
Profit before taxation							**2,104**	3,508
Taxation							**(894)**	(992)
Profit for the financial year							**1,210**	2,516
Segment assets	**76,868**	65,865	**72,993**	59,888`	**277**	2,930	**150,138**	128,683
Unallocated assets							**99**	1,108
Total assets							**150,237**	129,791
Segment liabilities	**37,389**	36,510	**35,504**	33,196	**876**	2,522	**73,769**	72,228
Unallocated liabilities							**32,299**	13,010
Total liabilities							**106,068**	85,238
Other segment information								
Capital expenditure	**97**	97	**1,715**	1,799	**86**	591	**1,898**	2,487
Depreciation	**57**	85	**1,001**	759	**77**	50	**1,135**	894
Allowance for doubtful trade debts	**445**	1,197	**625**	1,349	**–**	–	**1,070**	2,546
Allowance for doubtful trade debts written back	**(34)**	(21)	**(329)**	(292)	**–**	–	**(363)**	(313)
Stocks written down/off	**1,021**	1,263	**1,055**	1,269	**81**	–	**2,157**	2,532
Reversal of stocks written down/ stocks recovered	**(1,259)**	(754)	**(1,197)**	(905)	**–**	–	**(2,456)**	(1,659)
Impairment losses	**–**	–	**–**	–	**354**	–	**354**	–
Reversal of impairment loss	**(522)**	–	**(363)**	–	**–**	–	**(885)**	–

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

34. SEGMENT INFORMATION (CONT'D)

(c) Geographical segments (cont'd)

Segment revenue

	2007 US$'000	2006 US$'000
Sales		
Singapore	**75,776**	84,373
Malaysia	**34,850**	61,140
Thailand	**29,526**	9,130
Philippines	**3,429**	4,082
India	**32,610**	30,786
Hong Kong/The People's Republic of China	**303,886**	258,734
Others	**6,708**	5,967
	486,785	454,212

Other geographical information

	SEGMENT ASSETS		CAPITAL EXPENDITURE	
	2007 US$'000	2006 US$'000	**2007 US$'000**	2006 US$'000
Singapore	**61,219**	51,335	**1,369**	462
Malaysia	**4,084**	1,435	**10**	5
Thailand	**–**	5	**–**	–
Hong Kong/The People's Republic of China	**84,934**	77,016	**519**	2,020
	150,237	129,791	**1,898**	2,487

35. DIVIDEND PROPOSED

	GROUP AND COMPANY	
	2007 US$'000	2006 US$'000
Paid during the financial year in respect of the previous financial year		
Dividends on ordinary shares		
Final exempt (one-tier) dividend for 2006: 0.50 Singapore cents (2005: 0.25 Singapore cents) per share	**1,605**	759
Proposed but not recognised as a liability as at 31 December		
Dividends on ordinary shares, subject to shareholders' approval at the AGM		
Final exempt (one-tier) dividend for 2007: 0.25 Singapore cents (2006: 0.50 Singapore cents) per share	**846**	1,605

The directors propose that a first and final tax exempt (one-tier) dividend of 0.25 cents per share amounting to S$1,215,056 (2006: S$2,430,112), be payable for the financial year ended 31 December 2007.

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company.

36. COMPARATIVE FIGURES

The financial statements for the year ended 31 December 2006 were presented in SGD. With effect from this financial year, the financial statements are presented in USD, which is also the functional currency of the Company. Accordingly, the comparatives are presented in USD.

37. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2007 were authorised for issue in accordance with a resolution of the directors on 11 March 2008.

//SHAREHOLDERS' INFORMATION
AS AT 5 MARCH 2008

Issued and fully paid-up capital	:	S$51,355,583
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

There is no treasury shares held in the issued capital of the Company.

STATISTICS OF SHAREHOLDINGS

SIZE OF SHAREHOLDING	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 - 999	0	0.00	0	0.00
1,000 - 10,000	1,220	46.20	6,847,000	1.41
10,001 - 1,000,000	1,398	52.93	96,080,000	19.77
1,000,001and above	23	0.87	383,095,200	78.82
	2,641	100.00	486,022,200	100.00

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST	%	DEEMED INTEREST	%
Albert Phuay Yong Hen	237,779,520[(1)]	48.92	12,990,840[(2)]	2.67
Alan Kwan Wai Leon	30,981,220	6.37	0	0

Notes:-

(1) Includes 2,000,000 held by Kim Eng Securities Pte Ltd

(2) Deemed to be interested as follows:-

(i) 830,000 shares held by AP21 Holdings Pte. Ltd.; and
(ii) 12,160,840 shares held by his spouse.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NUMBER OF SHARES	%
1.	Phuay Yong Hen	235,779,520	48.51
2.	Kwan Wai Loen	30,981,220	6.37
3.	UOB Kay Hian Pte Ltd	29,530,000	6.08
4.	Citibank Nominees Singapore Pte Ltd	13,150,000	2.71
5.	OCBC Securities Private Ltd	12,436,000	2.56
6.	Han Jiak Siew	12,160,840	2.50
7.	United Overseas Bank Nominees (Pte) Ltd	9,063,000	1.86
8.	Mayban Nominees (Singapore) Pte Ltd	5,321,000	1.10
9.	DB Nominees (Singapore) Pte Ltd	5,020,000	1.03
10.	CIMB-GK Securities Pte. Ltd.	4,122,000	0.85
11.	Kim Eng Securities Pte. Ltd.	3,817,000	0.79
12.	Phillip Securities Pte Ltd	2,965,000	0.61
13.	Kok Fat Keung	2,371,620	0.49
14.	DBS Nominees Pte Ltd	2,341,000	0.48
15.	Ho Chai Mong	2,235,000	0.46
16.	Ng Ban Hock	2,125,000	0.44
17.	Wong Kum Fook Augustine	2,100,000	0.43
18.	OCBC Nominees Singapore Pte Ltd	1,542,000	0.32
19.	Low Mong Chai	1,529,000	0.31
20.	Tay Yew Chin	1,330,000	0.27
	Total	379,919,200	78.17

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

39.39% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

//NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of Excelpoint Technology Ltd will be held at Paramount Hotel, 25 Marine Parade Road, Parawave, Level 4, Singapore 449536 on Wednesday, 16 April 2008 at 3.00 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the financial year ended 31 December 2007 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final tax exempt one-tier dividend of 0.25 Singapore cents per ordinary share for the financial year ended 31 December 2007 (2006: 0.50 cents per ordinary share). **(Resolution 2)**

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

Mr. Kwah Thiam Hock	(Retiring pursuant to Article 108)	**(Resolution 3)**
Mr. Sunny Wong Fook Choy	(Retiring pursuant to Article 104)	**(Resolution 4)**
Mr. David Kok Fat Keung	(Retiring pursuant to Article 104)	**(Resolution 5)**

Mr. Kwah will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Remuneration Committee and will be considered independent.

Mr. Sunny Wong will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee and will be considered independent.

4. To approve the payment of Directors' Fees of S$213,000 to the Independent Directors for the financial year from 1 January 2008 to 31 December 2008 (2007: S$180,000). **(Resolution 6)**

5. To re-appoint Ernst & Young as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**

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

AS SPECIAL BUSINESS

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

7. **Authority to issue shares up to 50 per centum (50%) of the total number of issued shares in the capital of the Company**

(A) That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
(b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force (i) 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 earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments. [See Explanatory Note (i)] **(Resolution 8)**

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

(Resolution 9)

By Order of the Board

Tan Cher Liang
Wong Yoen Har
Secretaries

Singapore, 1 April 2008

EXPLANATORY NOTES:

(i) The Ordinary Resolution 8 in item 7(A) above, if passed, will empower the Directors of the Company from the date of this Meeting until the date 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) The Ordinary Resolution 9 in item 7(B) above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares in the capital of the Company from time to time.

NOTES:

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

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 15 Changi Business Park Central 1, 5th Level, Singapore 486057 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

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EXCELPOINT TECHNOLOGY LTD.

(Company Registration No. 200103280C)
(Incorporated In The Republic of Singapore with limited liability)

IMPORTANT:

1. For investors who have used their CPF monies to buy Excelpoint Technology Ltd.'s shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____

of ____

being a member/members of **EXCELPOINT TECHNOLOGY LTD.** (the "Company"), hereby appoint:

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

and/or (delete as appropriate)

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Seventh Annual General Meeting (the "Meeting") of the Company to be held at Paramount Hotel, 25 Marine Parade Road, Parawave, Level 4, Singapore 449536 on Wednesday, 16 April 2008 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

NO.	RESOLUTIONS RELATING TO:	FOR	AGAINST
	Ordinary Business		
1	To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31 December 2007 together with the Auditors' Report thereon.		
2	To declare a first and final tax exempt one-tier dividend of 0.25 Singapore cents per ordinary share for the financial year ended 31 December 2007.		
3	To re-elect Mr. Kwah Thiam Hock as a Director (under Article 108).		
4	To re-elect Mr. Sunny Wong Fook Choy as a Director (under Article 104).		
5	To re-elect Mr. David Kok Fat Keung as a Director (under Article 104).		
6	To approve the payment of Directors' Fees of S$213,000 to the Independent Directors for the financial year from 1 January 2008 to 31 December 2008.		
7	To re-appoint Messrs Ernst & Young as auditors and to authorise Directors to fix their remuneration.		
	Special Business		
8	To authorise Directors to issue shares and/or Instruments pursuant to Section 161 of the Companies Act, Chapter 50.		
9	To authorise Directors to offer and grant options and to issue shares pursuant to the grant of the options.		

Dated this__________________day of________________________2008

TOTAL NUMBER OF SHARES IN:	NO. OF SHARES
(a) CDP Register	
(b) Register of Members	

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

NOTES:

1. Please insert the total number of ordinary shares in the capital of the Company ("Shares") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all Shares held by you.

2. A member of the Company entitled to attend and vote at a Meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

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

4. This instrument appointing a proxy or proxies must be deposited at the business office of the Company at 15 Changi Business Park Central 1, 5th Level, Singapore 486057 not less than 48 hours before the time appointed for the Annual General Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

7. A Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument appointing a proxy or proxies.

8. In the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the members are not shown to have Shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

WWW.EXCELPOINT.COM

Excelpoint™

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