

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q1 RESULTS

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) **STATEMENT OF PROFIT AND LOSS
FOR THE QUARTER ENDED 31 MARCH 2006 AND 31 MARCH 2005**

	Group 1Q2006	Group 1Q2005	Increase/ (Decrease)
	S\$'000	S\$'000	%
		(re-stated)	
Revenue	177,599	190,811	-6.9%
Cost of goods sold	(163,443)	(177,973)	-8.2%
Gross profit	14,156	12,838	10.3%
Other income	280	315	-11.1%
Sales and distribution costs	(6,086)	(5,740)	6.0%
General and administrative expenses	(5,435)	(5,096)	6.7%
Other expenses	(694)	(26)	2569.2%
Finance costs	(486)	(727)	-33.1%
Profit before taxation	1,735	1,564	10.9%
Taxation	(513)	(526)	-2.5%
Profit after taxation	1,222	1,038	17.7%

1(a)(ii) **NOTES TO THE PROFIT AND LOSS STATEMENT**

Notes to the profit and loss account	1Q2006	1Q2005
	S\$'000	S\$'000
		(re-stated)
Write back of allowance for doubtful trade debts	14	70
Write back of allowance for stock obsolescence	66	62
Interest on borrowings	(486)	(727)
Allowance for doubtful trade debts	(592)	(7)
Doubtful trade debts written off	(10)	-
Allowance for stock obsolescence	(245)	(361)
Loss on disposal of property, plant and equipment	-	(2)
Depreciation of property, plant and equipment	(350)	(381)
Gain on foreign exchange	87	275
Over-provision of tax in respect of prior years	-	5

1(b)(i) Balance sheets (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEETS	Group 31/03/2006	Group 31/12/2005	Company 31/03/2006	Company 31/12/2005
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	6,679	7,117	11	12
Intangible assets	361	371	-	-
Investments in subsidiaries	-	-	21,114	21,701
Current assets				
Trade debtors	107,731	115,022	1	-
Other debtors	2,146	1,812	-	9
Stocks	59,554	46,979	-	-
Amounts due from subsidiaries	-	-	29,360	30,196
Cash and short term deposits	31,198	36,331	2,052	1,809
Total current assets	200,629	200,144	31,413	32,014
Current liabilities				
Trade creditors and accruals	(104,143)	(101,452)	(154)	(132)
Other creditors	(8,340)	(8,897)	(138)	(11)
Interest-bearing loans and borrowings	(23,477)	(24,348)	-	-
Finance lease obligations	(260)	(283)	-	-
Provision for taxation	(562)	(640)	(45)	(46)
Total current liabilities	(136,782)	(135,620)	(337)	(189)
Net current assets	63,847	64,524	31,076	31,825
Non-current liabilities				
Interest-bearing loans and borrowings	-	(292)	-	-
Finance lease obligations	(303)	(357)	-	-
Deferred tax liabilities	(144)	(146)	-	-
Net assets	70,440	71,217	52,201	53,538
Equity attributable to equity holders of the Company				
Share capital	51,356	24,301	51,356	24,301
Share premium (Note (a))	-	27,055	-	27,055
Reserves	19,084	19,861	845	2,182
	70,440	71,217	52,201	53,538

Note (a) : Under the Companies (Amendment) Act 2005 effective 30 January 2006, the concepts of par value and authorised share capital are abolished and the amount in the share premium account as of 30 January 2006 becomes part of the Company's share capital.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

At 31/03/2006 (S\$'000)		At 31/12/2005 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
625	23,112	380	24,251

Amount repayable after one year

At 31/03/2006 (S\$'000)		At 31/12/2005 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
303	Nil	649	Nil

Details of any collateral

The Group's borrowings as at 31 March 2006 consisted of interest-bearing loans and borrowings, and finance lease obligations. The term loans were secured against the Group's properties together with corporate guarantee from Excelpoint Technology Ltd. Finance lease obligations were secured over certain motor vehicles owned by the Group.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 1Q2006	Group 1Q2005
	S\$'000	S\$'000
		(re-stated)
Cash flows from operating activities		
Profit before taxation	1,735	1,564
Adjustments for:		
Interest income	(204)	(47)
Interest expense	486	727
Depreciation of property, plant and equipment	350	381
Loss on disposal of property, plant and equipment	-	2
Operating cash flows before reinvestment in working capital	2,367	2,627
(Increase)/ decrease in stocks	(12,575)	33,551
Decrease/ (increase) in debtors	6,957	(26,493)
Increase/ (decrease) in creditors	2,134	(8,854)
Cash flows (used in)/ from operations	(1,117)	831
Interest received	204	47
Interest paid	(486)	(727)
Income tax (paid)/ received	(572)	45
Net cash flows (used in)/ from operating activities	(1,971)	196
Cash flows from investing activities		
Purchase of property, plant and equipment	(99)	(179)
Cash flows used in investing activities	(99)	(179)
Cash flows from financing activities		
Repayment of loans and borrowings	(24)	(99)
(Decrease)/ increase in bills payables	(1,139)	2,049
Repayment of finance lease obligations	(77)	(56)
Net cash flows (used in)/ from financing activities	(1,240)	1,894
Net (decrease)/ increase in cash and cash equivalents	(3,310)	1,911
Cash and cash equivalents at beginning of quarter	36,331	20,687
Effects of exchange rate changes on opening cash and cash equivalents	(1,823)	769
Cash and cash equivalents at end of quarter	31,198	23,367

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1Q2006

The Group	Share capital	Share premium	Foreign currency translation reserve	Capital reserve	Revenue reserve	Equity attributable to equity holders of the Company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2006	24,301	27,055	(151)	28	19,984	71,217
Effects of Companies (Amendment) Act 2005 (Note (a))	27,055	(27,055)	-	-	-	-
Net profit for the quarter	-	-	-	-	1,222	1,222
Foreign currency translation adjustment	-	-	(1,999)	-	-	(1,999)
At 31 March 2006	51,356	-	(2,150)	28	21,206	70,440
At 1 January 2005 as previously reported	24,301	27,055	(2,330)	20	20,446	69,492
Effects of adopting FRS 21	-	-	(31)	-	(514)	(545)
At 1 January 2005 as re-stated	24,301	27,055	(2,361)	20	19,932	68,947
Net profit for the quarter as re-stated	-	-	-	-	1,038	1,038
Transfer to capital reserve	-	-	-	8	(8)	-
Foreign currency translation adjustment as re-stated	-	-	863	-	-	863
At 31 March 2005 as re-stated	24,301	27,055	(1,498)	28	20,962	70,848

1Q2006

The Company	Share capital	Share premium	Foreign currency translation reserve	Revenue reserve	Equity attributable to equity holders of the Company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2006	24,301	27,055	933	1,249	53,538
Effects of Companies (Amendment) Act 2005 (Note (a))	27,055	(27,055)	-	-	-
Net profit for the quarter	-	-	-	113	113
Foreign currency translation adjustment	-	-	(1,450)	-	(1,450)
At 31 March 2006	51,356	-	(517)	1,362	52,201
At 1 January 2005	24,301	27,055	-	1,595	52,951
Net loss for the quarter as re-stated	-	-	-	(162)	(162)
Foreign currency translation adjustment as re-stated	-	-	517	-	517
At 31 March 2005 as re-stated	24,301	27,055	517	1,433	53,306

Note (a) : Under the Companies (Amendment) Act 2005 effective 30 January 2006, the concepts of par value and authorised share capital are abolished and the amount in the share premium account as of 30 January 2006 becomes part of the Company's share capital.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

N.A.

2. Whether the figures have been audited or reviewed, in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

N.A.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2005.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of FRS 21 (revised) from 1 January 2005 resulted in the following adjustments in the comparative figures of the consolidated financial statements:-

	Group	Company
	1Q2005	1Q2005
Revenue reserve as at 1 January 2005	(514)	-
Foreign currency translation reserve	(31)	517
Profit/(loss) for the quarter	510	(327)

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per share (EPS)	Group	
	1Q2006	1Q2005
		(re-stated)
Based on weighted average number of ordinary shares (cents)	0.25	0.21
On a fully diluted basis (cents)	N.A.	N.A.

Earnings per share for 1Q2006 and 1Q2005 have been computed based on the share capital of 486,022,200 shares.

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	31/03/2006	31/12/2005	31/03/2006	31/12/2005
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (cents)	14.49	14.65	10.74	11.02

The Group's and the Company's net asset value per ordinary share have been computed based on the share capital of 486,022,200 ordinary shares.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

The measures adopted by Excelpoint to rationalise its business in FY2005 are delivering results. The Group's profits for the 1st quarter ended 31 March 2006 edged up 17.7% rising from \$1.0 million to \$1.2 million. The shift in the Group's product mix to focus on products with higher margins also raised its gross profit margin from 6.7% in 1Q2005 to 8.0% in 1Q2006.

The Group registered lower turnover in 1Q2006 as a result of its focus on growing margins. Its turnover for the quarter 31 March 2006 stood at \$177.6 million representing a decrease of 6.9% compared to the turnover of \$190.8 million in 1Q2005.

Operationally all expenses remained relatively stable. The only exception is "other expenses" which registered an increase from \$26,000 to \$694,000. This is attributable mainly to the allowances for doubtful debts and stock obsolescence, in line with the Group's credit and inventory policies. Debtors' turnover improved from 62 days in 1Q2005 to 56 days in 1Q2006.

In anticipation of market demand, inventory level at the end of the period under review was higher rising from \$47.0 million to \$59.6 million representing an increase of approximately 26.8% from 4Q2005 to 1Q2006. Inventory turnover in 1Q2006 improved from 41 days in 1Q2005 to 29 days reflecting the Group's effective inventory management policy.

Cashflow used in operations amounted to about \$2.0 million. This is primarily attributable to the \$12.6 million increase in the Group's inventory in 1Q2006. Cash and cash equivalents at the end of 31 March 2006 amounted to \$31.2 million compared to \$23.4 million last year.

The Group's debt equity ratio in 1Q2006 stood at 0.3 times compared to 0.7 times in 1Q2005. Interest expense incurred on bank borrowings were also lower declining from \$0.7 million to \$0.5 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Board is of the view that the current period's results is in line with the prospect statement made in the announcement of the last quarter.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The Group is optimistic about its business prospects in FY2006. It will continue to strategically optimize its range of products and services. Furthermore, it will also be continuing to explore opportunities to enhance its

distribution, design innovation and technology development capabilities by developing closer working relationships with its principals and new business partners.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? **No.**

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **No.**

(c) Date payable. N.A.

(d) Books closure date. N.A.

12. If no dividend has been declared/ recommended, a statement to that effect.

No dividend has been declared for 1Q2006.

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
2 May 2006