

**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 2007 AND 31 MARCH 2006**

	<b>Group 1Q2007</b>	<b>Group 1Q2006</b>	<b>Increase / (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	173,838	177,599	-2.1%
Cost of goods sold	(161,997)	(163,443)	-0.9%
<b>Gross profit</b>	<b>11,841</b>	<b>14,156</b>	<b>-16.4%</b>
Other income	218	280	-22.1%
Sales and distribution costs	(6,953)	(6,086)	14.2%
General and administrative expenses	(5,087)	(5,435)	-6.4%
Other expenses	1,334	(694)	N.M.
Finance costs	(719)	(486)	47.9%
<b>Profit before taxation</b>	<b>634</b>	<b>1,735</b>	<b>-63.5%</b>
Taxation	(418)	(513)	-18.5%
<b>Profit after taxation</b>	<b>216</b>	<b>1,222</b>	<b>-82.3%</b>

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

<b>Notes to the profit and loss account</b>	<b>1Q2007</b>	<b>1Q2006</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Interest income	127	204
Write back of allowance for doubtful trade debts	59	14
Write back of allowance for stock obsolescence	1,253	66
Allowance for doubtful trade debts	(2)	(592)
Doubtful trade debts written off	-	(10)
Allowance for stock obsolescence	(55)	(245)
Gain on disposal of property, plant and equipment	107	-
Depreciation of property, plant and equipment	(420)	(350)
Gain on disposal of subsidiary companies	14	-
(Loss)/ gain on foreign exchange	(15)	87
Interest on borrowings	(719)	(486)

**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.**

<b>BALANCE SHEETS</b>	<b>Group 31/03/2007</b>	<b>Group 31/12/2006</b>	<b>Company 31/03/2007</b>	<b>Company 31/12/2006</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	7,316	7,522	7	8
Intangible assets	339	343	-	-
Investments in subsidiaries	-	-	20,783	21,057
<b>Current assets</b>				
Trade debtors	103,378	99,933	7	3
Other debtors	2,316	2,740	2	2
Stocks	75,194	76,553	-	-
Amount due from subsidiary companies	-	-	30,210	30,527
Tax recoverable	357	1,702	-	-
Cash and short term deposits	20,129	10,694	548	547
<b>Total current assets</b>	<b>201,374</b>	<b>191,622</b>	<b>30,767</b>	<b>31,079</b>
<b>Current liabilities</b>				
Trade creditors and accruals	(91,739)	(103,773)	(240)	(180)
Other creditors	(6,624)	(7,241)	-	-
Interest-bearing loans and borrowings	(41,553)	(18,676)	-	-
Finance lease obligations	(164)	(198)	-	-
Provision for taxation	(591)	(480)	(191)	(193)
<b>Total current liabilities</b>	<b>(140,671)</b>	<b>(130,368)</b>	<b>(431)</b>	<b>(373)</b>
<b>Net current assets</b>	<b>60,703</b>	<b>61,254</b>	<b>30,336</b>	<b>30,706</b>
<b>Non-current liabilities</b>				
Finance lease obligations	(253)	(333)	-	-
Deferred tax liabilities	(303)	(307)	-	-
<b>Net assets</b>	<b>67,802</b>	<b>68,479</b>	<b>51,126</b>	<b>51,771</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	51,356	51,356	51,356	51,356
Reserves	16,446	17,123	(230)	415
	<b>67,802</b>	<b>68,479</b>	<b>51,126</b>	<b>51,771</b>

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

**Amount repayable in one year or less, or on demand**

<b>At 31/03/2007 (S\$'000)</b>		<b>At 31/12/2006 (S\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
164	41,553	198	18,676

**Amount repayable after one year**

<b>At 31/03/2007 (S\$'000)</b>		<b>At 31/12/2006 (S\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
253	Nil	333	Nil

**Details of any collateral**

The Group's borrowings as at 31 March 2007 consisted of interest-bearing loans and borrowings, and finance lease obligations. The term loans were covered 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 1Q2007	Group 1Q2006
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	634	1,735
Adjustments for:-		
Interest income	(127)	(204)
Interest expense	719	486
Depreciation of fixed assets	420	350
Gain on disposal of fixed assets	(107)	-
<b>Operating cash flows before reinvestment in working capital</b>	<b>1,539</b>	<b>2,367</b>
Decrease/ (increase) in stocks	1,359	(12,575)
(Increase)/ decrease in debtors	(3,021)	6,957
(Decrease)/ increase in creditors	(12,651)	2,134
<b>Cash flows used in operations</b>	<b>(12,774)</b>	<b>(1,117)</b>
Interest received	127	204
Interest paid	(719)	(486)
Income tax rebate/ (paid)	1,042	(572)
<b>Net cash flows used in operating activities</b>	<b>(12,324)</b>	<b>(1,971)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(733)	(99)
Proceeds on disposal of property, plant and equipment	530	-
<b>Cash flows used in investing activities</b>	<b>(203)</b>	<b>(99)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans and borrowings	-	(24)
Increase/ (decrease) in bills payables	22,877	(1,139)
Repayment of finance lease obligations	(114)	(77)
<b>Net cash flows from/ (used in) financing activities</b>	<b>22,763</b>	<b>(1,240)</b>
Net increase / (decrease) in cash and cash equivalents	10,236	(3,310)
Cash and cash equivalents at beginning of year	10,694	36,331
Effects of exchange rate changes	(801)	(1,823)
<b>Cash and cash equivalents at end of year</b>	<b>20,129</b>	<b>31,198</b>

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.

**1Q2007**

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
Balance at 1 January 2007	51,356	-	(5,700)	28	22,795	68,479
Net profit for the quarter	-	-	-	-	216	216
Transfer to capital reserves	-	-	-	14	(14)	-
Foreign currency translation adjustment	-	-	(893)	-	-	(893)
<b>Balance at 31 March 2007</b>	<b>51,356</b>	<b>-</b>	<b>(6,593)</b>	<b>42</b>	<b>22,997</b>	<b>67,802</b>
Balance 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)
<b>Balance at 31 March 2006</b>	<b>51,356</b>	<b>-</b>	<b>(2,150)</b>	<b>28</b>	<b>21,206</b>	<b>70,440</b>

**1Q2007**

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
Balance at 1 January 2007	51,356	-	(3,217)	3,632	51,771
Net profit for the quarter	-	-	-	29	29
Foreign currency translation adjustment	-	-	(674)	-	(674)
<b>Balance at 31 March 2007</b>	<b>51,356</b>	<b>-</b>	<b>(3,891)</b>	<b>3,661</b>	<b>51,126</b>
Balance 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)
<b>Balance at 31 March 2006</b>	<b>51,356</b>	<b>-</b>	<b>(517)</b>	<b>1,362</b>	<b>52,201</b>

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 2006.

**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 Group has adopted all the new / revised Financial Reporting Standards (FRS) that became effective for accounting periods beginning on or after 1 January 2007. These FRS include FRS 107, Financial Instruments: Disclosures and Amendments to FRS 1, Presentation of Financial Statements (Capital Disclosures). The adoption of these new / revised FRS does not have any material impact to the Group financial statements.

**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.**

	Group	
	1Q2007	1Q2006
Based on weighted average number of ordinary shares (cents)	0.04	0.25
On a fully diluted basis (cents)	N.A.	N.A.

Earnings per share for 1Q2007 and 1Q2006 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	
	31/03/2007	31/12/2006	31/03/2007	31/12/2006
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (cents)	13.95	14.09	10.52	10.65

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.**

Cautious market sentiments in 1Q2007 coupled with the effect of festive holidays across many Asian countries impacted the performance of the Group this quarter.

The Group reported a 2.1% decline in its revenue which decreased from \$177.6 million in 1Q2006 to \$173.8 million this quarter. Competitive market conditions also gave rise to lower gross profitability. Gross profit margin stood at 6.8% compared to 8.0% in the same quarter last year.

Net profit after tax amounted to \$0.2 million compared to \$1.2 million in 1Q2006. The decline in the Group's profitability is attributable to lower margins, higher sales and distribution and finance costs incurred during the quarter under review.

In 1Q2007, cash flow used in operating activities amounted to \$12.3 million compared to \$2.0 million in 1Q2006. This is primarily attributable to the \$12.7 million reduction in trade creditors' balance and \$3.0 million increase in trade debtors' balance during the quarter.

**Balance Sheet Highlights**

- The Group's cash and short term deposits rose from \$10.7 million in 4Q2006 to \$20.1 million in 1Q2007.
- Trade debtors' balance was marginally higher rising from \$99.9 million to \$103.4 million. AR turnover increased from 50 days in 4Q2006 to 54 days 1Q2007.
- Trade creditors' balance declined from \$103.8 million to \$91.7 million. AP turnover days declined marginally from 57 days in 4Q2006 to 56 days in 1Q2007.
- Stocks balance was slightly lower in 1Q2007 declining from \$76.6 million in 4Q2006 to \$75.2 million. Inventory turnover rose to 43 days compared to 40 days in 4Q2006.
- Interest bearing loans and borrowings rose significantly from \$19.2 million in 4Q2006 to \$41.8 million this quarter due to the higher working capital requirements. Debt equity ratio stood at 0.6 times compared to 0.3 times in 4Q2006.

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

N.A.

**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 expects improved performance for the second quarter of FY2007.

**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 1Q2007.

**13. Confirmation by the Board pursuant to Rule 705(4) of the Listing Manual**

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to their attention which may render the financial statements for the first quarter ended 31 March 2007 to be false or misleading.

**BY ORDER OF THE BOARD**

Wong Yoen Har  
Company Secretary  
9 May 2007