

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q2 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 30 JUNE 2006 AND 30 JUNE 2005**

	Group 2Q2006	Group 2Q2005	Increase/ (Decrease)	Group HY2006	Group HY2005	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
		(re-stated)			(re-stated)	
Revenue	182,031	155,877	16.8%	359,630	346,688	3.7%
Cost of goods sold	(168,394)	(142,535)	18.1%	(331,837)	(320,508)	3.5%
<b>Gross profit</b>	<b>13,637</b>	<b>13,342</b>	<b>2.2%</b>	<b>27,793</b>	<b>26,180</b>	<b>6.2%</b>
Other income	589	371	58.8%	869	686	26.7%
Sales and distribution costs	(6,457)	(5,285)	22.2%	(12,543)	(11,025)	13.8%
General and administrative expenses	(5,022)	(4,976)	0.9%	(10,457)	(10,072)	3.8%
Other expenses	333	(2,640)	N.M.	(361)	(2,666)	-86.5%
Finance costs	(376)	(657)	-42.8%	(862)	(1,384)	-37.7%
<b>Profit before taxation</b>	<b>2,704</b>	<b>155</b>	<b>1,644.5%</b>	<b>4,439</b>	<b>1,719</b>	<b>158.2%</b>
Taxation	(901)	(571)	57.8%	(1,414)	(1,097)	28.9%
<b>Profit after taxation</b>	<b>1,803</b>	<b>(416)</b>	<b>N.M.</b>	<b>3,025</b>	<b>622</b>	<b>386.3%</b>

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

Notes to the profit and loss account	2Q2006	2Q2005	HY2006	HY2005
	S\$'000	S\$'000	S\$'000	S\$'000
		(re-stated)		(re-stated)
Write back of allowance for doubtful trade debts	103	68	117	128
Write back of allowance for stock obsolescence	1,366	287	1,432	349
Interest on borrowings	(376)	(657)	(862)	(1,384)
Allowance for doubtful trade debts	(358)	(2,357)	(950)	(2,364)
Doubtful trade debts written off	-	(1)	(10)	(1)
Allowance for stock obsolescence	(807)	(25)	(1,052)	(386)
(Loss)/gain on disposal of property, plant and equipment	(8)	40	(8)	38
Depreciation of property, plant and equipment	(349)	(379)	(699)	(760)
Gain/(loss) on foreign exchange	40	(691)	127	(416)
(Under)/over-provision of tax in respect of prior years	(84)	13	(84)	18

**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 30/06/2006</b>	<b>Group 31/12/2005</b>	<b>Company 30/06/2006</b>	<b>Company 31/12/2005</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	6,641	7,117	10	12
Intangible assets	354	371	-	-
Investments in subsidiaries	-	-	20,710	21,701
<b>Current assets</b>				
Trade debtors	100,628	115,022	1	-
Other debtors	1,911	1,812	-	9
Stocks	71,425	46,979	-	-
Amounts due from subsidiaries	-	-	29,294	30,196
Cash and short term deposits	25,257	36,331	268	1,809
<b>Total current assets</b>	<b>199,221</b>	<b>200,144</b>	<b>29,563</b>	<b>32,014</b>
<b>Current liabilities</b>				
Trade creditors and accruals	(110,468)	(101,452)	(186)	(132)
Other creditors	(7,977)	(8,897)	(6)	(11)
Interest-bearing loans and borrowings	(16,461)	(24,348)	-	-
Finance lease obligations	(204)	(283)	-	-
Provision for taxation	(1,084)	(640)	(109)	(46)
<b>Total current liabilities</b>	<b>(136,194)</b>	<b>(135,620)</b>	<b>(301)</b>	<b>(189)</b>
<b>Net current assets</b>	<b>63,027</b>	<b>64,524</b>	<b>29,262</b>	<b>31,825</b>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	-	(292)	-	-
Finance lease obligations	(216)	(357)	-	-
Deferred tax liabilities	(141)	(146)	-	-
<b>Net assets</b>	<b>69,665</b>	<b>71,217</b>	<b>49,982</b>	<b>53,538</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	51,356	24,301	51,356	24,301
Share premium	-	27,055	-	27,055
Reserves	18,309	19,861	(1,374)	2,182
	<b>69,665</b>	<b>71,217</b>	<b>49,982</b>	<b>53,538</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(b)(ii) Aggregate amount of Group's borrowings and debt securities.**

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

<b>At 30/06/2006 (S\$'000)</b>		<b>At 31/12/2005 (S\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
545	16,120	380	24,251

**Amount repayable after one year**

<b>At 30/06/2006 (S\$'000)</b>		<b>At 31/12/2005 (S\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
216	Nil	649	Nil

**Details of any collateral**

The Group's borrowings as at 30 June 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 2Q2006	Group 2Q2005	Group HY2006	Group HY2005
	S\$'000	S\$'000	S\$'000	S\$'000
		(re-stated)		(re-stated)
<b>Cash flows from operating activities</b>				
Profit before taxation	2,704	155	4,439	1,719
Adjustments for:				
Interest income	(177)	(88)	(381)	(135)
Interest expense	376	657	862	1,384
Depreciation of property, plant and equipment	349	379	699	760
Loss/ (gain) on disposal of property, plant and equipment	8	(40)	8	(38)
<b>Operating cash flows before reinvestment in working capital</b>	<b>3,260</b>	<b>1,063</b>	<b>5,627</b>	<b>3,690</b>
(Increase)/ decrease in stocks	(11,871)	(4,611)	(24,446)	28,940
Decrease/ (increase) in debtors	7,338	17,278	14,295	(9,215)
Increase/ (decrease) in creditors	5,962	(6,456)	8,096	(15,310)
<b>Cash flows from operations</b>	<b>4,689</b>	<b>7,274</b>	<b>3,572</b>	<b>8,105</b>
Interest received	177	88	381	135
Interest paid	(376)	(657)	(862)	(1,384)
Income tax paid	(350)	(167)	(922)	(122)
<b>Net cash flows from operating activities</b>	<b>4,140</b>	<b>6,538</b>	<b>2,169</b>	<b>6,734</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(466)	(331)	(565)	(510)
Proceeds on disposal of property, plant and equipment	12	117	12	117
<b>Cash flows used in investing activities</b>	<b>(454)</b>	<b>(214)</b>	<b>(553)</b>	<b>(393)</b>
<b>Cash flows from financing activities</b>				
Repayment of loans and borrowings	(24)	(24)	(48)	(123)
Decrease in bills payables	(6,992)	(10,075)	(8,131)	(8,026)
Repayment of finance lease obligations	(143)	(148)	(220)	(204)
Dividend paid	(1,215)	(1,215)	(1,215)	(1,215)
<b>Net cash flows used in financing activities</b>	<b>(8,374)</b>	<b>(11,462)</b>	<b>(9,614)</b>	<b>(9,568)</b>
Net decrease in cash and cash equivalents	(4,688)	(5,138)	(7,998)	(3,227)
Cash and cash equivalents at beginning of period	31,198	23,367	36,331	20,687
Effects of exchange rate changes on opening cash and cash equivalents	(1,253)	1,959	(3,076)	2,728
<b>Cash and cash equivalents at end of period</b>	<b>25,257</b>	<b>20,188</b>	<b>25,257</b>	<b>20,188</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.

#### HY2006

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 half year	-	-	-	-	3,025	3,025
Foreign currency translation adjustment	-	-	(3,362)	-	-	(3,362)
Dividends	-	-	-	-	(1,215)	(1,215)
<b>At 30 June 2006</b>	<b>51,356</b>	<b>-</b>	<b>(3,513)</b>	<b>28</b>	<b>21,794</b>	<b>69,665</b>
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 half year as re-stated	-	-	-	-	622	622
Transfer to capital reserve	-	-	-	8	(8)	-
Foreign currency translation adjustment as re-stated	-	-	3,012	-	-	3,012
Dividends	-	-	-	-	(1,215)	(1,215)
<b>At 30 June 2005 as re-stated</b>	<b>24,301</b>	<b>27,055</b>	<b>651</b>	<b>28</b>	<b>19,331</b>	<b>71,366</b>

#### 2Q2006

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 April 2006	24,301	27,055	(2,150)	28	21,206	70,440
Effects of Companies (Amendment) Act 2005 (Note (a))	27,055	(27,055)	-	-	-	-
Net profit for the quarter	-	-	-	-	1,803	1,803
Foreign currency translation adjustment	-	-	(1,363)	-	-	(1,363)
Dividends	-	-	-	-	(1,215)	(1,215)
<b>At 30 June 2006</b>	<b>51,356</b>	<b>-</b>	<b>(3,513)</b>	<b>28</b>	<b>21,794</b>	<b>69,665</b>
At 1 April 2005 as previously reported	24,301	27,055	(1,872)	28	20,966	70,478
Effects of adopting FRS 21	-	-	374	-	(4)	370
At 1 April 2005 as re-stated	24,301	27,055	(1,498)	28	20,962	70,848
Net loss for the quarter as re-stated	-	-	-	-	(416)	(416)
Foreign currency translation adjustment as re-stated	-	-	2,149	-	-	2,149
Dividends	-	-	-	-	(1,215)	(1,215)
<b>At 30 June 2005 as re-stated</b>	<b>24,301</b>	<b>27,055</b>	<b>651</b>	<b>28</b>	<b>19,331</b>	<b>71,366</b>

**HY2006**

<b>The Company</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Foreign currency translation reserve</b>	<b>Revenue reserve</b>	<b>Equity attributable to equity holders of the Company</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
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 half year	-	-	-	97	97
Foreign currency translation adjustment	-	-	(2,438)	-	(2,438)
Dividends	-	-	-	(1,215)	(1,215)
<b>At 30 June 2006</b>	<b>51,356</b>	<b>-</b>	<b>(1,505)</b>	<b>131</b>	<b>49,982</b>
At 1 January 2005	24,301	27,055	-	1,595	52,951
Net loss for the half year as re-stated	-	-	-	(378)	(378)
Foreign currency translation adjustment as re-stated	-	-	1,587	-	1,587
Dividends	-	-	-	(1,215)	(1,215)
<b>At 30 June 2005 as re-stated</b>	<b>24,301</b>	<b>27,055</b>	<b>1,587</b>	<b>2</b>	<b>52,945</b>

**2Q2006**

<b>The Company</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Foreign currency translation reserve</b>	<b>Revenue reserve</b>	<b>Equity attributable to equity holders of the Company</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
At 1 April 2006	51,356	-	(517)	1,362	52,201
Net profit for the quarter	-	-	-	(16)	(16)
Foreign currency translation adjustment	-	-	(988)	-	(988)
Dividends	-	-	-	(1,215)	(1,215)
<b>At 30 June 2006</b>	<b>51,356</b>	<b>-</b>	<b>(1,505)</b>	<b>131</b>	<b>49,982</b>
At 1 April 2005	24,301	27,055	517	1,433	53,306
Net loss for the quarter as re-stated	-	-	-	(216)	(216)
Foreign currency translation adjustment as re-stated	-	-	1,070	-	1,070
Dividends	-	-	-	(1,215)	(1,215)
<b>At 30 June 2005 as re-stated</b>	<b>24,301</b>	<b>27,055</b>	<b>1,587</b>	<b>2</b>	<b>52,945</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 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	
	2Q2005	HY2005	2Q2005	HY2005
Revenue reserve as at beginning of the period	(4)	(514)	-	-
Foreign currency translation reserve	374	(31)	1,070	1,587

	Group		Company	
	2Q2005	HY2005	2Q2005	HY2005
Profit as previously reported	37	565	456	621
Effects of adopting FRS 21	(453)	57	(672)	(999)
Profit/ (loss) as re-stated	(416)	622	(216)	(378)

**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		Group	
	2Q2006	2Q2005	HY2006	HY2005
Based on weighted average number of ordinary shares (cents)	0.37	(0.09)	0.62	0.13
On a fully diluted basis (cents)	N.A.	N.A.	N.A.	N.A.

Earnings per share for 2Q2006 and 2Q2005 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	
	30/06/2006	31/12/2005	30/06/2006	31/12/2005
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (cents)	14.33	14.65	10.28	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 Group turned in a stronger performance in 2Q2006 compared to the same period last year. Revenues for the quarter under review saw a 16.8% increase rising from \$155.9 million to \$182.0 million.

Net profit after tax in 2Q2006 amounted to \$1.8 million compared to a loss of \$0.4 million in 2Q2005. The Group's profitability this year was attributable to the stronger business contributions, the write-back of \$1.4 million and \$0.1 million in stock and doubtful debts allowances and lower financing costs incurred during the quarter.

Net profit margin for the quarter stood at 1.0% - a significant difference from the loss incurred in the second quarter of the previous financial year. Gross profit margin was 7.5%.

Conscious efforts to improve cash management and the adoption of optimal funding approaches have helped the Group reduce its reliance on bank borrowings. This is evidenced by the 42.8% decline in financing costs which decreased from \$0.7 million in 2Q2005 to \$0.4 million in 2Q2006. Additionally, careful cash management efforts have also generated interest income for the Group amounting to \$0.2 million.

On the expense front, corresponding to the higher sales activities during the quarter, sales and distribution costs rose 22.2% from \$5.3 million to \$6.5 million. There was also a marginal increase in general and administrative costs. This incremental cost was to support additional reporting and controlling functions in the organization.

Operations in 2Q2006 generated cashflows of \$4.1 million. This quantum is lower than that of 2Q2005 due to higher stocking requirements this quarter. Stock balance as at 30 June 2006 rose from \$47.0 million as at 31 December 2005 to \$71.4 million. During the quarter, improvements seen in key activities ratios demonstrate the ongoing prudence that is being exercised by the Group. Compared to the same quarter in the previous financial year, stock turnover was reduced from 43 days to 35 days while debtors' turnover dropped from 80 days to 52 days. The implementation of credit controls, which commenced last year, have helped the Group improved its debtors control by implementing vigilant control on credit extended to customers. Careful cash management helped the Group to reduce its creditors' turnover from 71 days to 58 days. At the close of 2Q2006, the Group's cash and cash equivalents stood at \$25.3 million, an improvement over the \$20.2 million last year.

The Group's debt equity ratio in 2Q2006 stood at 0.2 times compared to debt equity ratio of 0.6 times in 2Q2005.

**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.**

Going into the second half of the year, the Group continues to be optimistic about its prospects. Traditionally, demand in the electronics industry is stronger in the second half of the year relative to the first six months.

**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 2Q2006.

**BY ORDER OF THE BOARD**

Wong Yoen Har  
Company Secretary  
2 Aug 2006