

**Full Year Financial Statement And Dividend Announcement**
**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**
**1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**
**UNAUDITED RESULTS FOR SECOND QUARTER & FIRST HALF FY2008**

	Group			Group		
	2Q 2008 Ended 30/06/08 \$'000	2Q 2007 Ended 30/06/07 \$'000	Increase / (decrease) %	1H 2008 Ended 30/06/08 \$'000	1H 2007 Ended 30/06/07 \$'000	Increase / (decrease) %
<b>Revenue</b>	29,661	31,226	(5.0)	58,318	58,899	(1.0)
Cost of sales	(25,525)	(23,028)	10.8	(49,136)	(44,971)	9.3
<b>Gross profit</b>	<b>4,136</b> 13.9%	<b>8,198</b> 26.3%	<b>(49.5)</b>	<b>9,182</b> 15.7%	<b>13,928</b> 23.6%	<b>(34.1)</b>
<b>Other items of income/(expense)</b>						
Interest income	12	7	71.4	24	16	50.0
Other credits/(charges)	541	(261)	(307.3)	584	(159)	(467.3)
Fair value gain/(loss) on financial instruments	(62)	-	NA	1,177	-	NA
<b>Other items of expenses</b>						
Marketing & distribution expenses	(455)	(468)	(2.8)	(798)	(862)	(7.4)
Administrative expenses	(2,407)	(2,867)	(16.0)	(4,713)	(5,355)	(12.0)
Financial expenses	(550)	(533)	3.2	(1,141)	(1,016)	12.3
<b>Profit before taxation</b>	<b>1,215</b>	<b>4,075</b>	<b>(70.2)</b>	<b>4,315</b>	<b>6,551</b>	<b>(34.1)</b>
Taxation	(9)	(278)	(96.8)	(128)	(545)	(76.5)
<b>Profit after taxation</b>	<b>1,206</b>	<b>3,797</b>	<b>(68.2)</b>	<b>4,187</b>	<b>6,006</b>	<b>(30.3)</b>
Attributable to:						
Profit attributable to ordinary shareholders	1,224	3,799	(67.8)	4,235	6,008	(29.5)
Minority interest	(18)	(2)	800.0	(48)	(2)	2,300.0
	<b>1,206</b>	<b>3,797</b>	<b>(68.2)</b>	<b>4,187</b>	<b>6,006</b>	<b>(30.3)</b>

**1(a)(ii) Additional information for the income statement**

	Group			Group		
	2Q 2008 Ended 30/06/08 \$'000	2Q 2007 Ended 30/06/07 \$'000	Increase / (decrease) %	1H 2008 Ended 30/06/08 \$'000	1H 2007 Ended 30/06/07 \$'000	Increase / (decrease) %
Other income including interest income	85	44	93.2	110	61	80.3
Interest on borrowings	550	533	3.2	1,141	1016	12.2
Depreciation & amortisation	2,669	2,232	19.6	5,250	4,718	11.3
Foreign exchange gain/(loss)	394	(283)	239.2	372	(213)	(274.6)
Gain/(loss) on sale of property, plant & equipment	75	(14)	635.7	127	9	1,311.1

**Note 1**

	2Q 2008 Ended 30/06/08 \$'000	2Q 2007 Ended 30/06/07 \$'000		1H 2008 Ended 30/06/08 \$'000	1H 2007 Ended 30/06/07 \$'000
Gain on sales of plant & equipment	75	(14)		127	9
Foreign exchange gain/(loss)	394	(283)		372	(213)
Miscellaneous income	72	36		85	45
	<b>541</b>	<b>(261)</b>		<b>584</b>	<b>(159)</b>

**Note 2**

This arises from fair value changes in financial instruments.

**Note 3**

The Administrative expenses decreased as a result of lower expenses for payroll and rental.

**Note 4**

Higher financial expenses is attributable to higher interest costs on increased loan balances.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30/06/2008 \$'000	31/12/2007 \$'000	30/06/2008 \$'000	31/12/2007 \$'000
<b>ASSETS</b>				
<u>Non-current assets</u>				
Property, plant & equipment	66,636	71,655	461	527
Goodwill	73	73	-	-
Investment in subsidiaries	-	-	17,372	15,659
<b>Total non-current assets</b>	<b>66,709</b>	<b>71,728</b>	<b>17,833</b>	<b>16,186</b>
<u>Current assets</u>				
Income tax recoverable	404	637	13	2
Inventories	30,418	24,197	5,027	4,084
Trade & other receivables	27,782	24,283	44,836	39,957
Other assets	962	1,406	(28)	61
Financial instruments	1,177	-	745	-
Cash and cash equivalents	7,134	10,922	3,301	5,475
<b>Total current assets</b>	<b>67,877</b>	<b>61,445</b>	<b>53,894</b>	<b>49,579</b>
<b>Total Assets</b>	<b>134,586</b>	<b>133,173</b>	<b>71,727</b>	<b>65,765</b>
<b>EQUITY &amp; LIABILITIES</b>				
<u>Equity</u>				
Share capital	11,357	11,357	11,357	11,357
Retained earnings	49,586	45,351	5,243	4,997
Other reserves	70	4,206	858	717
<b>Equity, attributable to equity holders of the parent</b>	<b>61,013</b>	<b>60,914</b>	<b>17,458</b>	<b>17,071</b>
Minority Interests	105	165	-	-
<b>Total Equity</b>	<b>61,118</b>	<b>61,079</b>	<b>17,458</b>	<b>17,071</b>
Non current liabilities				
Deferred tax	601	936	18	18
Other financial liabilities	14,569	8,876	10,183	-
Finance leases	154	245	154	178
<b>Total non-current liabilities</b>	<b>15,324</b>	<b>10,057</b>	<b>10,355</b>	<b>196</b>
<u>Current liabilities</u>				
Income tax payable	-	70	-	-
Trade & other payables	23,240	19,651	23,140	20,922
Other financial liabilities	34,857	42,024	20,727	27,302
Financial instruments	-	227	-	227
Finance leases	47	65	47	47
<b>Total current liabilities</b>	<b>58,144</b>	<b>62,037</b>	<b>43,914</b>	<b>48,498</b>
<b>Total Liabilities</b>	<b>73,468</b>	<b>72,094</b>	<b>54,269</b>	<b>48,694</b>
<b>Total Equity &amp; Liabilities</b>	<b>134,586</b>	<b>133,173</b>	<b>71,727</b>	<b>65,765</b>

**Note 5**

During the financial period, a portion of the short-term loans were converted into term loans. Furthermore, an amount of \$1.7m was repaid.

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

Amount repayable in one year or less, or on demand

As at 30/06/2008		As at 31/12/2007	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
47	34,857	65	42,024

Amount repayable after one year

As at 30/06/2008		As at 31/12/2007	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
154	14,569	245	8,876

Details of any collateral

The finance leases are secured by the lessors' charges over the leased assets.

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

	<b>1H 2008 Ended 30/06/08 \$'000</b>	<b>1H 2007 Ended 30/06/07 \$'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	4,315	6,551
<u>Adjustments for:</u>		
Interest income	(24)	(16)
Interest expense	1,141	1,016
Depreciation expense	5,250	4,718
Gain on disposal of plant and equipment	(127)	(9)
Fair value gain on derivative financial instruments	(1,177)	-
Share-based payment expense	141	24
Provision for doubtful trade debts	-	-
<b>Operating cash flows before changes in working capital</b>	<b>9,519</b>	<b>12,284</b>
Inventories	(6,221)	(8,215)
Trade and other receivables (including other assets)	(3,055)	(7,469)
Decrease in cash restricted in use	147	-
Trade and other payables	3,589	10,900
<b>Net cash flows from operations before interest &amp; tax</b>	<b>3,979</b>	<b>7,499</b>
Income taxes paid	(300)	(277)
<b>Net cash flow from operating activities</b>	<b>3,679</b>	<b>7,222</b>
<b>Cash flows from Investing activities</b>		
Proceeds from disposal of property, plant and equipment	839	504
Purchase of property, plant and equipment	(6,240)	(14,809)
Interest received	24	16
<b>Net cash used in investing activities</b>	<b>(5,377)</b>	<b>(14,288)</b>
<b>Cash flows from financing activities</b>		
Dividend paid by the company	-	(3,177)
Proceeds from issuance of shares	-	517
(Decrease) / increase in borrowings	(1,701)	8,902
Payment to hire-purchase creditors	(109)	(26)
Contribution of Minority interest of a subsidiary	-	-
Interest paid	(1,141)	(1,016)
<b>Net cash flows from / (used in) financing activities</b>	<b>(2,951)</b>	<b>5,200</b>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<b>1,005</b>	<b>(266)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,644)</b>	<b>(2,132)</b>
Cash and cash equivalents at the beginning of the year	10,203	9,904
<b>Cash and cash equivalents at the end of the year</b>	<b>6,559</b>	<b>7,772</b>

Note 6

**Note 6**

	<b>30/06/2008 S\$'000</b>	<b>30/06/2007 S\$'000</b>
<b>Cash and Bank Balances per Cash flow statement</b>	<b>6,559</b>	<b>7,772</b>
Bank overdrafts (shown as Other financial liabilities)	460	748
Cash restricted in use	115	139
<b>Cash and Bank Balances as per Balance sheet</b>	<b>7,134</b>	<b>8,659</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

	Group		Company	
	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Share capital</b>				
Balance at beginning of the year	11,357	10,840	11,357	10,840
Issuance of shares	-	517	-	517
<b>Balance at end of the period</b>	<b>11,357</b>	<b>11,357</b>	<b>11,357</b>	<b>11,357</b>
<b>Capital reserve</b>				
Balance at beginning of the year	1,212	1,261	-	-
Prior year adjustment	-	(36)	-	-
<b>Balance at end of the period</b>	<b>1,212</b>	<b>1,225</b>	<b>-</b>	<b>-</b>
<b>Share option reserve</b>				
Balance at beginning of the year	717	382	717	382
Cost of share-based payment	141	24	141	24
<b>Balance at end of the period</b>	<b>858</b>	<b>406</b>	<b>858</b>	<b>406</b>
<b>Translation reserve</b>				
Balance at beginning of the year	1,544	(1,130)	-	-
Translation differences	(4,277)	2,087	-	-
<b>Balance at end of the period</b>	<b>(2,733)</b>	<b>957</b>	<b>-</b>	<b>-</b>
<b>Statutory reserve</b>				
Balance at beginning of the year	733	434	-	-
Transfer from retained earnings		191		
<b>Balance at end of the period</b>	<b>733</b>	<b>625</b>	<b>-</b>	<b>-</b>
<b>Retained earnings</b>				
Balance at beginning of the year	45,351	47,811	4,997	11,202
Prior year adjustments	-		-	-
Transfer to statutory reserve		(159)		
Dividend paid		(3,177)		(3,177)
Profit for the period	4,235	6,008	245	(177)
<b>Balance at end of the period</b>	<b>49,586</b>	<b>50,483</b>	<b>5,242</b>	<b>7,848</b>
<b>Equity, attributable to equity holders of the parent</b>	<b>61,013</b>	<b>65,053</b>	<b>17,458</b>	<b>19,611</b>
<b>Minority interest</b>				
Balance at beginning of the year	165	-	-	-
Net profit	(48)	2	-	-
Translation differences	(12)	-	-	-
<b>Balance at end of the period</b>	<b>105</b>	<b>2</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>61,118</b>	<b>65,055</b>	<b>17,458</b>	<b>19,611</b>

- 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 well as the number of shares held as treasury shares of the issuer, 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.

There were no changes in the Company's issued share capital since 31 December 2007.

	<u>30/06/2008</u>	<u>30/06/2007</u>
Outstanding share options to subscribe for ordinary shares	8,336,000	5,936,000

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

318,194,000 ordinary shares were issued as at 30 June 2008 (31 December 2007: 318,194,000).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no treasury shares.

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

The figures have not been audited or reviewed.

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

Not applicable.

- 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 financial statements for the financial period ended 30 June 2008 as compared with the audited financial statements as at 31 December 2007.

- 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.

There were no significant change to the accounting policies during the period.

- 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	
	1H 2008 Ended 30/06/08	1H 2007 Ended 30/06/07
	Cents (\$)	Cents (\$)
Earnings per ordinary share for the period after deducting any provision for preference dividends :-		
a) Based on weighted average number of ordinary shares on issue	1.33	1.89
b) On a fully diluted basis	1.33	1.88

- 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	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
	Cents (\$)	Cents (\$)	Cents (\$)	Cents (\$)
Net asset value per ordinary share based on issued share capital as at the end of the reporting period	19.17	19.14	5.49	5.36

- 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 has experienced an increase in sales in 1H 08 as compared to 1H 07, but this increase has been offset by exchange losses of approximately SGD 5m due to the depreciating USD. The increase in sales, in SGD terms, is equivalent to SGD 4.5m. As a result, revenue for 1H 08 remained consistent with 1H 07.

Gross profit and gross profit margin have declined by SGD 4.7m and 7.9% respectively in 1H 08 as compared to 1H 07 mainly due to the following reasons:-

- a) Exchange loss as stated above;
- b) Increase in overall material costs due to price increase amounting to SGD 1.2m
- c) Increase in outsourced subcontract costs of SGD 1.1m in the manufacturing of Office Automation parts;
- d) Higher start-up costs for Automotive programmes, increase in overheads, machinery and labour costs totaling SGD 1.7m.

Notwithstanding the decline in gross profit, the net profit after tax of the group declined by only SGD 1.8m as compared to 1H 07 due to:-

- a) FOREX gain, inclusive of fair value gains from financial instruments;
- b) Reduction of administrative expenses;
- c) Reversal of deferred tax liability.

The Group's depreciation charges and interest cost are higher in 1H 08 as compared to 1H 07 because during 2008, the Group continued to expand its manufacturing facilities and capabilities. The Group's capital expenditures for 1H 08, which amounted to about SGD 6m, were funded by cash flows from operations as well as bank borrowings. Inventories have increased by SGD 6.2m due to the stocking up of certain raw materials in anticipation of price hikes

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

The results are in line with the guidance as given on 27.6.08.

- 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 operating risks faced by the Group remain challenging. Volatility of commodity prices would have an impact on the Group's performance. With the Group returning to profitability from that of a loss in 2H 07, the Group is in a better position to build on its presence in the 3 principal business segments, mainly Office Automation, Automotive and Hard Disk Drive.

- 11 **If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended);**

Not applicable.

**c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**d) The date the dividend is payable.**

Not applicable.

**e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been recommended/declared for the financial period ended 30 June 2008.

- 13 **Statement pursuant to Rule 705(4) of the Listing Manual**

The Directors wish to confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group's unaudited financial results for period ended 30 June 2008 to be materially false or misleading.

**BY ORDER OF THE BOARD**

**GOH LENG TSE  
CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
7 August 2008**