



Precision Parts, Precision Partnerships.

INNOVALUES LIMITED

(Company Registration No. 199702822E)

Financial Statement And Dividend Announcement For The Financial Year Ended 31 December 2008

The Board of Directors of Innovalues Limited is pleased to announce the consolidated results for the financial period ended 31 December 2008. The figures presented below have not been audited or reviewed by the auditors of the Company.

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

Note	FULL YEAR ENDED			3 MONTHS ENDED		
	31 Dec 2008	31 Dec 2007	Increase / (decrease)	31 Dec 2008	31 Dec 2007	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	122,554	121,984	0.5 %	26,859	30,098	(10.8)%
Cost of sales	(102,467)	(101,415)	1.0 %	(22,769)	(26,990)	(15.6)%
Gross profit	20,087	20,569	(2.3)%	4,090	3,108	31.6 %
<u>Other items of income</u>						
Interest income	76	40	90.0 %	29	13	123.1 %
Other credits	106	73	45.2 %	-	11	N.M.
<u>Other items of expenses</u>						
Marketing and distribution costs	(4,352)	(3,274)	32.9 %	(1,128)	(874)	29.1 %
Administrative expenses	(9,917)	(10,719)	(7.5)%	(2,544)	(2,745)	(7.3)%
Finance costs	(2,559)	(2,292)	11.6 %	(689)	(677)	1.8 %
Other charges	(2,575)	(851)	202.6 %	(1,397)	(626)	123.2 %
Profit / (loss) before taxation	866	3,546	(75.6)%	(1,639)	(1,790)	(8.4)%
Income tax expense	552	(1,027)	N.M.	482	(289)	N.M.
Net profit / (loss)	1,418	2,519	(43.7)%	(1,157)	(2,079)	(44.3)%
Attributable to:						
Equity holders of the parent	1,458	2,563	(43.1)%	(1,157)	(2,035)	(43.1)%
Minority interests	(40)	(44)	(9.1)%	-	(44)	N.M.
Net profit / (loss)	1,418	2,519	(43.7)%	(1,157)	(2,079)	(44.3)%

Note: N.M. – Not meaningful

1(a)(ii) Breakdown and explanatory notes to the income statement

Note 1 Finance costs comprise the following:

	FULL YEAR ENDED			3 MONTHS ENDED		
	31 Dec 2008	31 Dec 2007	Increase / (decrease)	31 Dec 2008	31 Dec 2007	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest paid and payable to banks for:						
- overdrafts	(20)	(12)	66.7 %	(8)	(6)	33.3 %
- term loans	(2,530)	(2,256)	12.1 %	(679)	(649)	4.6 %
- trust receipts	(2)	(15)	(86.7)%	-	(13)	N.M.
Hire purchase interest	(7)	(9)	(22.2)%	(2)	(9)	(77.8)%
Total	(2,559)	(2,292)	11.6 %	(689)	(677)	1.8 %

Note 2 Other charges comprise the following:

	FULL YEAR ENDED			3 MONTHS ENDED		
	31 Dec 2008	31 Dec 2007	Increase / (decrease)	31 Dec 2008	31 Dec 2007	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Allowance for impairment on trade receivables	-	(58)	N.M.	-	(58)	N.M.
Foreign exchange transaction losses	(888)	(375)	136.8 %	(613)	(143)	328.7 %
Fair value (loss) / gain on financial instruments	-	(227)	N.M.	1,042	(227)	(559.0)%
Cost of unwinding financial instruments	(1,721)	-	N.M.	(1,721)	-	N.M.
Gain / (loss) on disposal of plant and equipment	34	(191)	(117.8)%	(105)	(198)	(47.0)%
Total	(2,575)	(851)	202.6 %	(1,397)	(626)	123.2 %

Note 3 Profit before taxation is stated after charging the following:

	FULL YEAR ENDED			3 MONTHS ENDED		
	31 Dec 2008	31 Dec 2007	Increase / (decrease)	31 Dec 2008	31 Dec 2007	Increase / (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation expense	(10,424)	(10,184)	2.4 %	(2,636)	(2,911)	(9.4)%
Amortisation charge	(35)	(35)	- %	(9)	(9)	- %
Goodwill written off, net	(1)	-	N.M.	(1)	-	N.M.

Note: N.M. – Not meaningful

Note 4 The adjustment for under or over provision of tax in respect of prior years are as follows:

FULL YEAR ENDED		3 MONTHS ENDED	
31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>

Over/(under) provision of current
tax in respect of prior years

108	(115)	-	-
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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	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	68,374	71,079	412	527
Land use rights	541	576	-	-
Goodwill	-	73	-	-
Investments in subsidiaries	-	-	25,325	15,659
Deferred tax asset	180	-	-	-
	69,095	71,728	25,737	16,186
Current assets				
Income tax recoverable	452	637	-	2
Inventories	34,011	24,197	6,150	4,084
Trade and other receivables	24,472	25,689	30,919	40,018
Cash and cash equivalents	12,680	10,922	6,355	5,475
	71,615	61,445	43,424	49,579
Total assets	140,710	133,173	69,161	65,765
Equity attributable to equity holders of the parent				
Share capital	11,357	11,357	11,357	11,357
Retained earnings	46,809	45,351	4,106	4,997
Other reserves	1,594	4,206	1,077	717
	59,760	60,914	16,540	17,071
Minority interest	-	165	-	-
Total equity	59,760	61,079	16,540	17,071
Non-current liabilities				
Deferred tax liabilities	50	936	18	18
Interest-bearing borrowings	16,564	8,876	11,917	-
Obligations under finance lease	130	245	130	178
	16,744	10,057	12,065	196
Current liabilities				
Income tax payable	84	70	-	-
Trade and other payables	26,588	19,651	17,104	20,922
Interest-bearing borrowings	37,487	42,251	23,405	27,529
Obligations under finance lease	47	65	47	47
	64,206	62,037	40,556	48,498
Total liabilities	80,950	72,094	52,621	48,694
Total equity and liabilities	140,710	133,173	69,161	65,765

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

Amount repayable in one year or less, or on demand

As at 31 Dec 2008		As at 31 Dec 2007	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
47	37,487	65	42,251

Amount repayable after one year

As at 31 Dec 2008		As at 31 Dec 2007	
Secured	Unsecured	Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
130	16,564	245	8,876

Details of any collateral

Secured borrowings at 31 December 2007 and 31 December 2008 refer to obligations under finance leases that are secured by plant and equipment purchased under finance leases.

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

Note	Group	
	31 Dec 2008	31 Dec 2007
	S\$'000	S\$'000
Operating activities		
Profit before taxation	866	3,546
Adjustments for:		
Interest expense	2,559	2,292
Interest income	(76)	(40)
Depreciation of property, plant and equipment	10,424	10,184
Amortisation of land use rights	35	35
(Gain) / loss on disposal of property, plant and equipment	(34)	191
Goodwill written off, net	1	-
Fair value loss on financial instrument	-	227
Share option expense	360	335
Operating cash flows before changes in working capital	14,135	16,770
Changes in working capital:		
Inventories	(9,814)	(4,432)
Decrease / (increase) in cash restricted in use	129	(132)
Trade and other receivables	1,217	(1,376)
Trade and other payables	6,937	3,399
Cash used in operations before interest and tax	12,604	14,229
Income tax paid	(313)	(1,426)
Net cash flows from operating activities	12,291	12,803
Investing activities		
Proceeds from sale of property, plant and equipment	535	593
Purchase of property, plant and equipment	(12,473)	(26,146)
Acquisition of minority interests	(54)	-
Interest received	76	40
Net cash flows used in investing activities	(11,916)	(25,513)
Financing activities		
Interest paid	(2,559)	(2,292)
Proceeds from issuing shares	-	517
Increase in interest-bearing loans & borrowings, net	3,377	19,273
Finance leases repayment	(132)	(59)
Contributions of minority interest of a subsidiary	-	209
Dividend paid	-	(4,773)
Net cash flows from financing activities	686	12,875
Net increase in cash and cash equivalents	1,061	165
Cash and cash equivalents at beginning of the year	10,203	9,904
Effect of exchange rate changes on balances held in foreign currencies	1,279	134
Cash and cash equivalents at end of the year	12,543	10,203

A

Note to the consolidated statement of cash flows

Note A. Cash and cash equivalents comprise the following:

	Group	
	31 Dec 2008	31 Dec 2007
	S\$'000	S\$'000
Cash and cash equivalents per cash flow statement	12,543	10,203
Bank overdrafts	4	457
Cash restricted in use	133	262
Cash and cash equivalents as per balance sheet	12,680	10,922

Cash restricted in use refers to bank balances held by banks for one of the wholly-owned subsidiaries to cover bank guarantees issued.

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Company	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
	S\$'000	S\$'000	S\$'000	S\$'000
<u>SHARE CAPITAL</u>				
Balance at beginning of year	11,357	10,840	11,357	10,840
Issue of shares under share option scheme	-	517	-	517
Balance at end of the period	11,357	11,357	11,357	11,357
<u>RETAINED EARNINGS</u>				
Balance at beginning of year	45,351	47,811	4,997	11,202
Prior year adjustment	-	49	-	-
Transfer to statutory reserve	-	(299)	-	-
Dividend paid	-	(4,773)	-	(4,773)
Net profit / (loss) for the year	1,458	2,563	(891)	(1,432)
Balance at end of the period	46,809	45,351	4,106	4,997
<u>OTHER RESERVES</u>				
Capital reserve				
Balance at beginning of year	1,212	1,261	-	-
Prior year adjustment	-	(49)	-	-
Balance at end of the period	1,212	1,212	-	-
Currency translation reserve				
Balance at beginning of year	1,544	(1,130)	-	-
Translation differences relating to financial statements of foreign subsidiaries	(2,972)	2,674	-	-
Balance at end of the period	(1,428)	1,544	-	-
Share option reserve				
Balance at beginning of year	717	382	717	382
Share option expense	360	335	360	335
Balance at end of the period	1,077	717	1,077	717
Statutory reserve				
Balance at beginning of year	733	434	-	-
Transfer from retained earnings	-	299	-	-
Balance at end of the period	733	733	-	-
TOTAL OTHER RESERVES	1,594	4,206	1,077	717
TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	59,760	60,914	16,540	17,071
<u>MINORITY INTEREST</u>				
Balance at beginning of year	165	209	-	-
Currency translation differences	-	-	-	-
Net (loss) / profit for the year	(40)	(44)	-	-
Acquisition of minority interest	(125)	-	-	-
Balance at end of the period	-	165	-	-
TOTAL EQUITY	59,760	61,079	16,540	17,071

- 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, if any, against the total number of issued shares excluding 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.**

(A) Share Capital

During the three months ended 31 December 2008, there was no movement in the Company's share capital.

(B) Convertibles

Share Options

The Company has an employee share option scheme known as the "Innovalues Group Share Option Scheme 2001" which forms an integral component of the compensation plan designed to reward and retain eligible participants whose services are vital to its well being and success.

As at 31 December 2008, there were 7,256,000 outstanding share options which would entitle the holders to subscribe for a total of 7,256,000 ordinary shares of the Company. (31 December 2007: 8,336,000)

Save as disclosed above, the Company has no other outstanding convertibles and treasury shares as at 31 December 2008 and 31 December 2007.

- 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.**

The total number of issued shares excluding treasury shares as at 31 December 2008 was 318,194,000 (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.**

Not applicable

- 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 by the auditors of the Company.

- 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 and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current year as those applied in their audited financial statements for the year ended 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

None

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 / (loss) per ordinary share of the Group, after deducting any provision for preference dividends (in cents):	FULL YEAR ENDED		3 MONTHS ENDED	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
(a) Based on the weighted average number of ordinary shares on issue	0.46	0.81	(0.36)	(0.64)
(b) On a fully diluted basis	0.46	0.80	(0.36)	(0.65)

Earnings per share for the financial year ended 31 December 2008 is computed based on the weighted average number of ordinary shares in issue during the period of 318,194,000.

Diluted earnings per share for the financial year ended 31 December 2008 is computed based on the adjusted weighted average number of ordinary shares in issue during the period of 318,194,000.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents)	18.78	19.20	5.20	5.37

Net asset value per ordinary share as at 31 December 2008 is calculated based on the existing issued share capital of 318,194,000 ordinary shares outstanding as at 31 December 2008 (31 December 2007: 318,194,000).

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Income Statement

Overview

Net profit attributable to shareholders of the Company ("net profit") for the financial year ended 31 December 2008 ("FY08") declined by approximately S\$1.10 million or 43.1% from S\$2.56 million for financial year ended 31 December 2007 ("FY07") to S\$1.46 million for FY08. The decline was mainly due to the one-off costs of approximately S\$1.72 million resulting from the unwinding of outstanding financial hedging instruments ("unwinding costs") in November 2008 (refer to Note 2 of 1(a)(ii)) and higher delivery costs in FY08. These two expenses also impacted the results for the three months ended 31 December 2008.

If we were to exclude the two above-mentioned expenses in FY08, the net profit for FY08 would have been better by approximately S\$2.5 million than reported.

Revenue

Business Activity	FULL YEAR ENDED				3 MONTHS ENDED			
	31 Dec 08 S\$'000	31 Dec 07 S\$'000	+ / (-) S\$'000	+ / (-) %	31 Dec 08 S\$'000	31 Dec 07 S\$'000	+ / (-) S\$'000	+ / (-) %
Office Automation ("OA")	82,775	85,778	(3,003)	(3.5%)	20,634	20,880	(246)	(1.2%)
Automotive ("AU")	31,577	27,886	3,691	13.2%	5,154	6,406	(1,252)	(19.5%)
Hard Disk Drive ("HDD")	3,915	2,584	1,331	51.5%	149	954	(805)	(84.4%)
Others	4,287	5,736	(1,449)	(25.3%)	922	1,858	(936)	(50.4%)
	122,554	121,984	570	0.5%	26,859	30,098	(3,239)	(10.8%)

The Group's revenue remained relatively stable at the S\$120 million level during FY08 and grew marginally by approximately S\$0.57 million or 0.5% from S\$122.0 million in FY07 to S\$122.6 million in FY08. Referring to the table above, the increase in revenue was mainly contributed by our AU segment by approximately S\$3.7 million and offset by decline in revenue from our OA segment by only 3.5% or S\$3.0 million. Despite the slight decline in revenue in our OA segment, it continues to be our largest revenue contributor at approximately 67.5% of the total revenue.

The increase in revenue from our AU segment was mainly attributed to the American market which increased by approximately S\$7.8 million and offset by decline in revenue from China and Malaysian markets.

The decline in revenue from our OA segment was attributed to Singapore and Malaysia and offset by increase in revenue from the American, Thailand and Vietnam markets.

Revenue for all business segments in Q408 declined by S\$3.2 million or 10.8% as compared to Q407 mainly due to the global economic slowdown in late 2008.

Gross profit margin

Gross profit margin continued to remain relatively unchanged at the 16% level for the two financial years under review.

Marketing and distribution costs

Marketing and distribution costs for FY08 and Q408 increased by approximately S\$1.1 million or 32.9% and S\$0.25 million or 29.1% respectively over their corresponding periods mainly due to higher delivery costs in FY08.

Administrative expenses

Administrative expenses for FY08 and Q408 decreased by approximately S\$0.8 million and S\$0.2 million respectively over their corresponding periods mainly due to lower professional fees, lower salary costs and other expenses.

Finance costs

Referring to Note 1 of 1(a)(ii) in page 2 of this results announcement, finance costs increased by approximately S\$0.27 million or 11.6% from approximately S\$2.29 million in FY07 to S\$2.56 million in FY08 mainly due to increase in borrowings.

Other charges

Other charges for FY08 and Q408 increased by approximately S\$1.7 million and S\$0.8 million respectively over their corresponding periods mainly due to the losses arose from the withdrawal of financial hedging instruments. Since then, the Company has not entered into any fresh financial hedging instruments.

Income tax expense

In contrast with the net income tax expense position of the Group in FY07, net income tax for FY08 was a benefit mainly due to lower Group profitability achieved and reversal of prior years' deferred tax liabilities by one of our subsidiaries.

Balance Sheet

Property, plant and equipment ("PPE")

Property, plant and equipment decreased by approximately S\$2.7 million from S\$71.1 million as at 31 December 2007 to S\$68.4 million as at 31 December 2008 mainly due to the weaker Thailand Baht ("THB") and Malaysian Ringgit ("MYR") against Singapore Dollars ("SGD") as of 31 December 2008 as compared to 31 December 2007. THB and MYR depreciated by approximately 15.7% and 4.7% between the 2 dates. As a result of the depreciation, net book value of the PPE of our Thailand and Malaysian operations, after translating into SGD, appeared lower as compared to 31 December 2007. This impact was offset by a net addition of PPE during the year mainly for our manufacturing facilities in China and Malaysia.

Inventories

Inventories increased by approximately S\$9.8 million from S\$24.2 million as at 31 December 2007 to S\$34.0 million as at 31 December 2008. This was mainly due to a slowdown in the procurement by our customers of our finished goods during the last quarter of financial year 2008. As a result, finished goods as at 31 December 2008 stood at S\$15.5 million, an increase of approximately S\$5.5 million over 31 December 2007.

Cash and cash equivalents

Cash and cash equivalents, net of bank overdraft and cash restricted in use (refer to 1(c) in page 7 of this results announcement) increased by approximately S\$2.3 million from S\$10.2 million as at 31 December 2007 to S\$12.5 million as at 31 December 2008 mainly due to healthy net cash flows from operating activities. Net cash flows used in investing activities in FY08 was lower by approximately S\$13.6 million than FY07 mainly due to reduced capital expenditure in property, plant and equipment. Unlike FY07, the Group relied less on bank borrowings in FY08 for financing activities, as a result, net cash flows from financing activities in FY08 was only S\$0.7 million or S\$12.2 million lower than FY07.

Minority Interest

During the last quarter of the financial year 2008, the Company successfully completed the acquisition of the remaining 20% shareholdings in one of our Malaysian subsidiaries held by a minority shareholder. As a result of this acquisition, there is no minority interest in the balance sheet as at 31 December 2008.

Trade and other payables

Trade and other payables increased by approximately S\$6.9 million from S\$19.7 million as at 31 December 2007 to S\$26.6 million as at 31 December 2008. The increase was mainly due to the successful re-negotiation of payment terms with major suppliers.

Interest-bearing borrowings

Net interest-bearing borrowings increased by approximately S\$2.9 million from S\$51.1 million as at 31 December 2007 to S\$54.0 million as at 31 December 2008 mainly for working capital requirements.

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

The financial performance of the Group for the twelve months ended 31 December 2008 is in line with the prospect statement made previously that the Group is expected to remain profitable in FY2008.

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

Given the severe global economic slowdown, the Group expects business conditions to remain difficult and uncertain in 2009. Major challenges lie ahead of the Group.

The Group will continue to take steps to mitigate the impact of the downturn by cutting costs where possible with a focus to control overheads, improve utilization of manufacturing capacity and better inventory management. The Group does not expect any significant capital expenditure in 2009.

Although the Group's cash position was S\$12.68 million as at 31 December 2008, given the level of financial liabilities, the Group will continue to place emphasis on financial prudence to maintain a sound financial position with vigorous cash and working capital management.

11 Dividend

(a) Current Financial Period Reported On

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

Name of Dividend : Not applicable
Dividend Type : Not applicable
Dividend Amount per Share (in cents) : Not applicable
Tax Rate : Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

Name of Dividend : Interim
Dividend Type : Cash
Dividend Amount per Share (in cents) : 0.50 cent per ordinary share
Tax Rate : Tax exempt one-tier

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared or recommended.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year

Business Segments

For management purposes, the group’s overall business is organized into the following four business segments:

- Office automation (“OA”): Shafts and rollers for various types of printer;
- Hard disk drive (“HDD”): Components for hard disk drives;
- Automotive (“AU”): Precision machined parts and components for vehicles;
- Others: Components for other industries.

Revenue and expenses

	OA		HDD		AU		Others		Group Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Revenue by segment										
External revenue	82,775	85,778	3,915	2,584	31,577	27,886	4,287	5,736	122,554	121,984
Segment results	16,667	15,066	(375)	(1,328)	3,811	6,245	(16)	586	20,087	20,569
Interest income									76	40
Finance costs									(2,559)	(2,292)
Other credits									106	73
Marketing and distribution costs									(4,352)	(3,274)
Administrative expenses									(9,917)	(10,719)
Other charges									(2,575)	(851)
Profit before taxation									866	3,546
Income tax expense									552	(1,027)
Net profit for the year									1,418	2,519

Other information

	OA		HDD		AU		Others		Group Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Segment assets	65,477	64,206	4,807	8,943	46,373	24,151	2,428	5,995	119,085	103,295
Unallocated assets									21,625	29,878
Total assets									140,710	133,173
Unallocated liabilities									80,950	72,094
Total liabilities									80,950	72,094
Segment capital expenditure	1,062	5,961	2,359	2,157	7,980	7,465	1,025	1,994	12,426	17,577
Unallocated capital expenditure									47	8,569
Total capital expenditure									12,473	26,146
Segment depreciation	4,377	6,179	587	765	4,683	1,549	619	939	10,266	9,432
Unallocated depreciation									158	752
Total depreciation									10,424	10,184
Unallocated amortisation of land use rights									35	35

Geographical Segments

The group's operations are located in Singapore, Malaysia, Thailand and PRC.

The following table provides an analysis of the revenue by geographical market, irrespective of the origin of the goods.

	Revenue from external customers	
	2008	2007
	<u>S\$'000</u>	<u>S\$'000</u>
Singapore	5,930	11,087
Malaysia	34,039	43,874
Thailand	5,411	4,928
North and South America	21,633	6,767
PRC	48,967	52,211
Europe	993	1,064
Others	5,581	2,053
	122,554	121,984

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to item 8 of this announcement.

15 Breakdown of sales

	Group		
	1 Jan 2008 to 31 Dec 2008	1 Jan 2007 to 31 Dec 2007	Increase / (decrease)
	S\$'000	S\$'000	%
(a) Sales reported for first half year	58,318	58,899	(1.0)%
(b) Operating profit after tax before deducting minority interests reported for the first half year	4,235	6,123	(30.8)%
(c) Sales reported for second half year	64,236	63,085	1.8 %
(d) Operating profit after tax before deducting minority interests reported for the second half year	(2,817)	(3,604)	(21.8)%

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	1 Jan 2008 to 31 Dec 2008	1 Jan 2007 to 31 Dec 2007
	S\$'000	S\$'000
Ordinary	-	4,773
Preference	-	-
Total	-	4,773

BY ORDER OF THE BOARD

Goh Leng Tse
Chairman and Chief Executive Officer

24 February 2009