



Financial Updates for the nine months ended 30 September 2005

The Company will like to provide an update of selected financial information which includes the Consolidated Income Statement for the nine months ended 30 September 2005 (Unaudited) and Consolidated Balance Sheet as at 30 September 2005 (Unaudited).

The Consolidated Income Statement for the nine months ended 30 September 2005 and Consolidated Balance Sheet as at 30 September 2005 have been prepared with the same accounting policies and methods of computation as the most recent audited annual financial statements as at 31 December 2004 except that the Group has adopted all the applicable new/revised Financial Reporting Standards (“FRS”) which became effective during the current reporting period.

(a) Group's Turnover (S\$'million)

Business segments	Nine months ended 30 September 2005	Nine months ended 30 September 2004	Increase/ (Decrease)	% Change
Semiconductors/ Components Distribution	202.7	235.0	(32.3)	(14)
Consumer Digital Appliances and Other Businesses	1.4	3.5	(2.1)	(60)
Total	204.1	238.5	(34.4)	(14)

For the three months ended 30 September 2005, the Group recorded a turnover of S\$77.4 million. This compared to S\$67.5 million for the same period the previous year.

For the nine months ended 30 September 2005 (3Q 2005), the Group recorded a turnover of S\$204.1 million, a reduction of 14% as compared with S\$238.5 million in the previous corresponding period (3Q 2004).

Turnover for the semiconductors/components distribution business for the 3Q 2005 was S\$202.7 million, a decrease of 14% when compared against the previous corresponding period. The reduction in turnover was mainly due to the Group's focus on higher margin sales which have lower sales volume for the 3Q 2005.

The Group's consumer digital appliances and other businesses registered a 60% reduction in turnover, from \$3.5 million in the 3Q 2004 to \$1.4 million in the 3Q 2005. This was largely due to weak demand for the Group's consumer digital appliances in the United States of America.

(b) Group's Net (Loss)/Profit After Income Tax (S\$'million)

Business segments	Nine months ended 30 September 2005	Nine months ended 30 September 2004	Increase/ (Decrease)	% Change
Semiconductors/ Components Distribution	(2.3)	0.5	(2.8)	(560)
Investment in an associated company (Semiconductors/ Components Distribution)	0.3	2.9	(2.6)	(90)
Consumer Digital Appliances and Other Businesses	(1.1)	(2.2)	1.1	50
Total	(3.1)	1.2	(4.3)	(358)

For the three months ended 30 September 2005, the Group posted a net loss of S\$0.3 million, as compared to a net loss of S\$1.6 million for the same period the previous year.

For the 3Q 2005, the Group posted a net loss of S\$3.1 million as compared to a profit of S\$1.2 million for the 3Q 2004.

The semiconductors/ components distribution business posted a net loss of S\$2.3 million in the 3Q 2005, against a net profit of S\$0.5 million in the 3Q 2004. This was largely contributed by lower income achieved due to lower turnover and lower commission income businesses.

The Group's interest in Wintech Microelectronics Co., Ltd (Taiwan) ("Wintech"), an associated company of the Group was 20.20% as at 30 September 2005 as compared to 20.77% as at 30 September 2004. The Group's share of Wintech's profit was reduced to S\$0.3 million for the 3Q 2005 from S\$2.9 million in the 3Q 2004. The reduction in the share of Wintech's profit was mainly due to lower investment income and higher inventory provisions in the 3Q 2005 as compared to the 3Q 2004. Also contributing to the reduction in the share of Wintech's profit was the higher loss on dilution arising from issuance of shares by Wintech to its employees as bonus payments.

The consumer digital appliances and other businesses posted a loss attributable to shareholders of S\$1.1 million for the 3Q 2005 as compared to a loss of S\$2.2 million for the 3Q 2004. This was largely due to conscientious efforts in reducing operating costs and a lower provision for inventories in the 3Q 2005 as compared to the 3Q 2004.

(Loss)/Earnings per Ordinary Share

Based on the weighted average number of ordinary shares in issue; and

On a fully diluted basis

The Group	
30/09/2005	30/09/2004
(1.01) cents	0.41 cents
(1.01) cents	0.40 cents

Net Assets Value per Ordinary Share

Net assets backing per ordinary share based on the existing issued share capital as at the end of the period reported on

The Group		The Company	
30/09/2005	31/12/2004	30/09/2005	31/12/2004
26.85 cents	26.13 cents	24.39 cents	26.52 cents

Consolidated Income Statement (Unaudited)

For the nine months ended 30 September 2005

	The Group		
	30/09/2005	30/09/2004	
	S\$'000	S\$'000	
Sales	204,144	238,521	-14%
Cost of sales	(181,353)	(214,986)	-16%
Gross profit	22,791	23,535	-3%
Other operating income	3,044	5,182	-41%
Distribution costs	(13,923)	(13,586)	2%
Administrative expenses	(3,650)	(3,688)	-1%
Other operating expenses	(10,177)	(10,630)	-4%
(Loss)/profit from operations	(1,915)	813	-336%
Finance income	125	110	14%
Finance costs	(1,866)	(1,175)	59%
Share of profit of an associated company after income tax	1,549	3,527	-56%
(Loss)/profit before income tax	(2,107)	3,275	-164%
Income tax expense	(533)	(1,801)	-70%
(Loss)/profit from ordinary activities after income tax	(2,640)	1,474	-279%
Attributable to:			
Shareholders of the Company	(3,070)	1,228	-350%
Minority interests	430	246	75%
	(2,640)	1,474	-279%

Consolidated Balance Sheet (Unaudited)

As at 30 Sep 2005

	The Group	
	30/09/2005	31/12/2004
	S\$'000	S\$'000
ASSETS		
Current assets		
Cash and cash equivalents	9,862	9,160
Trade and other receivables	51,566	37,389
Inventories	34,815	36,230
Other current assets	1,344	377
Other financial assets at fair value through profit or loss	762	-
	<u>98,349</u>	<u>83,156</u>
Non-current assets		
Available-for-sale financial assets ¹	1,327	1,022
Investment in an associated company	34,865	34,430
Property, plant and equipment	18,572	19,553
Intangible assets	11,691	12,755
Other assets	1,506	1,424
Deferred income tax assets	434	329
	<u>68,395</u>	<u>69,513</u>
Total Assets	<u>166,744</u>	<u>152,669</u>
LIABILITIES		
Current liabilities		
Trade and other payables	32,349	29,669
Current income tax liabilities	966	1,299
Borrowings ²	30,431	35,414
	<u>63,746</u>	<u>66,382</u>
Non-current liabilities		
Borrowings ²	19,587	5,193
Provision for other liabilities and charges	755	675
Deferred income tax liabilities	1,068	1,047
	<u>21,410</u>	<u>6,915</u>
Total Liabilities	<u>85,156</u>	<u>73,297</u>
Net Assets	<u>81,588</u>	<u>79,372</u>
EQUITY		
Share capital	30,388	30,378
Share premium	49,418	49,105
Capital reserve	2,982	308
Other reserve	295	-
Foreign currency translation reserve	(1,106)	(2,963)
Accumulated losses	(5,082)	(1,404)
	<u>76,895</u>	<u>75,424</u>
Minority interests	<u>4,693</u>	<u>3,948</u>
Total Equity	<u>81,588</u>	<u>79,372</u>

¹The adoption of FRS 39 required the Group to recognise other financial assets and available-for-sale financial assets at fair value. The comparative amount of S\$1,021,783 was reclassified from "Other investments" in 2004 to "Available-for-sale financial assets" in 2005 as a result of the adoption of FRS 39.

²Borrowings(in Current and Non-Current Liabilities) include a Transferable Loan Facility amounting to S\$23.9 million.(31/12/2004: Nil)

Submitted by Mr Derek Goh Bak Heng, Executive Chairman/ Group CEO on 15/11/2005 to the SGX