

**Hi-P International Limited (Registration Number: 198004817H)**

**First Quarter Financial Statement and Dividend Announcement for the period ended 31 March 2005**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a) Income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		Increase/ (decrease) %
	1/1/2005 to 31/3/2005 S\$'000	1/1/2004 to 31/3/2004 * S\$'000	
Revenue	133,592	111,472	19.8
Cost of sales	(100,637)	(85,954)	17.1
Gross profit	32,955	25,518	29.1
Operating expenses			
Selling expenses	(1,494)	(1,501)	(0.5)
Administrative expenses	(9,659)	(6,863)	40.7
	(11,153)	(8,364)	33.3
Other operating income	755	686	10.1
Profit from operations	22,557	17,840	26.4
Financial expenses	(240)	(412)	(41.7)
Financial income	196	41	378.0
Foreign exchange loss, net	(767)	(115)	567.0
Profit before tax and share of results of associated companies	21,746	17,354	25.3
Share of results of associated companies	91	95	(4.2)
Profit before tax	21,837	17,449	25.1
Tax	(1,201)	(951)	26.3
Profit after tax	20,636	16,498	25.1
Attributable to:			
Equity holders of parent	20,657	16,127	28.1
Minority interests	(21)	371	N.M.
	20,636	16,498	25.1

\* Certain comparative figures have been reclassified to conform with the current financial period's presentation.

N.M.: Not meaningful

Other notes:

Profit from operations is arrived at after charging (crediting) the following;

	<b>1/1/2005 to 31/3/2005 S\$'000</b>	<b>1/1/2004 to 31/3/2004 S\$'000</b>
1. Depreciation	5,128	4,268
2. Provision for doubtful trade debts	453	-
3. Provision for inventories obsolescence (written back)	(100)	633
4. Inventories written off	209	179
5. Directors' remuneration	915	731
6. Directors' fees		
- current year provision	93	78
- underprovision in prior year	4	-
7. Operating lease expenses	2,134	1,174
8. Staff costs *	17,847	15,083
9. Loss (Gain) on disposal of fixed assets	15	(27)

\* Excludes directors' remuneration, which has been disclosed separately in #5 above.

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31/3/2005</b>	<b>31/12/2004</b>	<b>31/3/2005</b>	<b>31/12/2004</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Fixed assets</b>	189,426	168,965	22,853	22,205
<b>Investment in subsidiaries</b>	-	-	66,237	58,345
<b>Investment in associated companies</b>	2,150	2,073	903	903
<b>Other non-current asset</b>	12	12	12	12
<b>Deferred expenditure</b>	514	514	514	514
<b>Current assets</b>				
Inventories	51,442	60,278	3,278	3,453
Trade receivables	101,229	102,591	11,929	10,396
Notes receivable	3,905	840	-	-
Other receivables, deposits and prepayments	19,315	17,500	836	308
Due from subsidiaries (non-trade)	-	-	46,969	46,305
Due from subsidiaries (trade)	-	-	230	230
Due from related parties (trade)	2,194	2,481	-	-
Fixed deposits	40,100	40,067	40,100	40,067
Cash and bank balances	42,279	48,128	11,935	15,723
	<b>260,464</b>	<b>271,885</b>	<b>115,277</b>	<b>116,482</b>
<b>Current liabilities</b>				
Trade payables	77,900	97,586	7,721	6,758
Other payables and accruals	54,823	46,867	8,622	11,444
Due to subsidiaries (non-trade)	-	-	36,386	31,186
Due to subsidiaries (trade)	-	-	346	307
Due to related parties (trade)	2,410	1,079	-	-
Lease obligations, current portion	1,562	1,879	1,125	1,442
Provision for income tax	2,795	1,831	507	374
Bank term loans, current portion	10,212	10,153	1,387	1,387
Short-term bank loans	1,651	4,911	-	-
	<b>151,353</b>	<b>164,306</b>	<b>56,094</b>	<b>52,898</b>
Net current assets	109,111	107,579	59,183	63,584
<b>Non-current liabilities</b>				
Lease obligations, non-current portion	374	577	334	406
Bank term loans, non-current portion	4,558	4,574	693	694
Deferred tax liability	2,260	2,774	2,260	2,774
	<b>294,021</b>	<b>271,218</b>	<b>146,415</b>	<b>141,689</b>
<b>Equity</b>				
Shareholders' equity	291,882	268,973	146,415	141,689
Minority interests	2,139	2,245	-	-
	<b>294,021</b>	<b>271,218</b>	<b>146,415</b>	<b>141,689</b>

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

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

As at 31/3/2005		As at 31/12/2004	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,562	11,863	1,879	15,064

**Amount repayable after one year**

As at 31/3/2005		As at 31/12/2004	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
374	4,558	577	4,574

Lease obligations were secured against the respective leased assets.

Certain borrowings of the subsidiaries of the Company were secured by a corporate guarantee of the Company. These amounts have been disclosed as unsecured.

**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>1/1/2005 to 31/3/2005 S\$'000</b>	<b>1/1/2004 to 31/3/2004 S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax and share of results of associated companies	21,746	17,354
Adjustments:		
Depreciation of fixed assets	5,128	4,268
Loss (Gain) on disposal of fixed assets	15	(27)
Provision for inventory obsolescence (written back)	(100)	633
Provision for doubtful debts	453	-
Equity compensation expense	380	-
Interest income	(196)	(41)
Interest expense	240	412
Translation difference	899	(108)
Operating profit before working capital changes	28,565	22,491
Decrease (increase) in:		
Inventories	8,383	(9,864)
Trade receivables	900	(29,585)
Notes receivable	(3,065)	575
Other receivables, deposits and prepayments	(1,814)	(7,253)
Increase (decrease) in:		
Trade payables	(19,686)	21,679
Other payables and accruals	(2,041)	(8,867)
Due from/to related parties (trade), net	1,540	(2,689)
Cash generated from (used in) operations	12,782	(13,513)
Dividend paid	-	(556)
Income taxes paid	(237)	(1,160)
Net cash generated from (used in) operating activities	12,545	(15,229)

**1(c) Cash flow statement (cont'd)**

	<b>1/1/2005 to 31/3/2005 S\$'000</b>	<b>1/1/2004 to 31/3/2004 S\$'000</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets (Note)	(14,771)	(21,963)
Interest income received	196	41
Proceeds from disposal of fixed assets	192	335
Net cash used in investing activities	<u>(14,383)</u>	<u>(21,587)</u>
<b>Cash flows from financing activities</b>		
Interest expense paid	(240)	(412)
Proceeds from (Repayment of) bank term loans, net	43	(7,507)
Repayment of short-term loans, net	(3,260)	(3,852)
Repayment of lease obligations	(521)	(1,268)
Net cash used in financing activities	<u>(3,978)</u>	<u>(13,039)</u>
<b>Net decrease in cash and cash equivalents</b>	(5,816)	(49,855)
<b>Cash and cash equivalents at beginning of period</b>	88,195	112,087
<b>Cash and cash equivalents at end of period</b>	<u><b>82,379</b></u>	<u><b>62,232</b></u>
<b>Note</b>		
Current period additions to fixed assets	24,768	12,257
Less : -		
Payable to creditors (Net)	<u>(14,517)</u>	<u>(7,163)</u>
	10,251	5,094
Payments for prior year purchase of fixed assets	<u>4,520</u>	<u>16,869</u>
	<u><b>14,771</b></u>	<u><b>21,963</b></u>

**1(d)(i) A statement (for the issuer and the 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**

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Reserve fund S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Minority interests S\$'000	Total S\$'000
Balance at 1 January 2005	44,350	75,041	812	16,044	(10,035)	142,761	2,245	271,218
Currency translation differences	-	-	-	-	1,964	-	(177)	1,787
Net profit for the period	-	-	-	-	-	20,657	(21)	20,636
Equity compensation expense	-	-	380	-	-	-	-	380
Reclassification	-	-	-	(92)	-	-	92	-
Balance at 31 March 2005	44,350	75,041	1,192	15,952	(8,071)	163,418	2,139	294,021
Balance at 1 January 2004	44,350	75,041	37	9,313	(2,339)	64,962	2,367	193,731
Currency translation differences	-	-	-	10	(1,435)	-	(22)	(1,447)
Net profit for the period	-	-	-	-	-	16,127	371	16,498
Dividend paid	-	-	-	-	-	-	(556)	(556)
Balance at 31 March 2004	44,350	75,041	37	9,323	(3,774)	81,089	2,160	208,226

**Company**

	<b>Share capital S\$'000</b>	<b>Share premium S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Total S\$'000</b>
Balance as at 1 January 2005	44,350	75,041	775	21,523	141,689
Net Profit for the period	-	-	-	4,726	4,726
Balance as at 31 March 2005	<u>44,350</u>	<u>75,041</u>	<u>775</u>	<u>26,249</u>	<u>146,415</u>
Balance as at 1 January 2004	44,350	75,041	-	20,516	139,907
Net Loss for the period	-	-	-	(178)	(178)
Balance as at 31 March 2004	<u>44,350</u>	<u>75,041</u>	<u>-</u>	<u>20,338</u>	<u>139,729</u>

**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 share 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.**

During the 3 months ended 31 March 2005 and 31 March 2004, there has been no increase in the issued and paid up share capital of the Company.

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

The figures have not been reviewed or audited by the Company's auditors.

**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 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 as at 31 December 2004, except for the adoption of the following new Financial Reporting Standards ("FRS") that are mandatory for financial year beginning 1 January 2005:

FRS 39	Financial Instruments : Recognition and Measurement
FRS 103	Business Combinations
Revised FRS 36	Impairment of Assets
Revised FRS 38	Intangible Assets

## FRS 39

In accordance with the transitional provisions of FRS 39, the effect of recognition/derecognition and measurement of financial instruments for periods prior to 1 January 2005 is not restated. Consequently, the comparative figures for 2004 will not be restated. The adoption of the FRS did not give rise to any transitional adjustments in the financial statements of the Group and the Company.

## FRS 103, Revised FRS 36 and Revised FRS 38

Under these standards, goodwill arising from business combinations as recorded in the balance sheet of the Group can no longer be amortised and charged to the income statement. Instead, such goodwill will be tested for impairment annually in accordance with FRS 36. The standards are applied on prospective basis and do not affect the Group's financial statements for the financial year ended 31 December 2004.

**5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

**6. Earnings per 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.**

	<b>1/1/2005 to 31/3/2005</b>	<b>1/1/2004 to 31/3/2004</b>
Operating profit after tax before deducting minority interests as a percentage of revenue	15.4%	14.8%
Operating profit after tax attributable to equity holders of parent as a percentage of issued capital and reserves at the end of the period	7.1%	7.8%
Earnings per ordinary share based on net profit attributable to equity holders of parent		
(a) Based on weighted average number of ordinary shares in issue (cents)	2.33	1.82
(b) On a fully diluted basis (cents)	2.33	1.82

Earnings per share have been computed based on the share capital of 887,000,000 ordinary shares of \$0.05 each.

In arriving at the fully diluted earnings per share, only those potential ordinary shares arising from the exercise of options which would dilute the basic earnings per share of the Group are included in the computation. There are no options exercisable as at 31 March 2005.

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:-
- current financial period reported on; and
  - immediately preceding financial year

	Group		Company	
	31/3/2005	31/12/2004	31/3/2005	31/12/2004
	Cents	Cents	Cents	Cents
Net Asset Value per Ordinary Share based on issued share capital at the end of the period	32.91	30.32	16.51	15.97

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:-
- 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
  - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### 1st QUARTER FY2005

Revenue in the first quarter ended 31 March 2005 rose 19.8% compared to the same quarter a year ago while net profit jumped 28.1% to S\$20.7 million. Compared to the fourth quarter of FY2004, revenue in Q1 FY2005 was lower by 7.1% while net profit was lower by 17.5%. This was attributed to the seasonal softening of the handset market and lower demand from Chinese handset manufacturers in the first quarter.

### **SEGMENTAL ANALYSIS**

#### Q1 FY2005 vs Q1 FY2004

By business activities, both the PPIM and Assembly divisions reported higher revenues in Q1 FY2005, boosted by higher demand from existing customers such as Braun, Motorola and Siemens. Our PPIM division reported a 21.1% increase in revenue to S\$58.0 million while our Assembly division also chalked up a 23.1% increase in revenue to S\$68.6 million compared to the same quarter a year ago. Q1 FY2005 revenue at the MDF division however, fell 11.1% to S\$6.9 million due mainly to lower mold sales to some customers as revenue is recognised upon closure and acceptance of mold by customers. This was mitigated by higher sales to Braun, Motorola and MEI.

By business segments, sales to customers in the Consumer Electronics and Electrical industry surged 34.3% to S\$66.5 million, accounting for 49.8% of Group revenue. Sales to customers in the Computing industry were also significantly higher, up 57.3% to S\$16.0 million. Sales to customers in the Telecommunications industry was marginally down 1.4% to S\$51.1 million.

Notwithstanding, the Group reported revenue growth across its key markets of EU and Singapore. Sales to customers in the EU, which accounted for 41.8% of Group revenue, surged 42.6% to S\$55.8 million as a result of higher sales to Braun. Sales to customers in Singapore which accounted for 13.6% of Group revenue was up 42.7% to S\$18.1 million mainly due to higher sales to Motorola and a key customer in the Computing industry. Sales to China, our second largest market, rose marginally from S\$50.3 million to S\$51.0 million as higher sales to Motorola and Siemens mitigated the decline in sales to Chinese handset manufacturers.

## Q1 FY2005 vs Q4 FY2004

By business activities, the Assembly division recorded higher revenue in Q1 FY2005 as compared to last quarter. Our Assembly division reported a 11.6% increase in revenue to S\$68.6 million, boosted by higher demand from Braun, partly offset by lower sales to Motorola. Both PPIM and MDF division recorded lower revenue in this quarter. Q1 FY2005 PPIM revenue was down 6.4% as a result to lower sales to Motorola, partly mitigated by higher sales to Braun. MDF revenue was also lower by 65.8% compared to Q4 FY2004 due to the absence of major new projects to be launched in the second quarter.

By business segments, the Consumer Electronics and Electrical segment revenue expanded a strong 83.2%. The strong performance was mainly attributed to higher sales to the Gillette Company, including some of the newer products. The Computing segment revenue was up 6.7%. Sales to customers in the Telecommunications industry were down 44.8%, largely attributed to the traditional seasonal lull in the handset market, exacerbated by lower than expected volumes for phone models that we participated in, lower sales to Chinese handset manufacturers and the absence of new significant projects in Q1 FY2005.

By geographical segments, sales to customers in the EU increased by 95.3% to S\$55.8 million as a result of higher sales to Braun in Q1 FY2005. Sales to customers in Singapore and China decreased by 50.7% and 24.9% respectively due to lower sales to Motorola.

## **PROFITABILITY ANALYSIS**

### Q1 FY2005 vs Q1 FY2004

Cost of sales rose 17.1% to S\$100.6 million in line with the higher business activities. However cost of goods sold as a percentage of revenue decreased from 77.1% in Q1 FY2004 to 75.3% in Q1 FY2005.

Material costs rose 19.9% to S\$70.6 million in Q1 FY2005 due to higher level of sales. Material cost as a percentage of revenue remained relatively constant at 52.8% in Q1 FY2004 as compared to 52.9% in Q1 FY2005.

Labor costs rose marginally by 3.4% to S\$10.4 million and accounted for 7.8% of Q1 FY2005 revenue. However, labor costs as a percentage of revenue declined compared to Q1 FY2004 due to the increase in Assembly sales, which generally has a lower labor costs to revenue percentage. Overheads increased 15.4% to S\$19.6 million in Q1 FY2005 but accounted for a lower 14.7% of revenues in Q1 FY2005 compared 15.2% in Q1 FY2004 as a result of greater economies of scale.

Consequently gross profit rose 29.1% from \$25.5 million in Q1 FY2004 to \$33.0 million in Q1 FY2005. Gross profit margin therefore increased from 22.9% to 24.7%.

Operating expenses increased by 33.3% to S\$11.2 million mainly due to provision for doubtful debts, increase in depreciation and rental expenses as the Group prepared for future expansion in business. Operating expenses as a percentage of revenue increased from 7.5% to 8.3% in Q1 FY2005. Operating margin improved from 16.0% in Q1 FY2004 to 16.9% in Q1 FY2005.

As a result, profit from operations rose significantly by approximately \$4.7 million or 26.4% from \$17.8 million in Q1 FY2004 to \$22.6 million in Q1 FY2005.

### Q1 FY2005 vs Q4 FY2004

Cost of sales decreased 6.6% to S\$100.6 million in line with the lower business activities. However, cost of goods sold as a percentage of revenue increased from 74.9% to 75.3% in Q1 FY2005. Material cost as a percentage of revenue increased from 50.7% to 52.9% in Q1 FY2005. This was in line with the higher assembly sales activities, which generally have a higher material content.

Labor costs as a percentage of revenue declined from 9.6% in Q4 FY2004 to 7.8% in Q1 FY2005 due to the increase in assembly sales, which generally has a lower labor costs to revenue percentage. Overheads as a percentage of revenue in Q1 FY2005 was relatively consistent at 14.7% with that in Q4 FY2004. The gross profit margin in Q1 FY2005 was slightly lower than the 25.1% achieved in Q4 FY2004.

Operating expenses increased by 8.3% and as a result, operating margin was down from 18.5% in Q4 FY2004 due to the lower level of business activity in the first quarter.

Profit from operations was down \$4.0 million or 15.1% from \$26.6 million in Q4 FY2004 to \$22.6 million in Q1 FY2005.

## **CASHFLOW ANALYSIS**

In Q1 FY2005, we generated higher net cash from operating activities before working capital changes of approximately \$28.6 million compared to S\$22.5 million in Q1 FY2004. After deducting S\$15.8 million utilised for working capital changes.

Net cash generated from operations was S\$12.5 million versus a negative net operating cash flow of S\$15.2 million a year ago.

Net cash used in investing activities of \$14.4 million was primarily due to investments in plant and machineries. Consequently, free cash flow was a negative S\$1.8 million.

Net cash outflow from financing of S\$4.0 million was due mainly to repayment of short-term bank loans and lease obligations.

## **BALANCE SHEET ANALYSIS**

The Group continued to exercise financial vigilance and prudence in the first quarter, as seen in our strong and positive operating cashflow and cash management. As at 31 March 2005, the Group had cash and cash equivalents of S\$82.4 million and gross debts of S\$18.4 million, resulting in net cash of S\$64.0 million. The Group had a low gross gearing of just 6.3%.

### Q1 FY2005 vs Q1 FY2004

Cash Cycle (Average Days Sales + Average Days Inventory - Average Days Payable) deteriorated from 20 days in Q1 FY2004 to 40 days in Q1FY2005 due mainly to higher inventory days arising from lower than forecasted sales by customers on some handset projects and longer receivable days.

### Q1 FY2005 vs Q4 FY2004

Cash Cycle deteriorated from 27 days in Q4 FY2004 to 40 days in Q1FY2005. This was attributed mainly to higher inventory days as a result of lower than forecasted sales by customers on some handset projects as well as lower days payable resulting from timely payments made to suppliers.

	<b>Q1 FY2005</b>	<b>Q1 FY2004</b>	<b>Q4 FY2004</b>
Average receivables turnover	69	53	67
Average payables turnover	79	64	87
Average inventory turnover	50	31	47

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

Results for the first quarter of FY2005 are in line with the Directors' projections as included in the FY2004 announcement.

**10. A commentary at the date of the announcement of the 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.**

As an integrated contract manufacturer serving mainly the consumer end markets, the Group will benefit from the ongoing expansion in global consumer demand and from the enduring trend in outsourcing by global manufacturers. With our wide range of manufacturing capabilities and track record as well as our extensive presence in China, we are well positioned to offer global manufacturers both strategic and value advantages.

**Telecommunications**

The outlook for our customers in the telecommunications sector remains positive. Following the announcements of earnings for the first quarter of 2005, the major handset manufacturers have upgraded their forecasts for 2005 shipments to at least 740 million units, representing a growth of about 10%. Underpinning volume growth are higher replacement and upgrade sales in more developed markets as new models with a vast array of new features such as cameras and music are launched, as well as new subscriber growth in developing mobile markets such as China, India and Russia. However the industry is expected to remain highly competitive with persistent price cuts and margins erosion.

Global handset manufacturers are also gravitating towards a more focused supplier base as a means to reduce cost and improve time to market. As we continue to integrate vertically, we are well-positioned to serve the changing needs of our global customers.

**Consumer Electronics and Electrical**

We remain excited about prospects in the consumer electronics and electrical segment. We expect increasing outsourcing from manufacturers in the consumer electronics and electrical segment as more companies embrace the trend that has pushed manufacturing costs lower and allow companies to focus on design and branding. We have established a strong track record with major brand leaders and our strategy is to work with other brand leaders in each segment as we expand into other market segments.

**Computing**

According to IDC Corp, global sales of hard Disk Drives is set to rise to a record 400 million units this year on surging demand for digital music players and other consumer electronics devices. Demand for small form formats, in particular the 1" drives continues to be underpinned by strong consumer demand for MP3 players, digital video recorders and handheld gaming devices.

**A better second quarter**

Given the present outlook, the Group expects a slight pickup in revenue and net profit in the second quarter of FY2005, from the levels achieved in the first quarter of FY2005.

The Group also continues to be optimistic for the rest of the year and expects to see healthy positive growth for FY2005.

## 11. Dividend

(a) **Current Financial Period Reported on**

Any dividend recommended for the current financial period reported on? **None**

(b) **Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? **None**

(c) **Date payable**

Not applicable.

(d) **Books closure date**

Not applicable.

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

No dividend is recommended for the period under review.

## 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 immediate preceding year.

#### Segmental revenue by Activities, Industries and Geographical Markets

##### By Activities

	PPIM S\$m	MDF S\$m	Assembly S\$m	Eliminations S\$m	Consolidated S\$m
<b>1/1/2005 to 31/3/2005</b>					
Segment revenue					
Sales to external customers	58	7	69	-	134
Inter-segment sales	1	-	-	(1)	-
	<u>59</u>	<u>7</u>	<u>69</u>	<u>(1)</u>	<u>134</u>
<b>1/1/2004 to 31/3/2004</b>					
Segment revenue					
Sales to external customers	48	8	55	-	111
Inter-segment sales	20	-	-	(20)	-
	<u>68</u>	<u>8</u>	<u>55</u>	<u>(20)</u>	<u>111</u>

## By Industries

	Segment Revenue	
	1/1/2005 to 31/3/2005 S\$m	1/1/2004 to 31/3/2004 S\$m
Telecommunications	51	52
Consumer Electronics & Electrical	67	49
Computing	16	10
	<hr/>	<hr/>
	134	111

## By Geographical Markets

	Segment Revenue	
	1/1/2005 to 31/3/2005 S\$m	1/1/2004 to 31/3/2004 S\$m
Asia		
PRC	51	50
Singapore	18	13
Malaysia	2	1
Others	2	3
	<hr/>	<hr/>
	73	67
Europe	56	39
USA and other parts of the Americas	5	5
	<hr/>	<hr/>
	134	111

### 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 paragraph 8.

## BY ORDER OF THE BOARD

Tan Tor Howe  
Company Secretary

4 May 2005