

**Financial Statement and Dividend Announcement for the period ended 31 March 2006**

**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) %
	Q1-06 S\$'000	Q1-05 S\$'000	
Revenue	186,468	133,592	39.6
Cost of sales	(153,038)	(100,637)	52.1
Gross profit	33,430	32,955	1.4
Operating expenses			
Selling expenses	(2,139)	(1,494)	43.2
Administrative expenses	(16,657)	(9,659)	72.4
	(18,796)	(11,153)	68.5
Other operating income	1,986	755	163.0
Profit from operations	16,620	22,557	(26.3)
Financial expenses	(169)	(240)	(29.8)
Financial income	270	196	37.8
Foreign exchange loss, net	(1,066)	(767)	39.0
Profit before tax and share of results of associated company	15,655	21,746	(28.0)
Share of results of associated companies	(114)	91	n.m.
Profit before tax	15,541	21,837	(28.8)
Tax	(1,155)	(1,201)	(3.8)
Profit after tax	14,386	20,636	(30.3)
Attributable to:			
Equity holders of parent company	14,371	20,657	(30.4)
Minority interest	15	(21)	n.m.
	14,386	20,636	(30.3)

n.m. – Not Meaningful

Other notes:

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

	<b>Q1-06</b> <b>S\$'000</b>	<b>Q1-05</b> <b>S\$'000</b>
1. Depreciation	7,684	5,128
2. Provision for doubtful trade debts	1,388	453
3. Bad debts written off	-	-
4. Provision for inventories obsolescence (written back)	(74)	(100)
5. Inventories written off (written back)	(171)	209
6. Directors' remuneration	709	915
7. Directors' fees		
- current year provision	127	93
- overprovision in prior year	(46)	(4)
8. Operating lease expense	4,462	2,134
9. Staff costs *	33,445	17,847
10. Loss (Gain) on disposal of fixed assets	15	15

\* Excludes directors' remuneration, which has been disclosed separately in #6 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>31/3/2006</b>	<b>31/12/2005</b>	<b>31/3/2006</b>	<b>31/12/2005</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Fixed assets</b>	250,472	236,476	29,064	27,573
<b>Investment in subsidiaries</b>	-	-	98,835	110,632
<b>Investment in associated company</b>	2,337	2,450	1,384	1,384
<b>Other investment</b>	12	12	12	12
<b>Deferred tax asset</b>	278	679	-	-
<b>Amounts due from subsidiaries</b>			10,793	10,639
<b>Current assets</b>				
Inventories	93,732	74,291	7,143	6,556
Trade receivables	161,004	156,235	13,372	13,083
Notes receivable	2,633	1,992	-	-
Other receivables, deposits and prepayments	27,293	20,155	2,165	975
Due from subsidiaries (non-trade)	-	-	45,701	24,929
Due from subsidiaries (trade)	-	-	614	-
Due from related parties (trade)	1,085	993	-	-
Fixed deposits	18,153	29,115	18,153	29,115
Cash and bank balances	30,877	44,082	5,594	3,399
	<b>334,777</b>	<b>326,863</b>	<b>92,741</b>	<b>78,057</b>
<b>Current liabilities</b>				
Trade payables	146,867	129,080	12,142	9,664
Other payables and accruals	45,624	55,210	13,846	10,420
Due to subsidiaries (non-trade)	-	-	44,298	55,154
Due to subsidiaries (trade)	-	-	131	-
Amounts due to minority shareholders of subsidiaries	285	1,131	-	-
Lease obligations, current portion	109	362	55	228
Provision for income tax	5,000	5,020	276	275
Bank term loans, current portion	4,737	3,191	694	694
Short-term bank loans	6,643	1,665	6,643	-
Dividends payable	242	-	-	-
	<b>209,507</b>	<b>195,659</b>	<b>78,085</b>	<b>76,435</b>
Net current assets	125,270	131,204	14,656	1,622
<b>Non-current liabilities</b>				
Amounts due to minority shareholders of subsidiaries	4,086	4,028	-	-
Lease obligations, non-current portion	275	227	223	170
Bank term loans, non-current portion	-	-	-	-
Deferred tax liability	2,307	2,786	2,311	2,774
	<b>371,701</b>	<b>363,780</b>	<b>152,210</b>	<b>148,918</b>

	<b>Group</b>		<b>Company</b>	
	<b>31/3/2006</b>	<b>31/12/2005</b>	<b>31/3/2006</b>	<b>31/12/2005</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Share capital	44,359	44,358	44,359	44,358
Share premium	75,276	75,242	75,276	75,242
Other reserves	12,813	19,161	2,490	2,189
Accumulated profits	237,388	223,016	30,085	27,129
	<b>369,836</b>	<b>361,777</b>	<b>152,210</b>	<b>148,918</b>
Minority interest	1,865	2,003	-	-
	<b>371,701</b>	<b>363,780</b>	<b>152,210</b>	<b>148,918</b>

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

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

<b>As at 31/3/2006</b>		<b>As at 31/12/2005</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
109	11,380	362	4,856

**Amount repayable after one year**

<b>As at 31/3/2006</b>		<b>As at 31/12/2005</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
275	-	227	-

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>Q1-06</b>	<b>Q1-05</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax and share of results of associated companies	15,541	21,746
Adjustments:		
Depreciation of fixed assets	7,684	5,128
(Gain) Loss on disposal of fixed assets	(15)	15
Impairment of fixed assets	-	-
(Write Back) Provision for doubtful trade debts	1,388	453
(Write Back) Provision for inventory obsolescence	-	(100)
Interest income	(270)	(196)
Interest expense	169	240
Translation difference	(2,297)	899
Equity Compensation Expenses	302	380
Operating profit before working capital changes	<u>22,502</u>	<u>28,565</u>
Decrease (increase) in:		
Inventories	(19,545)	8,383
Trade receivables	(5,988)	900
Notes receivable	(641)	(3,065)
Other receivables, deposits and prepayments	(7,138)	(1,814)
Increase (decrease) in:		
Trade payables	17,787	(19,686)
Other payables and accruals	(16,635)	(2,041)
Due from/to related parties (trade), net	172	1,540
Cash generated from operations	<u>(9,486)</u>	<u>12,782</u>
Dividend paid	-	-
Income taxes paid	(1,252)	(237)
Net cash generated from operating activities	<u>(10,738)</u>	<u>12,545</u>

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

	<b>Q1-06</b>	<b>Q1-05</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets (Note)	(22,541)	(14,771)
Interest income received	269	196
Proceeds from disposal of fixed assets	2,659	192
Net cash used in investing activities	<u>(19,613)</u>	<u>(14,383)</u>
<b>Cash flows from financing activities</b>		
Interest expense paid	(169)	(240)
Proceeds from bank term loans, net	1,546	43
Proceeds from short-term loans, net	4,978	(3,260)
Repayment of lease obligations	(206)	(521)
Proceeds from Issuance of ordinary shares	35	-
Net cash (used in) generated from financing activities	<u>6,184</u>	<u>(3,978)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(24,167)	(5,816)
<b>Cash and cash equivalents at beginning of period / year</b>	73,197	88,195
<b>Cash and cash equivalents at end of period / year</b>	<u><b>49,030</b></u>	<u><b>82,379</b></u>
<b>Note</b>		
Current period / year additions to fixed assets	29,589	24,768
Less : -		
Payable to creditors (Net)	<u>(17,229)</u>	<u>(14,517)</u>
	12,360	10,251
Payments for prior period / year purchase of fixed assets	<u>10,181</u>	<u>4,520</u>
	<u><u>22,541</u></u>	<u><u>14,771</u></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.**

**(i) Consolidated statement of changes in equity for the 3 months ended 31 March 2006**

	Share capital	Share premium	Capital reserve	Reserve fund	Translation reserve	Accumulated profits	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2006	44,358	75,242	2,208	17,618	(667)	223,017	2,003	363,779
Currency translation differences	-	-	-	-	(6,681)	-	(62)	(6,743)
Net profit for the period	-	-	-	-	-	14,371	15	14,386
Equity compensation expense	-	-	301	-	-	-	-	301
Issuance of ordinary shares	1	34	-	-	-	-	-	35
Increase in reserve	-	-	-	34	-	-	-	34
Dividend	-	-	-	-	-	-	(91)	(91)
Balance at 31 March 2006	44,359	75,276	2,509	17,652	(7,348)	237,388	1,865	371,701
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

(ii) **Statement of changes in equity of the company for the 3 months ended 31 March 2006**

	<b>Share capital</b>	<b>Share premium</b>	<b>Capital reserve</b>	<b>Accumulated</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>profits</b>	<b>S\$'000</b>
				<b>S\$'000</b>	
Balance at 1 January 2006	44,358	75,242	2,171	27,147	148,918
Net Profit for the period	-	-	-	2,956	2,956
Issuance of ordinary shares	1	34			35
Equity Compensation expense	-	-	301	-	301
Balance at 31 March 2006	<u>44,359</u>	<u>75,276</u>	<u>2,472</u>	<u>30,103</u>	<u>152,210</u>
Balance at 1 January 2005	44,350	75,041	775	21,523	141,689
Net Profit for the period	-	-	-	4,726	4,726
Equity Compensation expense	-	-	380	-	380
Balance at 31 March 2005	<u>44,350</u>	<u>75,041</u>	<u>1,155</u>	<u>26,249</u>	<u>146,795</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.**

In Q1 2006, the company issued 25,000 new ordinary shares of S\$0.05 each in the capital of the company pursuant to the exercise of options at the exercise price of S\$1.39 per option share respectively.

**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 accounting policies have been consistently applied by the group and the company and are consistent with those used in the previous financial year.

**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>Q1-06</b>	<b>Q1-05</b>
Operating profit after exceptional items and tax before deducting minority interests as a percentage of revenue	7.7%	15.4%
Operating profit after tax attributable to members of the company as a percentage of issued capital and reserves at the end of the period	3.9%	7.1%
Earnings per ordinary share		
(a) Based on weighted average number of ordinary shares in issue (cents)	1.62	2.33
(b) On a fully diluted basis (cents)	1.61	2.33

Earnings per share have been computed based on the weighted average number of ordinary shares outstanding of 887,158,333 for YTD March 2006.

In arriving at the fully diluted earnings per share, only those potential ordinary shares arising from the exercise of options, which will dilute the basic earnings per share of the Group, are included in the computation. There are 3,793,000 options exercisable as at 31 March 2006.

**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 :**

	<b>Group</b>		<b>Company</b>	
	<b>31/3/2006</b>	<b>31/12/2005</b>	<b>31/3/2006</b>	<b>31/12/2005</b>
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Net Asset Value per Ordinary Share based on issued share capital at the end of the period	41.90	40.78	17.16	16.79

**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:-**

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

### **Revenue Analysis**

Revenue in Q1 FY2006 rose 39.6% year-on-year (yoy) to S\$186.5 million but sequentially, i.e. quarter-on-quarter (qoq) compared to Q4 FY2005, revenue is down 6.5%.

*By Industry:* Wireless Telecommunications (WL) revenue grew 120.0% yoy to S\$112.0 million due to higher sales to a major customer, but was down 7.7% qoq due to order push-outs resulting mainly from component shortages. Consumer Electronics & Electrical (CE) revenue was down 12.2% yoy to S\$58.4 million, and down 8.7% qoq. These were mainly due to the absence of new projects and lower sales on existing projects. Computing, Automotive, Medical and Others (CA) revenue was flat yoy at S\$16.0 million, but up 12.8% qoq. The better sequential performance was due to higher sales to existing customers as well as a maiden contribution by a new US-based customer.

*By Activity:* Precision Plastic Injection Molding revenue grew 23.8% yoy to S\$71.9 million due mainly to increased sales to WL customers, but was lower by 9.7% qoq due mainly to completion of existing projects at WL and CE. Assembly revenue was up 49.4% yoy to S\$102.5 million due to higher sales to WL customers, and was up a smaller 6.6% qoq. Mold Design and Fabrication revenue was up 74.5% yoy to S\$12.1 million, but down 49.1% qoq due to the completion of several major projects.

### **Profitability Analysis**

Gross profit in Q1 FY2006 increased just 1.4% yoy to S\$33.4 million despite the 39.6% yoy increase in revenue. This was due to an increase in the materials content in our product mix as well as capacity underutilization in some of our new operations. Gross profit was down 11.0% qoq due mainly to the 6.5% qoq decrease in revenue. Gross margin was 17.9% in Q1 FY2006, down from 24.7% in Q1 FY2005 and 18.8% in Q4 FY2005.

Operating profit was down 26.3% yoy to S\$16.6 million despite the 1.4% yoy increase in gross profit. This was due to operating expenses rising 68.5% yoy to S\$18.8 million from higher staff costs, business expansion costs and higher provisions for doubtful debts. Operating profit is down 27.3% qoq due to the 11.0% drop in gross profit, higher staff costs and increased provision for doubtful debts. Operating margin was 8.9% in Q1 FY2006, down from 16.9% in Q1 FY2005 and 11.5% in Q4 FY2005.

Profit before tax was S\$15.5 million, down 28.8% yoy and 30.1% qoq. Net profit attributable to shareholders was S\$14.4 million, down 30.4% yoy and 34.4% qoq.

## **CASHFLOW ANALYSIS**

### **For the period ended 31 March 2006**

For Q1 FY2006, the group reported net cash outflow from operating activities of S\$10.7 million, compared to an inflow of S\$12.5 million Q1 FY2005. This was due primarily to delivery push-outs, lower profitability and seasonal working capital changes. Before working capital changes and tax paid, there was an operating cash inflow of S\$22.5m in Q1 FY2006, down 21.2% yoy. Net cash used in investing activities was higher at S\$19.6 million compared to S\$14.4 million in Q1 FY2005, due to higher capital expenditure. Net cash inflow from financing activities amounted to S\$6.2 million after securing new loans. The Group reported a net decrease in cash and cash equivalents of S\$24.2 million for Q1 FY2006.

## BALANCE SHEET ANALYSIS

As at 31 March 2006, the Group had cash and cash equivalents of S\$49.0 million and gross debts of S\$11.8 million, resulting in a net cash position of S\$37.2 million. Gross gearing was a low 3.2%. Net cash per share was 4.2 cents.

## CASH CYCLE ANALYSIS

Days	Q1 FY2006	Q4 FY2005	Q1 FY2005
Average Receivables Turnover	77	60	69
Average Inventory Turnover	53	43	50
Average Payables Turnover	84	68	79
Cash Cycle*	46	35	40

\* *Cash Cycle = Avg Receivables Turnover + Avg Inventory Turnover – Avg Payables Turnover*

Due to seasonal factors, cash cycle in Q1 FY2006 had deteriorated from 35 days in Q4 FY2005 to 46 days due to longer inventory days as well as AR days offset partially by longer payable days.

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

The results are in line with the revised profit guidance announced on 13 April 2006.

### 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.

In the latter half of FY2005 and in the first half of FY2006, the Group has concentrated its resources to build up vertical integration capabilities to fuel its next growth cycle. In the near term, our profitability has been affected by the associated cost increases without sufficient offsetting revenue. However, we believe this strategy will yield returns over the medium term through increased value-added and market share dollars.

For Q2 FY2006, we expect revenue to remain roughly similar to Q1 FY2006 levels. Net profit is expected to improve from the S\$14.4 million reported for Q1 FY2006 due to higher net value-added and cost control measures currently being implemented throughout the company.

For FY2006 as a whole, we expect to report moderate earnings growth on higher revenue. We believe our long-term prospects remain to be good.

### 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**

	<b>PPIM</b>	<b>MDF</b>	<b>Assembly</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>S\$m</b>	<b>S\$m</b>	<b>S\$m</b>	<b>S\$m</b>	<b>S\$m</b>
<b>2006 Q1</b>					
<b>Segment revenue</b>					
Sales to external customers	71.9	12.1	102.5	-	186.5
Intersegmental sales	6.3	-	-	(6.3)	-
	<u>78.2</u>	<u>12.1</u>	<u>102.5</u>	<u>(6.3)</u>	<u>186.5</u>
Profit from operations	4.8	9.3	2.5	-	16.6
Finance expense					(0.2)
Finance income					0.3
Foreign exchange loss, net					(1.0)
Share of results of associated companies					(0.1)
Tax					(1.2)
					<u>14.4</u>
Net profit attributable to shareholders of the company					<u>14.4</u>
Depreciation	1.2	2.2	4.3	-	7.7
Other non-cash expenses	0.2	0.5	0.9	-	1.6

## 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>2005 Q1</b>					
<b>Segment revenue</b>					
Sales to external customers	58.0	7.0	69.0	-	134.0
Intersegmental sales	1.0	-	-	(1.0)	-
	<u>59.0</u>	<u>7.0</u>	<u>69.0</u>	<u>(1.0)</u>	<u>134.0</u>
Profit from operations	9.9	1.1	11.6	-	22.6
Finance expense					(0.2)
Finance income					0.2
Foreign exchange loss, net					(0.8)
Share of results of associated companies					-
Tax					(1.2)
Minority Interests					-
					<u>20.6</u>
Net profit attributable to shareholders of the company					<u>20.6</u>
Depreciation	2.2	0.3	2.6	-	5.1
Other non-cash expenses	0.2	0.0	0.2	-	0.4

## By Industries

	Segment Revenue	
	Q1-06 S\$m	Q1-05 S\$m
Telecommunications	112.1	50.9
Consumer Electronics & Electrical	58.4	66.5
Computing	16.0	16.2
	<u>186.5</u>	<u>133.6</u>

## By Geographical Markets

	Segment Revenue	
	Q1-06 S\$m	Q1-05 S\$m
Asia		
PRC	86.6	50.9
Singapore	39.4	18.1
Malaysia	3.0	1.7
Others	<u>3.5</u>	<u>2.0</u>
	132.5	72.7
Europe	41.9	55.8
USA and other parts of the Americas	<u>12.1</u>	<u>5.1</u>
	<u>186.5</u>	<u>133.6</u>

**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 Ping Ping  
Company Secretary

3 May 2006