

Financial Statement and Dividend Announcement for the period ended 31 December 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			Group		
	Q4-05 S\$'000	Q4-04 S\$'000	Increase/ (decrease) %	YTD Dec-05 S\$'000	YTD Dec-04 S\$'000	Increase/ (decrease) %
Revenue	199,521	143,789	38.8	632,954	560,931	12.8
Cost of sales	(161,957)	(107,709)	50.4	(491,078)	(421,040)	16.6
Gross profit	37,564	36,080	4.1	141,876	139,891	1.4
Operating expenses						
Selling expenses	(2,204)	(1,115)	97.7	(6,535)	(4,216)	55.0
Administrative expenses	(15,075)	(9,180)	64.2	(47,901)	(44,770)	7.0
	(17,279)	(10,295)	67.8	(54,436)	(48,986)	11.1
Other operating income	2,563	773	231.5	5,960	3,624	64.5
Profit from operations	22,848	26,558	(14.0)	93,400	94,529	(1.2)
Financial expenses	(389)	(235)	65.5	(977)	(1,302)	(25.0)
Financial income	251	134	87.3	857	343	149.9
Foreign exchange loss, net	(602)	(1,177)	(48.9)	(39)	(1,548)	(97.5)
Profit before tax and share of results of associated company	22,108	25,280	(12.5)	93,241	92,022	1.3
Share of results of associated companies	141	(96)	n.m.	(114)	355	n.m.
Profit before tax	22,249	25,184	(11.7)	93,127	92,377	0.8
Tax	(638)	53	n.m.	(4,999)	(3,113)	60.6
Profit after tax	21,611	25,237	(14.4)	88,128	89,264	(1.3)
Attributable to:						
Equity holders of parent company	21,923	25,029	(12.4)	89,022	88,053	1.1
Minority interest	(312)	208	n.m.	(894)	1,211	n.m.
	21,611	25,237	(14.4)	88,128	89,264	(1.3)

n.m. – Not Meaningful

Other notes:

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

	Q4-05	Q4-04	YTD	YTD
	S\$'000	S\$'000	Dec-05	Dec-04
			S\$'000	S\$'000
1. Depreciation	6,486	5,100	25,329	18,841
2. Provision for doubtful trade debts(written back)	(1,259)	513	(1,320)	5,786
3. Bad debts written off	219	4	219	806
4. Provision for inventories obsolescence (written back)	(604)	(81)	579	3,162
5. Inventories written off (written back)	292	219	201	2,971
6. Directors' remuneration	763	953	3,613	3,772
7. Directors' fees	96	93	384	338
8. Operating lease expense	3,518	1,467	10,565	4,479
9. Staff costs *	32,080	19,352	97,427	76,274
10. Loss (Gain) on disposal of fixed assets	(1,117)	81	(1,117)	(483)

* 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.

	Group		Company	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed assets	236,476	168,965	27,573	22,205
Investment in subsidiaries	-	-	84,557	58,345
Investment in associated company	2,450	2,073	1,384	903
Other investment	12	12	12	12
Deferred tax asset	679	-	-	-
Current assets				
Inventories	74,291	60,792	6,556	3,967
Trade receivables	156,235	102,591	13,083	10,396
Notes receivable	1,992	840	-	-
Other receivables, deposits and	20,155	17,500	975	308
Due from subsidiaries (non-trade)	-	-	61,356	46,305
Due from subsidiaries (trade)	-	-	287	230
Due from related parties (trade)	993	2,481	-	-
Fixed deposits	29,115	40,067	29,115	40,067
Cash and bank balances	44,082	48,128	3,399	15,723
	326,863	272,399	114,771	116,996
Current liabilities				
Trade payables	129,080	97,586	9,664	6,758
Other payables and accruals	55,210	46,867	10,421	11,444
Due to subsidiaries (non-trade)	-	-	54,305	31,186
Due to subsidiaries (trade)	-	-	849	307
Due to related parties (trade)	5,160	1,079	-	-
Lease obligations, current portion	362	1,879	228	1,442
Provision for income tax	5,020	1,831	276	374
Bank term loans, current portion	3,191	10,153	694	1,387
Short-term bank loans	1,665	4,911	-	-
	199,688	164,306	76,436	52,898
Net current assets	127,175	108,093	38,335	64,098
Non-current liabilities				
Lease obligations, non-current portion	227	577	170	406
Bank term loans, non-current portion	-	4,574	-	694
Deferred tax liability	2,786	2,774	2,774	2,774
	363,780	271,218	148,918	141,689
Equity				
Shareholders' equity	361,777	268,973	148,918	141,689
Minority interest	2,003	2,245	-	-
	363,780	271,218	148,918	141,689

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

Amount repayable within one year or less, or on demand

As at 31/12/2005		As at 31/12/2004	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
362	4,856	1,879	15,064

Amount repayable after one year

As at 31/12/2005		As at 31/12/2004	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
227	-	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.

	Q4-05 S\$'000	Q4-04 * S\$'000	YTD Dec-05 S\$'000	YTD Dec-04 * S\$'000
Cash flows from operating activities				
Profit before tax and share of results of associated companies	22,108	25,280	93,241	92,022
Adjustments:				
Depreciation of fixed assets	6,486	5,100	25,329	18,841
(Gain) Loss on disposal of fixed assets	(1,117)	81	(1,117)	(483)
(Write Back) Provision for doubtful trade debts	(1,259)	513	(1,320)	5,786
(Write Back) Provision for inventory obsolescence	(604)	(81)	579	3,162
Interest income	(251)	(134)	(857)	(343)
Interest expense	389	235	977	1,302
Translation difference	(2,553)	(4,140)	1,720	(1,718)
Equity Compensation Expenses	456	-	1,396	775
Operating profit before working capital changes	23,654	26,854	119,948	119,344
Decrease (increase) in:				
Inventories	6,098	(8,287)	(15,194)	(38,560)
Trade receivables	(46,247)	6,944	(52,636)	(57,398)
Notes receivable	2,852	3,068	(1,152)	374
Other receivables, deposits and prepayments	6,403	(253)	(2,654)	(1,196)
Increase (decrease) in:				
Trade payables	14,844	(13,252)	31,495	46,849
Other payables and accruals	(10,764)	9,079	(4,698)	(2,053)
Due from/to related parties (trade), net	2,072	620	5,574	(886)
Cash (used in) generated from operations	(1,088)	24,773	80,683	66,474
Dividend paid	-	(668)	(7,096)	(4,772)
Income taxes paid	(4)	(970)	(1,451)	(4,193)
Net cash (used in) generated from operating activities	(1,092)	23,135	72,136	57,509

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

	Q4-05 S\$'000	Q4-04 * S\$'000	YTD Dec-05 S\$'000	YTD Dec-04 * S\$'000
Cash flows from investing activities				
Purchase of fixed assets (Note)	(7,514)	(13,455)	(72,829)	(59,821)
Interest income received	251	134	857	343
Acquisition of associated company	-	-	(481)	-
Proceeds from disposal of fixed assets	2,344	42	2,738	3,204
Net cash used in investing activities	<u>(4,919)</u>	<u>(13,279)</u>	<u>(69,715)</u>	<u>(56,274)</u>
Cash flows from financing activities				
Interest expense paid	(389)	(235)	(977)	(1,302)
Repayment of bank term loans, net	(2,539)	(1,177)	(11,536)	(9,454)
Repayment of short-term loans, net	1,665	(161)	(3,246)	(9,598)
Repayment of lease obligations	(407)	(563)	(1,867)	(4,773)
Proceeds from issuance of ordinary shares	209	-	208	-
Net cash used in financing activities	<u>(1,461)</u>	<u>(2,136)</u>	<u>(17,419)</u>	<u>(25,127)</u>
Net increase (decrease) in cash and cash equivalents	(7,472)	7,720	(14,998)	(23,892)
Cash and cash equivalents at beginning of period / year	80,669	80,475	88,195	112,087
Cash and cash equivalents at end of period / year	<u>73,197</u>	<u>88,195</u>	<u>73,197</u>	<u>88,195</u>
Note				
Current period / year additions to fixed assets	26,974	8,835	85,870	63,226
Less : -				
Payable to creditors (Net)	<u>(22,505)</u>	<u>4,355</u>	<u>(22,505)</u>	<u>(23,442)</u>
	4,469	13,190	63,365	39,784
Payments for prior period / year purchase of fixed assets	<u>3,045</u>	<u>265</u>	<u>9,464</u>	<u>20,037</u>
	<u>7,514</u>	<u>13,455</u>	<u>72,829</u>	<u>59,821</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 12 months ended 31 December 2005

	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	-	-	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
Currency translation differences	-	-	-	-	4,890	-	69	4,959
Net profit for the period	-	-	-	-	-	21,739	(242)	21,497
Equity compensation	-	-	380	-	-	-	-	380
Final dividend	-	-	-	-	-	(7,096)	-	(7,096)
Balance at 30 June 2005	44,350	75,041	1,572	15,952	(3,181)	178,061	1,966	313,761
Currency translation differences	-	-	-	-	6,273	16	72	6,361
Net profit for the period	-	-	-	-	-	24,703	(320)	24,383
Equity compensation	-	-	179	-	-	-	-	179
Balance at 30 September 2005	44,350	75,041	1,751	15,952	3,092	202,780	1,718	344,684

(i) Consolidated statement of changes in equity for the 12 months ended 31 December 2005 (Continue)

	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 30 September 2005	44,350	75,041	1,751	15,952	3,092	202,780	1,718	344,684
Currency translation differences	-	-	-	-	(3,759)	(18)	597	(3,180)
Net profit for the period	-	-	-	-	-	21,923	(312)	21,610
Equity compensation	-	-	457	-	-	-	-	457
Issuance of ordinary shares	8	201	-	-	-	-	-	209
Transfer to reserve funds	-	-	-	1,666	-	(1,666)	-	-
Balance at 31 December 2005	44,358	75,242	2,208	17,618	(667)	223,019	2,003	363,780

(ii) Consolidated statement of changes in equity for the 12 months ended 31 December 2004

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Reserve fund S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
Balance at 1 January 2004	44,350	75,041	37	9,313	(2,339)	64,962	191,364
Currency translation differences	-	-	-	10	(1,435)	-	(1,425)
Net profit for the period	-	-	-	-	-	16,127	16,127
Balance at 31 March 2004	44,350	75,041	37	9,323	(3,774)	81,089	206,066
Currency translation differences	-	-	-	-	2,697	-	2,697
Net profit for the period	-	-	-	-	-	22,130	22,130
Final dividend paid	-	-	-	-	-	(3,548)	(3,548)
Balance at 30 June 2004	44,350	75,041	37	9,323	(1,077)	99,671	227,345
Currency translation differences	-	-	-	-	(2,760)	-	(2,760)
Net profit for the period	-	-	-	-	-	24,767	24,767
Balance at 30 September 2004	44,350	75,041	37	9,323	(3,837)	124,438	249,352
Currency translation differences	-	-	-	15	(6,198)	-	(6,183)
Net profit for the period	-	-	-	-	-	25,029	25,029
Transfer to reserve fund	-	-	-	6,706	-	(6,706)	-
Equity Compensation	-	-	775	-	-	-	775
Balance at 31 December 2004	44,350	75,041	812	16,044	(10,035)	142,761	268,973

(iii) Statement of changes in equity of the company for the 12 months ended 31 December 2005

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
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	-	-	380	-	380
Balance at 31 March 2005	44,350	75,041	1,155	26,249	146,795
Net Profit for the period	-	-	-	108	108
Equity Compensation	-	-	380	-	380
Final dividend paid	-	-	-	(7,096)	(7,096)
Balance at 30 June 2005	44,350	75,041	1,535	19,261	140,187
Net Loss for the period	-	-	-	(43)	(43)
Equity Compensation	-	-	179	-	179
Final dividend paid	-	-	-	-	-
Balance at 30 September 2005	44,350	75,041	1,714	19,218	140,323
Net Profit for the period	-	-	-	7,929	7,929
Equity Compensation	-	-	457	-	457
Issuance of ordinary shares	8	201	-	-	209
Balance at 31 December 2005	44,358	75,242	2,171	27,147	148,918

(iv) **Statement of changes in equity of the company for the 12 months ended 31 December 2004**

	Share capital S\$'000	Share premium S\$'000	Capital Reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
Balance at 1 January 2004	44,350	75,041	-	20,516	139,907
Net Loss for the period	-	-	-	(178)	(178)
Balance at 31 March 2004	44,350	75,041	-	20,338	139,729
Net Loss for the period	-	-	-	(1,144)	(1,144)
Final dividend paid	-	-	-	(3,548)	(3,548)
Balance at 30 June 2004	44,350	75,041	-	15,646	135,037
Net Profit for the period	-	-	-	2,803	2,803
Balance at 30 September 2004	44,350	75,041	-	18,449	137,840
Net Profit for the period	-	-	-	3,074	3,074
Equity Compensation	-	-	775	-	775
Balance at 31 December 2004	44,350	75,041	775	21,523	141,689

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 Q4 2005, the company issued 150,000 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.

The group has adopted the following Financial Reporting Standards ('FRS') for the financial year beginning 1 January 2005:

FRS 2 (revised), Inventories
 FRS 8 (revised), Accounting Policies, Changes in Accounting Estimates and Errors
 FRS 10 (revised), Events after the Balance Sheet Date
 FRS 16 (revised), Property, Plane and Equipment
 FRS 17 (revised), Leases
 FRS 21 (revised), The Effects of Changes in Foreign Exchange Rates
 FRS 24 (revised), Related Party Disclosures
 FRS 27 (revised), Consolidated and Separate Financial Statements
 FRS 28 (revised), Investments in Associates
 FRS 33 (revised), Earnings Per Share
 FRS 21 (revised), The effects of changes in Foreign Exchange Rates

There is no material impact on the Group's and Company's financial statement upon adoption of these FRS.

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.

	Q4-05	Q4-04	YTD Dec-05	YTD Dec-04
Operating profit after exceptional items and tax before deducting minority interests as a percentage of revenue	10.8%	17.6%	13.9%	15.9%
Operating profit after tax attributable to members of the company as a percentage of issued capital and reserves at the end of the period	6.0%	9.3%	24.4%	32.7%
Earnings per ordinary share				
(a) Based on weighted average number of ordinary shares in issue (cents)	2.47	2.82	10.04	9.93
(b) On a fully diluted basis (cents)	2.46	2.82	9.99	9.93

Earnings per share have been computed based on the weighted average number of ordinary shares outstanding of 887,012,500 for Q4 2005 and YTD December 2005.

Earnings per share for Q4 2004 and YTD December 2004 have been computed based on the post invitation 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 will dilute the basic earnings per share of the Group, are included in the computation. There are 3,833,000 options exercisable as at 31 December 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:-

- (a) current financial period reported on; and**
- (b) immediately preceding financial year :**

	Group		Company	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
	Cents	Cents	Cents	Cents
Net Asset Value per Ordinary Share based on issued share capital at the end of the period	40.78	30.32	16.79	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:-**
- (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.**

4th QUARTER FY2005

Revenue in the fourth quarter ended 31 December 2005 rose 38.8% to \$199.5 million compared to the same quarter a year ago while net profit attributable to shareholders was 12.4% lower at \$21.9 million. Compared to the third quarter ended 30 September 2005, revenue was up 24.5% and net profit was down 11.3%.

SEGMENTAL ANALYSIS

Q4 FY2005 vs Q3 FY2005

Compared to Q3 FY2005, Assembly revenue rose 23.5% from \$77.8 million to \$96.1 million mainly due to new projects for a major customer in the Telecommunications sector. Precision Plastic Injection Molding (PPIM) revenue surged 12.4% from \$70.8 million to \$79.6 million mainly due to new projects as well as higher demand for existing projects for customers in both Telecommunications and Computing sectors. The Mold Design and Fabrication (MDF) revenue rose 104.6% to \$23.8 million in Q4 FY2005 mainly due to demand for tooling for new projects.

New projects drove revenue at the Telecommunications sector up 50.0% to \$121.4 million in Q4 FY2005 compared to the third quarter, bringing sector contribution to 60.9% of Group revenue. Computing revenue was up 11.3% to \$14.2 million due to the higher year-end demand from customers in the Hard Disk Drive (HDD) sector. Sales to customers in Consumer Electronics & Electrical (CE) segment were however 4.0% lower at \$63.9 million, due mainly to lower sales to a major customer as shipment of a new project was delayed.

Q4 FY2005 vs Q4 FY2004

PPIM revenue increased by 28.4% to \$79.6 million in Q4 FY2005 compared to the same period a year ago. This was attributed to increased orders from existing customers in both the Telecommunications and CE sector, which offset lower sales to customers in the HDD sector. Assembly revenue also rose significantly by 56.4% to \$96.1 million on the back of higher orders by CE customers. MDF revenue increased 17.1% to \$23.8 million due mainly to the new sales orders from a major customer.

Compared to Q4 FY2004, revenue to customers in all sectors except Computing rose. Telecommunications revenue was up 31.3% to \$121.4 million while CE revenue surged 76.1% to \$63.9 million. Computing revenue however registered a mild 5.5% decrease year-on-year despite maiden contributions from new customers, due mainly to lower orders from a HDD customer.

PROFITABILITY ANALYSIS

Q4 FY2005 vs Q3 FY2005

Compared to Q3 FY2005, cost of sales rose 34.0% to \$162.0 million in Q4 FY2005. This was mainly due to new projects which had higher material content. As a result, gross profit decreased marginally by 4.6% to \$37.6 million while gross profit margin decreased from 24.6% to 18.8%.

Total operating expenses rose 24.4% to \$17.3 million in Q4 FY2005 due largely to higher staff costs, office rentals and start-up costs of new plants.

Other operating income rose from \$1.7 million to \$2.6 million, due mainly to a gain on disposal of a factory in Mexico, sale of scrap and tax rebate.

As a result of the higher cost of sales as well as higher operating expenses, operating profit declined 15.8% to \$22.8 million. Operating profit margin thus declined from 16.9% in Q3 FY2005 to 11.5% in Q4 FY2005.

Profit before tax was down 15.3% to \$22.2 million. Net profit attributable to shareholders however declined a lower 11.3% to \$21.9 million due to a lower effective tax rate in Q4 FY2005. This was due to the rise in profit contribution from certain full tax-exempt subsidiaries in the PRC.

Q4 FY2005 vs Q4 FY2004

Cost of sales rose 50.4% in Q4 FY2005 from a year ago, due to new projects in Q4 FY2005, which had higher material content. As a result, gross profit rose 4.1% to \$37.6 million while gross profit margin slipped from 25.1% to 18.8% in Q4 FY2005.

Total operating expenses rose 67.8% to \$17.3 million due to higher staff costs and employee benefits and start-up costs for new plants.

Other operating income in Q4 FY2004 rose from \$0.8 million to \$2.6 million, due primarily to a gain from the sale of a factory in Mexico, sale of scrap and tax rebate. Consequently, operating profit declined 14.0% to \$22.8 million in Q4 FY2005 while profit before tax fell 11.7% to \$22.2 million. Net profit attributable to shareholders fell 12.4% to \$21.9 million.

FULL FINANCIAL YEAR ENDED 31 DECEMBER 2005

For the year ended 31 December 2005, revenue was up 12.8% to \$633.0 million while net profit edged up 1.1% to \$89.0 million, compared to the same period last year.

SEGMENTAL ANALYSIS

FY2005 vs FY2004

Revenue was higher across all activities in FY2005. PPIM revenue rose 8.0% to \$267.9 million mainly due to strong demand from existing CE and Computing customers. MDF revenue rose 20.1% to \$49.8 million. Assembly revenue was higher by 16.2% at \$315.3 million as we undertake more turnkey projects for CE and Telecommunications customers.

Driving revenue growth in FY2006 was the CE sector where sales rose 30.9% to \$262.5 million on the back of two new projects launched during the year. CE revenue accounted for 41.5% of Group revenue. Computing revenue also rose a healthy 31.3% to \$59.1 million last year due largely to strong demand from the HDD sector. Sales to customers in the Telecommunications sector however were flat at \$311.3 million.

PROFITABILITY ANALYSIS

FY2005 vs FY2004

Cost of goods sold rose 16.6% to \$491.1 million, resulting in a 1.4% increase in gross profit to \$141.9 million. Gross margin fell from 24.9% to 22.4 %, largely due to new projects in Q4 FY2005 which had higher material content. .

Total operating expenses rose 11.1% to \$54.4 million on the back of a 55.0% rise in selling expenses to \$6.5 m and a 7.0% rise in administrative expenses to \$47.9 million. The higher selling expenses were attributed to higher headcount, marketing and travel costs as part of customer acquisition efforts. The increase in administrative cost came largely from increases in depreciation, start-up costs of new plants and expansion costs associated with new customers such as staffing costs.

Other operating income rose 64.5% to \$6.0 million with the increase attributed to higher sales of scrap, tax rebates as well as a gain of \$0.9 million gain from the disposal of a factory in Mexico. Consequently, profit before tax was slightly higher at \$93.1 million while net profit was 1.1% higher at \$89.0 million.

CASHFLOW ANALYSIS

For the year ended 31 December 2005

For the year ended 31 December 2005, the group reported net cash generated from operating activities of \$72.1 million, up from \$57.5 million previously. Net cash used in investing activities was also higher at \$69.7 million compared to \$56.3 million in FY2004 as the group expanded both capacity and process capabilities during the year. After using another \$17.4 million for financing activities, the Group reported a net decrease in cash and cash equivalents of \$15.0 million for the year.

BALANCE SHEET ANALYSIS

As at 31 December 2005, the Group had cash and cash equivalents of \$73.2 million and gross debts of \$5.4 million, resulting in a net cash position of \$67.8 million. Gross gearing was a low 1.5%. Net cash per share was 7.6 cents.

CASH CYCLE ANALYSIS

Days	Q4 FY2005	Q3 FY2005	Q4 FY2004
Average Receivables Turnover	60	60	67
Average Inventory Turnover	43	49	47
Average Payables Turnover	68	79	87
Cash Cycle*	35	30	27

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

Cash cycle in Q4 FY2005 had deteriorated from 30 days in Q3 FY2005 and 27 days in Q4 FY2004 to 35 days in Q4 FY2005 due to shorter inventory days as well as payable days.

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

Revenue for Q4 FY2005 was higher than Q3 FY2005 and therefore in line with the Directors' projections included in Q3 FY2005 announcement. Net profit for Q4 FY2005 was however lower than Q3 FY2005 and therefore lower than that previously expected in Q3 FY2005's prospect statement. The variance was mainly due to a change in product mix and higher than expected start-up costs.

Results for the full year FY2005 are in line with the Directors' projections as included in Q3 FY2005 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.

During FY2005, Hi-P successfully implemented its new SBU strategy and as a result won significant new major customers, expanded both capacity and process capabilities and expanded further into Poland and Thailand. This is a strong testimony to Hi-P's commitment to our customers as well as our ability to deliver world-class quality solutions to our global customers. We believe we have a strong execution foundation in place that will take us successfully into the next era of growth.

Telecommunications

It was a mixed year for Telecommunications sector, which accounted for 49.2% of Group revenue. After a slow start in the first half, sales rebounded strongly in the last two quarters and we managed to turn in similar revenues for the full year compared to FY2004. During the year, we have been strategically adding new capabilities to strengthen the value proposition of our Telecommunications solutions. We added industrial design capabilities and PCBA lines for the integration of component assembly. We have also penetrated a major OEM customer.

Going forward, vertical integration remains a priority for this sector even as we continue to build on our strengths as a leading electro-mechanical supplier. We will be adding sheet window, vacuum metalisation and cosmetic stamping abilities in Q1 2006.

With a strong pipeline of products, rising value-added as well as contributions from new customers, we expect the sector to perform better in FY2006.

Consumer Electronics and Electrical

The CE SBU was the next largest revenue contributor, accounting for 41.5% of Group revenue in FY2005. Revenue would have been stronger if not for a delay in shipment of a new razor project in Q4 FY2005. Last year, the Group won new customers such as Whirlpool and Bosch as well as a new oral care customer. With new projects in the pipeline from existing customers and maiden contributions from new customers, we expect further growth in FY2006.

Computing and Automotive

The Computing SBU accounted for 9.3% of Group revenue in FY2005. Notwithstanding a fall in demand in one-inch disk drives last year, the SBU was able to grow revenues by 31.3% last year, owing to strong demand for other form factors. During the course of the year, the SBU also penetrated new customers in the HDD and medical sectors as well as a new customer in the PC-related sector. With a continued buoyant outlook for the HDD sector, we expect another year of growth at the Computing SBU in FY2006, augmented further by contributions from new customers.

Outlook for FY2006

We expect revenue in Q1 FY2006 to be sustained at Q4 FY2005 levels and growth momentum to pick up from Q2 FY2006 onwards.

We are optimistic that 2006 will be a year of growth for Hi-P. We have a strong pipeline of projects from customers in all sectors. In addition, we will begin to see contributions from new customers as well as enjoy better utilization of the new capacity that was added last year. We will also continue with our vertical integration strategy to better serve our customers as a leading Tier-One mechanical supplier with a quality one-stop solution.

9. Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? **Yes**

Name of Dividend	:	First and Final Dividend
Dividend Type	:	Cash
Dividend Rate	:	1.0 cents per ordinary share (gross)
Tax rate	:	20%
Total amount payable	:	\$7.096 million

(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	:	First and Final Dividend
Dividend Type	:	Cash
Dividend Rate	:	1.0 cents per ordinary share (gross)
Tax rate	:	20%
Par value of shares	:	\$0.05
Total amount payable	:	\$7.096 million

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

11. 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
2005					
Segment revenue					
Sales to external customers	267.9	49.8	315.3	-	633.0
Intersegmental sales	13.9	-	-	(13.9)	-
	<u>281.8</u>	<u>49.8</u>	<u>315.3</u>	<u>(13.9)</u>	<u>633.0</u>
Profit from operations	61.5	12.0	19.9	-	93.4
Finance expense					(0.9)
Finance income					0.8
Foreign exchange loss, net					-
Share of results of associated companies					(0.1)
Tax					(5.0)
Minority Interests					<u>0.8</u>
Net profit attributable to shareholders of the company					<u><u>89.0</u></u>
Depreciation	14.9	4.1	1.8	-	25.3
Other non-cash expenses	(0.1)	(0.5)	(0.1)	-	(0.7)

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
2004					
Segment revenue					
Sales to external customers	248.1	41.4	271.3	-	560.9
Intersegmental sales	20.8	-	-	(20.8)	-
	<u>269.0</u>	<u>41.4</u>	<u>271.3</u>	<u>(20.8)</u>	<u>560.9</u>
Profit from operations	59.6	8.4	26.6	-	94.5
Finance expense					(1.3)
Finance income					0.3
Foreign exchange loss, net					(1.5)
Share of results of associated companies					0.4
Tax					(3.1)
Minority Interests					(1.2)
					<u>88.1</u>
Net profit attributable to shareholders of the company					<u>88.1</u>
Depreciation	11.9	1.7	5.3	-	18.8
Other non-cash expenses	5.6	0.8	2.5	-	8.9

By Industries

	Segment Revenue			
	Q4-05 S\$m	Q4-04 S\$m	YTD Dec-05 S\$m	YTD Dec-04 S\$m
Telecommunications	121.4	92.5	311.4	315.4
Consumer Electronics & Electrical	63.9	36.3	262.5	200.5
Computing	14.2	15.0	59.1	45.0
	<u>199.5</u>	<u>143.8</u>	<u>633.0</u>	<u>560.9</u>

By Geographical Markets

	Segment Revenue			
	Q4-05 S\$m	Q4-04 S\$m	YTD Dec-05 S\$m	YTD Dec-04 S\$m
Asia				
PRC	79.8	67.9	243.8	290.3
Singapore	46.6	36.8	110.2	80.1
Malaysia	2.5	1.7	8.2	4.9
Others	3.3	1.3	11.7	4.9
	<u>132.2</u>	<u>107.7</u>	<u>373.9</u>	<u>380.2</u>
Europe	52.8	28.6	218.4	156.1
USA and other parts of the Americas	14.5	7.5	40.7	24.6
	<u>199.5</u>	<u>143.8</u>	<u>633.0</u>	<u>560.9</u>

12. 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.

13. A breakdown of the sales

	Group	
	2005	2004
	S\$'000	S\$'000
First half and second half year results		
Sales reported for first half year	273,203	262,147
Operating profit/(loss) after tax before deducting minority interest reported for first half year	42,133	38,900
Sales reported for second half year	359,751	298,784
Operating profit/(loss) after tax before deducting minority interest reported for second half year	45,995	50,364

14. A breakdown of the total annual dividend (in dollar) for the issuer's latest full year and its previous full year as follows:-

Total Annual Dividend

	2005 (S\$'000)	2004 (S\$'000)
Ordinary	7,096	3,548

BY ORDER OF THE BOARD

Lim Yueh Fen
Company Secretary

28 February 2006