

Financial Statement and Dividend Announcement for the year ended 31 December 2008

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 | | |
|--|------------------|------------------|------------------------------|-------------------------|-------------------------|------------------------------|
| | Q4-08 S\$'000 | Q4-07 S\$'000 | Increase/ (decrease) % | YTD Q4-08 S\$'000 | YTD Q4-07 S\$'000 | Increase/ (decrease) % |
| Revenue | 272,081 | 313,314 | (13.2) | 1,077,102 | 976,566 | 10.3 |
| Cost of sales | (216,797) | (262,943) | (17.5) | (879,688) | (846,416) | 3.9 |
| Gross profit | 55,284 | 50,371 | 9.8 | 197,414 | 130,150 | 51.7 |
| Operating expenses | | | | | | |
| Selling expenses | (3,127) | (2,332) | 34.1 | (11,716) | (8,401) | 39.5 |
| Administrative expenses | (19,900) | (18,308) | 8.7 | (65,886) | (62,464) | 5.5 |
| | (23,027) | (20,640) | 11.6 | (77,602) | (70,865) | 9.5 |
| Other operating (expenses)/ income | (8,532) | 4,075 | n.m. | (2,931) | 10,864 | n.m. |
| Profit from operations | 23,725 | 33,806 | (29.8) | 116,881 | 70,149 | 66.6 |
| Financial expenses | (142) | (1,062) | (86.6) | (1,323) | (1,806) | (26.7) |
| Financial income | 567 | 239 | 137.2 | 1,560 | 793 | 96.7 |
| Foreign exchange gain/ (loss) | 3,167 | (5,008) | n.m. | (4,834) | (10,035) | (51.8) |
| Profit before tax and share of results of associated companies | 27,317 | 27,975 | (2.4) | 112,284 | 59,101 | 90.0 |
| Share of results of associated companies | 41 | - | - | 100 | 67 | 49.3 |
| Profit before tax | 27,358 | 27,975 | (2.2) | 112,384 | 59,168 | 89.9 |
| Tax (expense)/ credit | (2,324) | 2,933 | n.m. | (10,156) | 284 | n.m. |
| Profit for the period /year | 25,034 | 30,908 | (19.0) | 102,228 | 59,452 | 72.0 |
| Attributable to: | | | | | | |
| Equity holders of parent company | 25,039 | 30,987 | (19.2) | 102,321 | 59,999 | 70.5 |
| Minority interest | (5) | (79) | (93.7) | (93) | (547) | (83.0) |
| | 25,034 | 30,908 | (19.0) | 102,228 | 59,452 | 72.0 |

n.m. – Not Meaningful

Other notes:

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

| | Q4-08 | Q4-07 | YTD | YTD |
|--|----------------|----------------|----------------|----------------|
| | S\$'000 | S\$'000 | Q4-08 | Q4-07 |
| | | | S\$'000 | S\$'000 |
| 1. Depreciation of property, plant and equipment | 11,707 | 11,658 | 44,526 | 40,491 |
| 2. Allowance for/ (written back of) doubtful trade debts | 753 | (53) | 663 | 1,538 |
| 3. Bad debt written off | - | 1,090 | 410 | 1,090 |
| 4. Allowance for /(written back of) inventory obsolescence | 6,098 | (4,520) | 10,104 | 3,284 |
| 5. Inventories written off/ (written back) | 486 | (338) | 1,351 | 2,475 |
| 6. Directors' remuneration | 943 | 1,131 | 3,530 | 3,027 |
| 7. Directors' fees | 99 | 106 | 284 | 422 |
| 8. Operating lease expense | 5,217 | 4,238 | 20,662 | 19,598 |
| 9. Staff costs * | 47,348 | 47,247 | 178,597 | 156,339 |
| 10. Loss on disposal of property, plant and equipment | 265 | 70 | 295 | 36 |
| 11. Impairment of property, plant and equipment | 9,232 | 959 | 14,109 | 959 |
| 12. Property, plant and equipment written off | 677 | 508 | 862 | 508 |
| 13. Provision for onerous contracts | 3,813 | - | 3,813 | - |

* 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 | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31/12/2008 S\$'000 | 31/12/2007 S\$'000 | 31/12/2008 S\$'000 | 31/12/2007 S\$'000 |
| Property, plant and equipment | 282,544 | 291,075 | 21,515 | 24,741 |
| Investment in subsidiaries | - | - | 193,119 | 195,913 |
| Investment in associated companies | 2,616 | 2,815 | 1,478 | 1,478 |
| Amounts due from subsidiaries | - | - | - | 11,879 |
| Other investment | 12 | 12 | 12 | 12 |
| Deferred tax asset | 4,381 | 1,868 | - | - |
| Current assets | | | | |
| Inventories | 114,560 | 135,858 | 3,676 | 6,159 |
| Trade receivables | 202,872 | 253,823 | 8,683 | 10,906 |
| Notes receivable | 22 | 2,394 | - | - |
| Other receivables, deposits and prepayments | 44,088 | 35,054 | 714 | 957 |
| Amounts due from subsidiaries | - | - | 71,885 | 63,861 |
| Due from related parties (trade) | 827 | 306 | - | - |
| Derivatives | 1,197 | - | 1,160 | - |
| Cash and cash equivalents | 131,566 | 46,764 | 23,938 | 4,402 |
| | 495,132 | 474,199 | 110,056 | 86,285 |
| Current liabilities | | | | |
| Trade payables | 152,384 | 205,814 | 6,966 | 6,929 |
| Other payables and accruals | 62,008 | 69,579 | 9,865 | 6,448 |
| Amounts due to subsidiaries | - | - | 44,311 | 47,678 |
| Amounts due to minority shareholders of subsidiaries | 12 | 23 | - | - |
| Lease obligations, current portion | 543 | 547 | 55 | 55 |
| Interest-bearing loans and borrowings | - | 27,588 | - | 20,849 |
| Provision for income tax | 5,880 | 2,480 | 357 | 357 |
| Derivatives | 21 | - | - | - |
| | 220,848 | 306,031 | 61,554 | 82,316 |
| Net current assets | 274,284 | 168,168 | 48,502 | 3,969 |
| Non-current liabilities | | | | |
| Lease obligations, non-current portion | 5,136 | 6,185 | 25 | 68 |
| Deferred tax liability | 51 | 708 | - | 874 |
| | 558,650 | 457,045 | 264,601 | 237,050 |
| Equity | | | | |
| Share capital | 119,725 | 119,725 | 119,725 | 119,725 |
| Other reserves | 39,879 | 19,462 | 2,869 | 2,838 |
| Accumulated profits | 397,736 | 316,532 | 142,007 | 114,487 |
| | 557,340 | 455,719 | 264,601 | 237,050 |
| Minority interest | 1,310 | 1,326 | - | - |
| | 558,650 | 457,045 | 264,601 | 237,050 |

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

Amount repayable within one year or less, or on demand

| As at 31/12/2008 | | As at 31/12/2007 | |
|--------------------|----------------------|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| 543 | - | 547 | 27,588 |

Amount repayable after one year

| As at 31/12/2008 | | As at 31/12/2007 | |
|--------------------|----------------------|--------------------|----------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| 5,136 | - | 6,185 | - |

Lease obligations were secured against the respective leased assets.

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

| | Q4-08 | Q4-07 | YTD | YTD |
|--|----------------|----------------|----------------|----------------|
| | S\$'000 | S\$'000 | Q4-08 | Q4-07 |
| | | | S\$'000 | S\$'000 |
| Cash flows from operating activities | | | | |
| Profit before tax and share of results of associated companies | 27,317 | 27,975 | 112,284 | 59,101 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 11,707 | 11,658 | 44,526 | 40,491 |
| Loss on disposal of property, plant and equipment | 265 | 70 | 295 | 36 |
| Property, plant and equipment written off | 677 | 508 | 862 | 508 |
| Impairment of property, plant and equipment | 9,232 | 959 | 14,109 | 959 |
| Bad debts written off | - | 1,090 | 410 | 1,090 |
| Allowance for/ (written back of) doubtful trade debts | 753 | (53) | 663 | 1,538 |
| Allowance for/ (written back of) inventory obsolescence | 6,098 | (4,520) | 10,104 | 3,284 |
| Inventory written off/ (written back) | 486 | (338) | 1,351 | 2,475 |
| Provision for onerous contracts | 3,813 | - | 3,813 | - |
| Interest income | (567) | (239) | (1,560) | (793) |
| Interest expense | 142 | 1,062 | 1,323 | 1,806 |
| Translation difference | (8,473) | 951 | 2,313 | 4,852 |
| Derivatives | (1,257) | - | (1,176) | - |
| Equity compensation expenses | - | (8) | 31 | 266 |
| Operating profit before working capital changes | 50,193 | 39,115 | 189,348 | 115,613 |
| Decrease / (Increase) in: | | | | |
| Inventories | 9,619 | 29,952 | 8,799 | (26,202) |
| Trade receivables | (10,051) | (64,947) | 49,721 | (49,423) |
| Notes receivable | 4,073 | (976) | 2,373 | (1,722) |
| Other receivables, deposits and prepayments | 7,271 | 5,856 | (9,033) | (12,301) |
| (Decrease) / increase in: | | | | |
| Trade payables | (9,464) | (1,365) | (53,430) | 37,119 |
| Other payables and accruals | (5,243) | 5,514 | (12,481) | 8,527 |
| Due from/to related parties (trade), net | 5 | 120 | (534) | (3,732) |
| Cash generated from operations | 46,403 | 13,269 | 174,763 | 67,879 |
| Income taxes (paid)/ refund | (2,526) | 56 | (9,928) | (2,318) |
| Net cash generated from operating activities | 43,877 | 13,325 | 164,835 | 65,561 |

| | Q4-08 | Q4-07 | YTD | YTD |
|--|-----------------------|----------------------|-----------------------|----------------------|
| | S\$'000 | S\$'000 | Q4-08 | Q4-07 |
| | | | S\$'000 | S\$'000 |
| Cash flows from investing activities | | | | |
| Acquisition of a subsidiary, net of cash acquired | - | - | - | (209) |
| Purchase of property, plant and equipment (Note) | (17,348) | (19,414) | (43,108) | (49,496) |
| Proceeds from disposal of property, plant and equipment | 1,338 | 1,850 | 3,889 | 2,230 |
| Dividends received from an associated company | - | - | 300 | - |
| Interest income received | 567 | 239 | 1,560 | 793 |
| Net cash used in investing activities | <u>(15,443)</u> | <u>(17,325)</u> | <u>(37,359)</u> | <u>(46,682)</u> |
| Cash flows from financing activities | | | | |
| (Payment of)/Proceeds from loans and borrowings | (5,692) | (3,176) | (27,588) | 2,377 |
| Repayment of lease obligations | (143) | (22) | (545) | (78) |
| Dividends paid | - | - | (13,308) | (5,820) |
| Interest expense paid | (142) | (1,062) | (1,323) | (1,806) |
| Net cash used in financing activities | <u>(5,977)</u> | <u>(4,260)</u> | <u>(42,764)</u> | <u>(5,327)</u> |
| Net increase/ (decrease) in cash and cash equivalents | 22,457 | (8,260) | 84,712 | 13,552 |
| Cash and cash equivalents at beginning of period | 109,109 | 55,024 | 46,764 | 33,244 |
| Effect of exchange rate changes on opening cash and cash equivalents | - | - | 90 | (32) |
| Cash and cash equivalents at end of period | <u>131,566</u> | <u>46,764</u> | <u>131,566</u> | <u>46,764</u> |

Note

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Current period additions to property, plant and equipment | 18,984 | 22,098 | 44,861 | 59,287 |
| Less : - | | | | |
| Payable to creditors (Net) | (2,195) | (5,450) | (12,362) | (31,408) |
| | <u>16,789</u> | <u>16,648</u> | <u>32,499</u> | <u>27,879</u> |
| Payments for prior period purchase of property, plant and equipment | 559 | 2,766 | 10,609 | 21,617 |
| | <u>17,348</u> | <u>19,414</u> | <u>43,108</u> | <u>49,496</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 2008

| | Share capital | 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 |
| Balance at 1 January 2008 | 119,725 | 2,912 | 28,694 | (12,144) | 316,532 | 1,326 | 457,045 |
| Currency translation differences | - | - | - | (1,817) | - | (10) | (1,827) |
| Profit for the period | - | - | - | - | 24,679 | (41) | 24,638 |
| Equity compensation expense | - | 31 | - | - | - | - | 31 |
| Increase in reserve | - | - | 47 | - | (47) | - | - |
| Balance at 31 March 2008 | 119,725 | 2,943 | 28,741 | (13,961) | 341,164 | 1,275 | 479,887 |
| Currency translation differences | - | - | - | 2,976 | - | 11 | 2,987 |
| Profit for the period | - | - | - | - | 27,076 | (10) | 27,066 |
| Increase in reserve | - | - | 1,603 | - | (1,603) | - | - |
| Final dividend paid | - | - | - | - | (13,308) | - | (13,308) |
| Balance at 30 June 2008 | 119,725 | 2,943 | 30,344 | (10,985) | 353,329 | 1,276 | 496,632 |
| Currency translation differences | - | - | - | 20,720 | - | 65 | 20,785 |
| Profit for the period | - | - | - | - | 25,527 | (37) | 25,490 |
| Increase in reserve | - | - | 6 | - | (6) | - | - |
| Balance at 30 September 2008 | 119,725 | 2,943 | 30,350 | 9,735 | 378,850 | 1,304 | 542,907 |
| Currency translation differences | - | - | - | (9,302) | - | 11 | (9,291) |
| Profit for the period | - | - | - | - | 25,039 | (5) | 25,034 |
| Increase in reserve | - | - | 6,153 | - | (6,153) | - | - |
| Balance at 31 December 2008 | 119,725 | 2,943 | 36,503 | 433 | 397,736 | 1,310 | 558,650 |

(ii) Consolidated statement of changes in equity for the 12 months ended 31 December 2007

| | Share capital 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 2007 | 119,725 | 2,646 | 21,286 | (17,187) | 269,777 | 2,493 | 398,740 |
| Currency translation differences | - | - | - | (2,276) | - | - | (2,276) |
| Acquisition of subsidiary | - | - | - | - | - | (636) | (636) |
| Profit for the period | - | - | - | - | 15,072 | (276) | 14,796 |
| Equity compensation expense | - | (33) | - | - | - | - | (33) |
| Increase in reserve | - | - | 339 | 66 | (405) | - | - |
| Balance at 31 March 2007 | 119,725 | 2,613 | 21,625 | (19,397) | 284,444 | 1,581 | 410,591 |
| Currency translation differences | - | - | - | 10,038 | (10) | 38 | 10,066 |
| Profit for the period | - | - | - | - | 13,472 | (53) | 13,419 |
| Equity compensation expense | - | 259 | - | - | - | - | 259 |
| Increase in reserve | - | - | 2,081 | - | (2,081) | - | - |
| Final dividend paid | - | - | - | - | (5,820) | - | (5,820) |
| Balance at 30 June 2007 | 119,725 | 2,872 | 23,706 | (9,359) | 290,005 | 1,566 | 428,515 |
| Currency translation differences | - | - | - | (5,245) | 35 | (21) | (5,231) |
| Profit for the period | - | - | - | - | 468 | (139) | 329 |
| Equity compensation expense | - | 48 | - | - | - | - | 48 |
| Balance at 30 September 2007 | 119,725 | 2,920 | 23,706 | (14,604) | 290,508 | 1,406 | 423,661 |
| Currency translation differences | - | - | - | 2,460 | 25 | (1) | 2,484 |
| Profit for the period | - | - | - | - | 30,987 | (79) | 30,908 |
| Equity compensation expense | - | (8) | - | - | - | - | (8) |
| Increase in reserve | - | - | 4,988 | - | (4,988) | - | - |
| Balance at 31 December 2007 | 119,725 | 2,912 | 28,694 | (12,144) | 316,532 | 1,326 | 457,045 |

(iii) Statement of changes in equity of the company for the 12 months ended 31 December 2008

| | Share capital | Capital reserve | Accumulated profits | Total |
|------------------------------|----------------------|------------------------|----------------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 January 2008 | 119,725 | 2,838 | 114,487 | 237,050 |
| Loss for the period | - | - | (343) | (343) |
| Equity compensation expense | - | 31 | - | 31 |
| Balance at 31 March 2008 | 119,725 | 2,869 | 114,144 | 236,738 |
| Loss for the period | - | - | (2,736) | (2,736) |
| Final dividend paid | - | - | (13,308) | (13,308) |
| Balance at 30 June 2008 | 119,725 | 2,869 | 98,100 | 220,694 |
| Profit for the period | - | - | 37,279 | 37,279 |
| Balance at 30 September 2008 | 119,725 | 2,869 | 135,379 | 257,973 |
| Profit for the period | - | - | 6,628 | 6,628 |
| Balance at 31 December 2008 | 119,725 | 2,869 | 142,007 | 264,601 |

(iv) Statement of changes in equity of the company for the 12 months ended 31 December 2007

| | Share capital | Capital reserve | Accumulated profits | Total |
|------------------------------|----------------------|------------------------|----------------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 January 2007 | 119,725 | 2,572 | 26,731 | 149,028 |
| Loss for the period | - | - | (1,012) | (1,012) |
| Equity compensation expense | - | (33) | - | (33) |
| Balance at 31 March 2007 | 119,725 | 2,539 | 25,719 | 147,983 |
| Profit for the period | - | - | 74,171 | 74,171 |
| Equity compensation expense | - | 259 | - | 259 |
| Final dividend paid | - | - | (5,820) | (5,820) |
| Balance at 30 June 2007 | 119,725 | 2,798 | 94,070 | 216,593 |
| Profit for the period | - | - | 26,824 | 26,824 |
| Equity compensation expense | - | 48 | - | 48 |
| Balance at 30 September 2007 | 119,725 | 2,846 | 120,894 | 243,465 |
| Loss for the period | - | - | (6,407) | (6,407) |
| Equity compensation expense | - | (8) | - | (8) |
| Balance at 31 December 2007 | 119,725 | 2,838 | 114,487 | 237,050 |

- 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.**

During the financial year ended 31 December 2008, there has been no increase in the issued and paid-up share capital of the Company.

- 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 ordinary shares excluding treasury shares as at 31 December 2008 was 887,175,000 (2007: 887,175,000).

- 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.**

The Company has no treasury shares.

- 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 annual 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 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.**

Not applicable.

- 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:-**

- (a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

| | Q4-08 | Q4-07 | YTD Q4-08 | YTD Q4-07 |
|---|--------------|--------------|----------------------|----------------------|
| Operating profit after exceptional items and tax before deducting minority interests as a percentage of revenue | 9.2% | 9.9% | 9.5% | 6.1% |
| Operating profit after tax attributable to members of the company as a percentage of issued capital and reserves at the end of the period | 4.5% | 6.8% | 18.4% | 13.2% |
| Earnings per ordinary share | | | | |
| (a) Based on weighted average number of ordinary shares in issue (cents) | 2.82 | 3.49 | 11.53 | 6.76 |
| (b) On a fully diluted basis (cents)* | 2.82 | 3.49 | 11.53 | 6.76 |

*It is not meaningful to calculate the diluted EPS as the stock option exercise prices are above the current market price.

Earnings per share have been computed based on the share capital of 887,175,000 ordinary shares.

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 2,659,000 options exercisable as at 31 December 2008.

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 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2008 | 31/12/2007 | 31/12/2008 | 31/12/2007 |
| | Cents | Cents | Cents | Cents |
| Net Asset Value per Ordinary Share based on issued share capital at the end of the period | 62.82 | 51.37 | 29.83 | 26.72 |

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.**

Overall Results

FY2008 revenue increased by 10.3% to S\$1,077.1 million compared to FY2007. Revenue growth during the year was largely driven by Wireless Telecommunication (WL) Strategic Business Unit (SBU), where sales increased 29.2%. The Consumer Electronics (CE) SBU, affected by the global economic slowdown, experienced a 14.6% slowdown in sales. Net profit growth outpaced revenue growth and grew 70.5% to S\$102.3 million.

For the quarter ended 31 Dec 2008, revenue decreased 13.2% year-on-year (yoy) to S\$272.1 million while net profit followed suit and dipped 19.2% to S\$25.0 million. On a quarter-on-quarter basis (qoq), revenue in 4Q2008 increased 7.3% to S\$272.1 million compared to the previous in 3Q2008. Net profit was marginally decreased by S\$0.5 million to S\$25.0 million in 4Q2008.

Revenue Analysis

By Strategic Business Unit :

FY2008

Revenue from the Group's WL SBU increased by 29.2% yoy to S\$717.1 million. WL accounted for 66.6% of the Group's total revenue, up from 56.8% in FY2007.

Revenue from the CE SBU decreased by 14.6% yoy to S\$360.0 million due to the global economic slowdown. CE accounted for 33.4% of the Group revenue, down from 43.2% in FY2007.

4Q2008

Revenue from the Group's WL SBU increased slightly by 1.3% yoy but increased by 17.8% qoq to S\$198.7 million. In 4Q2008, the WL SBU accounted for 73.0% of the Group's total revenue, compared to 66.5% in 3Q2008 and 62.6% in 4Q2007.

Revenue from the CE SBU decreased by 13.6% qoq and 37.4% yoy to S\$73.4 million. In 4Q2008, the CE SBU accounted for 27.0% of the Group's total revenue, compared to 33.5% in 3Q2008 and 37.4% in 4Q2007.

Profitability Analysis

FY2008

Gross profit increased sharply by 51.7% to S\$197.4 million outpacing the Group's revenue growth. This increased the Group's gross margin to 18.3% compared to 13.3% in the FY2007. This increase was attributable to the improved financial result of some of the loss-making subsidiaries, better cost control and more diversified customer base.

The Group's operating expenses increased in line with the Group's revenue growth, increasing 9.5% to S\$77.6 million. The Group had a S\$2.9 million of other operating expenses in FY2008, as opposed to the other operating income of S\$10.9 million in FY2007. The difference is mainly due to the impairment provision of S\$14.1 million worth of property, plant and equipment. This is a non-cash expense.

As a result of the operating expenses growing slower than the Group's gross profit, operating profit rose 66.6% to S\$116.9 million in FY2008. Consequently operating margin improved from 7.2% in FY2007 to 10.9% in FY2008.

Pre-tax profits increased 89.9% in FY2008 to S\$112.4 million. For FY2008, however, the Group had to pay a 9.0% tax amounting to S\$10.2 million due to a tax holiday expiring in China. This is opposed to a tax credit of S\$0.3 million that was enjoyed in FY2007. Consequently net profit increased 70.5% to S\$102.3 million for FY2008.

4Q2008

Gross profit increased 9.8% yoy and 28.8% qoq to S\$55.3 million. The Group's gross margins increased to 20.3% in 4Q2008 in comparison to 16.9% in 3Q2008 and 16.1% in 4Q2007.

Operating expenses for 4Q2008 increased 11.6% yoy to S\$23.0 million, in line with revenue growth. When compared qoq, operating expenses grew 22.4%. The underlying reason is a one-off provision of S\$3.8 million for onerous lease contracts.

The Group recorded S\$8.5 million of other operating expenses for 4Q2008 as opposed to other operating income of S\$4.1 million in 4Q2007 and S\$3.9 million in 3Q2008. This is due to the impairment provision of S\$9.2 million worth of property, plant and equipment during 4Q2008, which is a non-cash expense.

Cashflow Analysis

Net cash generated from operating activities before working capital changes was S\$189.3 million in FY2008 as opposed to S\$115.6 million in FY2007. Net cash used in working capital in FY2008 amounted to S\$14.6 million as opposed to S\$47.7 million in FY2007. This improvement in working capital came about mainly by a decrease in inventories and receivables. Consequently this resulted in net cash generated from operating activities improving from S\$65.6 million in FY2007 to S\$164.8 million in FY2008.

Net cash used in investing activities was S\$37.4 million in FY2008 and significantly lower than S\$46.7 million in FY2007. This was mainly due to lower capital expenditure in FY2008. Net cash used in financing activities was S\$42.8 million in FY2008. This was mainly due to repayment of loans amounting to S\$27.6 million and the payment of S\$13.3 million of dividends.

Balance Sheet Analysis

The Group further improved its financial position with a strong cash position of S\$131.6 million and low gearing.

As at 31 December 2008, cash and cash equivalents improved from S\$46.8 million to S\$131.6 million. Gross debt was S\$5.7 million, resulting in a net cash position of S\$125.9 million. Gross gearing improved further to a low of 1.0% in FY2008 from 7.5% in FY2007.

Cash Cycle Analysis

| Days | Q4 FY2008 | Q3 FY2008 | Q4 FY2007 |
|------------------------------|-----------|-----------|-----------|
| Average Receivables Turnover | 65 | 70 | 72 |
| Average Inventory Turnover | 51 | 53 | 56 |
| Average Payables Turnover | 63 | 71 | 70 |
| Cash Cycle* | 53 | 52 | 58 |

- $Cash\ Cycle = Avg\ Receivables\ Turnover + Avg\ Inventory\ Turnover - Avg\ Payables\ Turnover$

The Group's cash cycle increased by 1 day to 53 days in 4Q2008 and improved by 5 days in comparison to 4Q2007. Quarter-on-quarter average receivable days decreased by 5 days, while average inventory days decreased by 2 days. Average payable days shortened by 8 days.

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

In the Group's 3Q2008 results announcement made on 4 November 2008, the Group guided for a lower revenue and profit for 4Q2008 in comparison to 4Q2007. The Group also guided that they expect moderately lower revenue and profit for 2H2008 in comparison to 1H2008.

The actual result was in line with our guidance.

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.

The Group expects lower revenue for Q1-2009 compared to Q1-2008 mainly due to the general economic slowdown. However, the Group aims to maintain similar profitability through better cost control.

The Group would also like to highlight that profitability outlook for FY2009 remains challenging but positive, notwithstanding the dynamic external environment due to the global economic slowdown.

11. Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

| | | |
|----------------------|---|---|
| Name of Dividend | : | First and Final Dividend |
| Dividend Type | : | Cash |
| Dividend Rate | : | 2.2 cents per ordinary share |
| Tax rate | : | Exempt from tax (One-tier corporate tax system) |
| Total amount payable | : | \$19.518 million |

(b) Corresponding Period of the Immediately Preceding Financial Year

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

| | | |
|----------------------|---|---|
| Name of Dividend | : | First and Final Dividend |
| Dividend Type | : | Cash |
| Dividend Rate | : | 1.5 cents per ordinary share |
| Tax rate | : | Exempt from tax (One-tier corporate tax system) |
| Total amount payable | : | \$13.308 million |

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable.

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.**

By Activities

| | PPIM | MDF | Assembly | Eliminations | Consolidated |
|---|----------------|----------------|-----------------|---------------------|-----------------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 2008 December YTD | | | | | |
| Segment Revenue | | | | | |
| Sales to external customers | 494,112 | 40,468 | 542,522 | - | 1,077,102 |
| Intersegmental sales | 47,724 | - | - | (47,724) | - |
| | <u>541,836</u> | <u>40,468</u> | <u>542,522</u> | <u>(47,724)</u> | <u>1,077,102</u> |
| Profit from operations | 72,545 | 3,743 | 40,593 | - | 116,881 |
| Finance expense | | | | | (1,323) |
| Finance income | | | | | 1,560 |
| Foreign exchange loss, net | | | | | (4,834) |
| Share of results of associated companies | | | | | <u>100</u> |
| Profit before tax | | | | | 112,384 |
| Tax expense | | | | | <u>(10,156)</u> |
| Profit for the year | | | | | <u><u>102,228</u></u> |
| Depreciation of property, plant and equipment | 23,286 | 5,776 | 15,464 | | 44,526 |
| Other non-cash expenses | 19,434 | 1,196 | 10,977 | | 31,607 |

Segmental revenue by Activities, Industries and Geographical Markets

By Activities

| | PPIM | MDF | Assembly | Eliminations | Consolidated |
|---|----------------|----------------|-----------------|---------------------|----------------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 2007 December YTD | | | | | |
| Segment Revenue | | | | | |
| Sales to external customers | 384,269 | 60,548 | 531,749 | - | 976,566 |
| Intersegmental sales | 31,902 | - | - | (31,902) | - |
| | <u>416,171</u> | <u>60,548</u> | <u>531,749</u> | <u>(31,902)</u> | <u>976,566</u> |
| Profit from operations | 34,210 | 8,119 | 27,820 | - | 70,149 |
| Finance expense | | | | | (1,806) |
| Finance income | | | | | 793 |
| Foreign exchange loss, net | | | | | (10,035) |
| Share of results of associated companies | | | | | <u>67</u> |
| Profit before tax | | | | | 59,168 |
| Tax credit | | | | | <u>284</u> |
| Profit for the year | | | | | <u><u>59,452</u></u> |
| Depreciation of property, plant and equipment | 17,384 | 7,049 | 16,058 | | 40,491 |
| Other non-cash expenses | 3,781 | 694 | 2,941 | | 7,416 |

By Industries

| | Segment Revenue | | | |
|----------------------------------|------------------------|----------------|------------------|----------------|
| | Q4-08 | Q4-07 | YTD | YTD |
| | S\$'000 | S\$'000 | Dec-08 | Dec-07 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Wireless Telecommunications | 198,693 | 196,068 | 717,061 | 555,089 |
| Consumer Electronics & Computing | 73,388 | 117,246 | 360,041 | 421,477 |
| | <u>272,081</u> | <u>313,314</u> | <u>1,077,102</u> | <u>976,566</u> |

By Geographical Markets

| | Segment Revenue | | | |
|-------------------------------------|------------------------|----------------|------------------|----------------|
| | Q4-08 | Q4-07 | YTD | YTD |
| | S\$'000 | S\$'000 | Dec-08 | Dec-07 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Asia | | | | |
| PRC | 51,745 | 90,299 | 265,771 | 307,142 |
| Singapore | 4,227 | 8,736 | 16,636 | 34,724 |
| Malaysia | 6,316 | 5,497 | 27,800 | 11,945 |
| Others | 6,216 | 7,964 | 24,278 | 23,963 |
| | <u>68,504</u> | <u>112,496</u> | <u>334,485</u> | <u>377,774</u> |
| Europe | 59,237 | 94,688 | 278,711 | 299,484 |
| USA and other parts of the Americas | 144,340 | 106,130 | 463,906 | 299,308 |
| | <u>272,081</u> | <u>313,314</u> | <u>1,077,102</u> | <u>976,566</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.

15. A breakdown of the sales as follows:-

| | 2008 S\$'000 Group | 2007 S\$'000 Group | % Increase/ Decrease Group |
|--|--------------------------|--------------------------|----------------------------------|
| (a) Sales reported for first half year | 551,493 | 400,908 | 38% |
| (b) Operating profit after tax before deducting minority interests reported for first half year | 51,703 | 28,216 | 83% |
| (c) Sales reported for second half year | 525,609 | 575,658 | -9% |
| (d) Operating profit after tax before deducting minority interests reported for second half year | 50,525 | 31,236 | 62% |

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

Total Annual Final Dividend

| | 2008 (S\$'000) | 2007 (S\$'000) |
|----------|----------------|----------------|
| Ordinary | 19,518 | 13,308 |

17. Aggregate value of interested persons transactions entered into during the quarter ended 31 December 2008

| Name of interested person | Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under the shareholders mandate pursuant to rule 920) | Aggregate value of all interested person transactions conducted under the shareholders mandate pursuant to rule 920 (excluding transactions less than \$100,000) |
|---|--|--|
| Transaction for Purchases of Goods and Services Molex International Inc | - | - |

BY ORDER OF THE BOARD

Tan Ping Ping

Company Secretary