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**Financial Updates for the three months ended 31 March 2005**

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The Company will like to provide an update of selected financial information which includes the Consolidated Income Statement for the three months ended 31 March 2005 (Unaudited) and Consolidated Balance Sheet as at 31 March 2005 (Unaudited).

The Consolidated Income Statement for the three months ended 31 March 2005 and Consolidated Balance sheet as at 31 March 2005 have been prepared with the same accounting policies and methods of computation as the most recent audited annual financial statements as at 31 December 2004.

**(a) Turnover**

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

<b>Business segments</b>	<b>Three months ended 31 March 2005</b>	<b>Three months ended 31 March 2004</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Semiconductors/ Components Distribution	55.9	76.2	(20.3)	(27)
Consumer Digital Appliances and Other Businesses	0.3	0.9	(0.6)	(67)
<b>Total</b>	56.2	77.1	(20.9)	(27)

For the three months ended 31 March 2005, the Group recorded a turnover of S\$56.2 million, a reduction of 27% as compared with S\$77.1 million in the previous corresponding period.

Turnover for the semiconductors/components distribution business for the three months ended 31 March 2005 was S\$55.9 million, a decrease of 27% when compared against the previous corresponding period. The reduction in turnover was mainly due to the re-scheduling of orders by customers of a subsidiary. The Group's consumer digital appliances and other businesses registered a 67% reduction in turnover, from \$0.9 million to \$0.3 million. This was largely due to weak demand for consumer digital appliances, mainly in the United States of America.

**(b) (Loss)/Profitability**

**Group's (Loss)/Profit attributable to Shareholders (S\$'million)**

<b>Business segments</b>	<b>Three months ended 31 March 2005</b>	<b>Three months ended 31 March 2004</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Semiconductors/ Components Distribution	(2.0)	2.0	(4.0)	(200)
Investment in an associated company (Semiconductors/ Components Distribution)	0.5	1.6	(1.1)	(69)
Consumer Digital Appliances and Other Businesses	(0.9)	(1.8)	0.9	50
<b>Total</b>	<b>(2.4)</b>	<b>1.8</b>	<b>(4.2)</b>	<b>(233)</b>

For the three months ended 31 March 2005, the Group posted a net loss of S\$2.4 million as compared to a profit of S\$1.8 million for the same period the previous year. The semiconductors/ components distribution business posted a net loss of S\$2.0 million, against a net profit of S\$2.0 million in the previous corresponding period. This was largely contributed by lower income achieved due to lower sales and lower commission-based businesses.

The Group's interest in Wintech Microelectronics Co., Ltd (Taiwan) ("Wintech"), an associated company of the Group was 20.73% as at 31 March 2005 as compared to 21.19% as at 31 March 2004. The Group's share of Wintech's profit was reduced to S\$0.5 million for the three months ended 31 March 2005 from S\$1.6 million for the same period the previous year.

The consumer digital appliances and other businesses posted a loss attributable to shareholders of S\$0.9 million for the three months ended 31 March 2005 as compared to a loss of S\$1.8 million for the same period the previous year. This was largely due to conscientious efforts in reducing operating costs and a lower provision for inventories as compared to the same period the previous year.

### **(Loss)/Earnings per Ordinary Share**

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

On a fully diluted basis

The Group	
31/03/2005	31/03/2004
<b>(0.79) cents</b>	0.58 cents
<b>(0.79) cents</b>	0.57 cents

### **Net Assets Value per Ordinary Share**

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

The Group		The Company	
31/03/2005	31/12/2004	31/03/2005	31/12/2004
<b>26.32 cents</b>	26.13 cents	<b>27.40 cents</b>	26.52 cents

## Consolidated Income Statement (Unaudited)

For the three months ended 31 March 2005

	The Group		
	31/03/2005	31/03/2004	
	S\$'000	S\$'000	
Sales	56,157	77,138	-27%
Cost of sales	(50,202)	(69,145)	-27%
<b>Gross profit</b>	<b>5,955</b>	<b>7,993</b>	<b>-26%</b>
Other operating income	1,187	2,022	-41%
Distribution costs	(4,420)	(4,303)	3%
Administrative expenses	(1,271)	(1,109)	15%
Other operating expenses	(3,874)	(3,345)	16%
<b>(Loss)/profit from operations</b>	<b>(2,423)</b>	<b>1,258</b>	<b>-293%</b>
Finance income	36	58	-38%
Finance costs	(487)	(224)	117%
Share of profit of an associated company before income tax	421	1,821	-77%
<b>(Loss)/profit before income tax</b>	<b>(2,453)</b>	<b>2,913</b>	<b>-184%</b>
Income tax expense	45	(913)	-105%
<b>(Loss)/profit from ordinary activities after income tax</b>	<b>(2,408)</b>	<b>2,000</b>	<b>-220%</b>
Minority interests	-	(232)	NM*
<b>Net loss</b>	<b>(2,408)</b>	<b>1,768</b>	<b>-236%</b>

\*NM - Not meaningful

## Consolidated Balance Sheet (Unaudited)

**As at 31 March 2005**

	The Group	
	31/03/2005	31/12/2004
	S\$'000	S\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	23,342	9,160
Trade and other receivables	39,699	37,389
Inventories	36,415	36,230
Other current assets	528	377
	<u>99,984</u>	<u>83,156</u>
<b>Non-current assets</b>		
Other investments	1,554	1,022
Investment in an associated company	34,721	34,430
Property, plant and equipment	19,282	19,553
Intangible assets	12,567	12,755
Other assets	3,837	1,424
Deferred income tax assets	128	329
	<u>72,089</u>	<u>69,513</u>
<b>Total Assets</b>	<u>172,073</u>	<u>152,669</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	32,780	29,669
Provision for income tax liabilities	1,063	1,299
Borrowings <sup>1</sup>	29,837	35,414
	<u>63,680</u>	<u>66,382</u>
<b>Non-current liabilities</b>		
Borrowings <sup>1</sup>	26,595	5,193
Provision for other liabilities and charges	766	675
Deferred income tax liabilities	1,047	1,047
	<u>28,408</u>	<u>6,915</u>
<b>Total Liabilities</b>	<u>92,088</u>	<u>73,297</u>
<b>Net Assets</b>	<u>79,985</u>	<u>79,372</u>
<b>EQUITY</b>		
Share capital	30,388	30,378
Share premium	49,109	49,105
Capital reserve	3,290	308
Foreign currency translation reserve	(3,138)	(2,963)
Accumulated losses	(3,812)	(1,404)
<b>Total shareholders' equity</b>	<u>75,837</u>	<u>75,424</u>
<b>Minority interests</b>	<u>4,148</u>	<u>3,948</u>
	<u>79,985</u>	<u>79,372</u>

<sup>1</sup>Borrowings(in Current and Non-current liabilities) include a Transferable Loan Facility amounting to S\$25 million.(31 Dec 2004 : NIL)

Submitted by Mr Derek Goh Bak Heng, Executive Chairman/ Group CEO on 09/05/2005 to the SGX