

**3rd Quarter Financial Statement And Dividend Announcement for the Period Ended 30/09/2005**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	3 months ended			9 months ended		
	30.09.05 \$'000	30.09.04 \$'000	+/(-)%	30.09.05 \$'000	30.09.04 \$'000	+/(-)%
Turnover	759	1,122	(32.4)	2,236	3,737	(40.2)
Cost of sales	(309)	(121)	155.4	(754)	(797)	(5.4)
<b>Gross profit</b>	<b>450</b>	<b>1,001</b>	<b>(55.0)</b>	<b>1,482</b>	<b>2,940</b>	<b>(49.6)</b>
Other operating income	4	2	100.0	16	44	(63.6)
Distribution and selling expenses	(37)	(49)	(24.5)	(105)	(133)	(21.1)
Administrative expenses	(454)	(626)	(27.5)	(1,456)	(1,993)	(26.9)
Other operating expenses	(86)	(27)	218.5	(200)	(505)	(60.4)
<b>(Loss)/profit from operating activities</b>	<b>(123)</b>	<b>301</b>	<b>(140.9)</b>	<b>(263)</b>	<b>353</b>	<b>(174.5)</b>
Financial Income	3	1	200.0	3	5	(40.0)
Financial expenses	(3)	0	n.m	(4)	(2)	100.0
<b>(Loss)/profit after financial items before taxation</b>	<b>(123)</b>	<b>302</b>	<b>(140.7)</b>	<b>(264)</b>	<b>356</b>	<b>(174.2)</b>
Taxation	(1)	1	n.m	(1)	(2)	n.m
<b>(Loss)/profit after taxation and attributable to shareholders</b>	<b>(124)</b>	<b>303</b>	<b>(140.9)</b>	<b>(265)</b>	<b>354</b>	<b>(174.9)</b>
Earning per share (in cents) – basic	(0.08)	0.18		(0.16)	0.22	
Earning per share (in cents) – fully diluted	(0.08)	0.18		(0.16)	0.22	

n.m. = not meaningful

**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	
	30.09.05 \$'000	31.12.04 \$'000	30.09.05 \$'000	31.12.04 \$'000
Share Capital	8,245	8,228	8,245	8,228
Share Premium	2,034	2,037	2,034	2,037
Capital Reserve	177	114	177	114
Accumulated Losses	(5,711)	(5,759)	(6,030)	(5,877)
Translation Reserve	(140)	(307)	0	0
<b>Shareholders' Funds</b>	<b>4,605</b>	<b>4,313</b>	<b>4,426</b>	<b>4,502</b>
Fixed Assets	153	157	0	0
Development Costs (Note 1)	588	235	0	0
Intellectual property	202	265	0	0
Investments in Subsidiaries	0	0	4,576	4,576
Goodwill on consolidation, net (Note 2)	1,294	980	0	0
Goodwill on acquisition, net (Note 2)	745	717	0	0
Cash at Bank	25	147	1	102
Fixed deposits	320	47	0	0
Trade receivables	2,239	2,103	12	0
Inventories & Work in progress	401	348	38	171
Other receivables	108	164	17	30
Amount due from Related Party	6	6	0	0
Amount due from Subsidiary	0	0	72	98
Amount due from Associates	264	274	0	0
Current Assets	3,363	3,089	140	401
Trade payables	147	347	14	182
Bank overdraft	577	35	0	0
Other creditors and accruals	1,016	747	258	276
Amount due to Subsidiary	0	0	18	17
Taxation	0	1	0	0
Current Liabilities	1,740	1,130	290	475
Net current assets/(liabilities)	1,623	1,959	(150)	(74)
<b>Net Assets</b>	<b>4,605</b>	<b>4,313</b>	<b>4,426</b>	<b>4,502</b>

**Notes:**

- Development costs relate to costs incurred in developing our Internet Banking software application (iBankStar™) as well as E-Learning software application (LearningStar™).
- The increase in goodwill is the result of the adoption of FRS 103. There was no amortisation of goodwill for the quarter ended 30 June 2005 and the balance of negative goodwill amounting to \$313,240 was adjusted to the opening balance of accumulated losses as at 1 January 2005.

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

Amount repayable in one year or less, or on demand				Amount repayable after one year			
As at 30/09/05		As at 31/12/04		As at 30/09/05		As at 31/12/04	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
\$577,000	0	\$35,000	0	0	0	0	0

**Details of any collateral**

The bank overdraft was secured by a fixed deposit of RM714,975 placed by a subsidiary.

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

	3 months ended (\$'000)		9 months ended (\$'000)	
	30/09/05	30/09/04	30/09/05	30/09/04
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>				
(Loss)/profit before taxation	(123)	302	(264)	355
Adjustments to reconcile loss before taxation to net cash provided by operating activities:				
Depreciation of fixed assets	27	57	83	216
Amortisation of intangible assets	20	28	74	84
Amortisation of goodwill	0	26	0	80
Disposal of fixed assets	0	(23)	0	(23)
Share option expenses	(41)	0	63	0
Interest expense	3	0	4	2
Interest income	(3)	(1)	(3)	(4)
Translation differences	39	(29)	122	20
<b>Operating (loss)/profit before changes in working capital</b>	<b>(78)</b>	<b>360</b>	<b>79</b>	<b>730</b>
Decrease/(increase) in trade receivables	103	350	(137)	(203)
(Increase)/decrease in inventories and work-in-progress	(146)	290	(53)	(25)
Decrease/(increase) in other current assets	19	(3)	56	(8)
Decrease/(increase) in amount due from associated companies	23	5	11	(14)
(Decrease) / increase in trade payables	(161)	(478)	(200)	187
Increase/(decrease) in other current liabilities	146	(69)	269	52
<b>Cash (used in)/generated from operating activities</b>	<b>(94)</b>	<b>455</b>	<b>25</b>	<b>345</b>
Interest paid	(3)	0	(4)	(2)
Income tax (paid)/refund	0	0	(2)	0
<b>Net cash (used in)/generated from operating activities</b>	<b>(97)</b>	<b>455</b>	<b>19</b>	<b>343</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(73)	(2)	(74)	(59)
Proceeds from disposal of fixed assets	0	26	0	38
Purchase of IP	0	(300)	0	(300)
Interest received	3	1	3	5
Development costs incurred	(101)	0	(353)	0
<b>Net cash (used in)/generated from investing activities</b>	<b>(171)</b>	<b>(275)</b>	<b>(424)</b>	<b>(316)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net proceeds from issue of new shares	9	0	17	141
Expenses incurred in relation to issue of shares	(3)	0	(3)	(12)
<b>Net cash generated from financing activities</b>	<b>6</b>	<b>0</b>	<b>14</b>	<b>129</b>
Net (decrease)/increase in cash & cash equivalent	(262)	181	(391)	156
Cash & cash equivalents at beginning of the quarter/period	30	68	159	93
<b>Cash and cash equivalents at end of the quarter/period</b>	<b>(232)</b>	<b>249</b>	<b>(232)</b>	<b>249</b>

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

	Issued Capital	Share Premium	Capital Reserve	(Accumulated Losses)	Translation Reserve	Total
<b>Group</b>	<b>\$'000</b>					
<b>Balance at 1 January 2004</b>	7,059	2,049	0	(4,756)	(196)	4,156
Issue of 20,385,000 new shares of \$0.05 each to acquire a subsidiary	1,019	0	0	0	0	1,019
Expense incurred in relation to new shares issued	0	(11)	0	0	0	(11)
Net loss during the period	0	0	0	(555)	0	(555)
Exchange difference during the period	0	0	0	0	(34)	(34)
<b>Balance at 31 March 2004</b>	<b>8,078</b>	<b>2,038</b>	<b>0</b>	<b>(5,311)</b>	<b>(230)</b>	<b>4,575</b>
Issue of 2,827,000 new shares of \$0.05 each for ESOS	141	0	0	0	0	141
Expense incurred in relation to new shares issued	0	(1)	0	0	0	(1)
Net profit during the period	0	0	0	605	0	605
Exchange difference during the period	0	0	0	0	94	94
<b>Balance at 30 June 2004</b>	<b>8,219</b>	<b>2,037</b>	<b>0</b>	<b>(4,706)</b>	<b>(136)</b>	<b>5,414</b>
Net profit during the period	0	0	0	303	0	303
Exchange difference during the period	0	0	0	0	(56)	(56)
<b>Balance at 30 September 2004</b>	<b>8,219</b>	<b>2,037</b>	<b>0</b>	<b>(4,403)</b>	<b>(192)</b>	<b>5,661</b>
Issue of 174,000 new shares of \$0.05 each for ESOS	9	0	0	0	0	9
Net loss during the period	0	0	0	(1,242)	0	(1,242)
Exchange difference during the period	0	0	0	0	(115)	(115)
<b>Balance at 31 December 2004</b>	<b>8,228</b>	<b>2,037</b>	<b>0</b>	<b>(5,645)</b>	<b>(307)</b>	<b>4,313</b>
Adjustment on Share Option Expenses (FRS 102)	0	0	114	(114)	0	0
<b>Balance at 1 January 2005 (Restated)</b>	<b>8,228</b>	<b>2,037</b>	<b>114</b>	<b>(5,759)</b>	<b>(307)</b>	<b>4,313</b>
Adjustment on Negative Goodwill (FRS 103)	0	0	0	313	0	313
<b>Balance at 1 January 2005 (Adjusted)</b>	<b>8,228</b>	<b>2,037</b>	<b>114</b>	<b>(5,446)</b>	<b>(307)</b>	<b>4,626</b>
Issue of 93,000 new shares of \$0.05 each for ESOS	5	0	0	0	0	5
Net loss during the period	0	0	0	(190)	0	(190)
Capital reserve for the period (FRS 102)	0	0	57			57
Exchange difference during the period	0	0	0	0	37	37
<b>Balance at 31 March 2005</b>	<b>8,233</b>	<b>2,037</b>	<b>171</b>	<b>(5,636)</b>	<b>(270)</b>	<b>4,535</b>
Issue of 63,000 new shares of \$0.05 each for ESOS	3	0	0	0	0	3
Net profit during the period	0	0	0	49	0	49
Capital reserve for the period (FRS 102)	0	0	47			47
Exchange difference during the period	0	0	0	0	82	82
<b>Balance at 30 June 2005</b>	<b>8,236</b>	<b>2,037</b>	<b>218</b>	<b>(5,587)</b>	<b>(188)</b>	<b>4,716</b>
Issue of 186,000 new shares of \$0.05 each for ESOS	9	0	0	0	0	9
Expense incurred in relation to new shares issued	0	(3)	0	0	0	(3)
Net loss during the period	0	0	0	(124)	0	(124)
Capital reserve for the period (FRS 102)	0	0	(41)			(41)
Exchange difference during the period	0	0	0	0	48	48
<b>Balance at 30 Sep 2005</b>	<b>8,245</b>	<b>2,034</b>	<b>177</b>	<b>(5,711)</b>	<b>(140)</b>	<b>4,605</b>

	Issued Capital	Share Premium	Capital Reserve	(Accumulated Losses)	Translation Reserve	Total
<b>Company</b>	<b>\$'000</b>					
<b>Balance at 1 January 2004</b>	7,059	2,049	0	(2,600)	0	6,508
Issue of 20,385,000 new shares of \$0.05 each to acquire a subsidiary	1,019	0	0	0	0	1,019
Expense incurred in relation to new shares issued	0	(11)	0	0	0	(11)
Net loss during the period	0	0	0	(33)	0	(33)
<b>Balance at 31 March 2004</b>	<b>8,078</b>	<b>2,038</b>	<b>0</b>	<b>(2,633)</b>	<b>0</b>	<b>7,483</b>
Issue of 2,827,000 new shares of \$0.05 each for ESOS	141	0	0	0	0	141
Expense incurred in relation to new shares issued	0	(1)	0	0	0	(1)
Net loss during the period	0	0	0	(92)	0	(92)
<b>Balance at 30 June 2004</b>	<b>8,219</b>	<b>2,037</b>	<b>0</b>	<b>(2,725)</b>	<b>0</b>	<b>7,531</b>
Net loss during the period	0	0	0	(76)	0	(76)
<b>Balance at 30 September 2004</b>	<b>8,219</b>	<b>2,037</b>	<b>0</b>	<b>(2,801)</b>	<b>0</b>	<b>7,455</b>
Issue of 174,000 new shares of \$0.05 each for ESOS	9	0	0	0	0	9
Net loss during the period	0	0	0	(2,962)	0	(2,962)
<b>Balance at 31 December 2004</b>	<b>8,228</b>	<b>2,037</b>	<b>0</b>	<b>(5,763)</b>	<b>0</b>	<b>4,502</b>
Adjustment on Share Option Expenses (FRS 102)	0	0	114	(114)	0	0
<b>Balance at 1 January 2005 (Restated)</b>	<b>8,228</b>	<b>2,037</b>	<b>114</b>	<b>(5,877)</b>	<b>0</b>	<b>4,502</b>
Issue of 93,000 new shares of \$0.05 each for ESOS	5	0	0	0	0	5
Net loss during the period	0	0	0	(76)	0	(76)
Capital reserve for the period (FRS 102)	0	0	57			57
<b>Balance at 31 March 2005</b>	<b>8,233</b>	<b>2,037</b>	<b>171</b>	<b>(5,953)</b>	<b>0</b>	<b>4,488</b>
Issue of 63,000 new shares of \$0.05 each for ESOS	3	0	0	0	0	3
Net loss during the period	0	0	0	(91)	0	(91)
Capital reserve for the period (FRS 102)	0	0	47			47
<b>Balance at 30 June 2005</b>	<b>8,236</b>	<b>2,037</b>	<b>218</b>	<b>(6,044)</b>	<b>0</b>	<b>4,447</b>
Issue of 186,000 new shares of \$0.05 each for ESOS	9	0	0	0	0	9
Expense incurred in relation to new shares issued	0	(3)	0	0	0	(3)
Net profit during the period	0	0	0	14	0	14
Capital reserve for the period (FRS 102)	0	0	(41)			(41)
<b>Balance at 30 Sep 2005</b>	<b>8,245</b>	<b>2,034</b>	<b>177</b>	<b>(6,030)</b>	<b>0</b>	<b>4,426</b>

**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 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.**

The Company offered 6,230,000 share options to the Group's directors and employees in May 2003 under the "Cyber Village Share Option Scheme" approved in May 2003. The Table below shows the movement of the share options as at 30 September 2005.

<b>ESOS I – Issued in May 2003</b>	<b>Options granted</b>	<b>Options lapsed</b>	<b>Options exercised</b>	<b>Outstanding options</b>	<b>Weighted average exercise prices</b>
Balance at 1 January 2005	6,230,000	(2,008,000)	(3,001,000)	1,221,000	\$0.05
Movement during the period	0	0	(93,000)	(93,000)	\$0.05
<b>Balance at 31 March 2005</b>	<b>6,230,000</b>	<b>(2,008,000)</b>	<b>(3,094,000)</b>	<b>1,128,000</b>	<b>\$0.05</b>
Movement during the period	0	0	(63,000)	(63,000)	\$0.05
<b>Balance at 30 June 2005</b>	<b>6,230,000</b>	<b>(2,008,000)</b>	<b>(3,157,000)</b>	<b>1,065,000</b>	<b>\$0.05</b>
Movement during the period	0	0	(186,000)	(186,000)	\$0.05
<b>Balance at 30 September 2005</b>	<b>6,230,000</b>	<b>(2,008,000)</b>	<b>(3,343,000)</b>	<b>879,000</b>	<b>\$0.05</b>

The Company offered 6,206,000 (3,103,000 market price options and 3,103,000 incentive options) share options to the Group's directors and employees in June 2004 under the "Cyber Village Share Option Scheme" approved in April 2004. The Table below shows the movement of the share options as at 30 September 2005.

<b>ESOS II – Issued in June 2004</b>	<b>Options granted</b>	<b>Options lapsed</b>	<b>Options exercised</b>	<b>Outstanding options</b>	<b>Weighted average exercise prices</b>
<b>Market Options</b>					
Balance at 1 January 2005	3,103,000	(501,500)		2,601,500	\$0.27
Movement during the period	0	(165,500)		(165,500)	\$0.27
<b>Balance at 31 March 2005</b>	<b>3,103,000</b>	<b>(667,000)</b>		<b>2,436,000</b>	<b>\$0.27</b>
Movement during the period	0	(974,500)		(974,500)	\$0.27
<b>Balance at 30 June 2005</b>	<b>3,103,000</b>	<b>(1,641,500)</b>		<b>1,461,500</b>	<b>\$0.27</b>
Movement during the period	0	(275,500)		(275,500)	\$0.27
<b>Balance at 30 September 2005</b>	<b>3,103,000</b>	<b>(1,917,000)</b>		<b>1,186,000</b>	<b>\$0.27</b>
<b>Incentive Options</b>					
Balance at 1 January 2005	3,103,000	(501,500)		2,601,500	\$0.23
Movement during the period	0	(165,500)		(165,500)	\$0.23
<b>Balance at 31 March 2005</b>	<b>3,103,000</b>	<b>(667,000)</b>		<b>2,436,000</b>	<b>\$0.23</b>
Movement during the period	0	(974,500)		(974,500)	\$0.23
<b>Balance at 30 June 2005</b>	<b>3,103,000</b>	<b>(1,641,500)</b>		<b>1,461,500</b>	<b>\$0.23</b>
Movement during the period	0	(275,500)		(275,500)	\$0.23
<b>Balance at 30 September 2005</b>	<b>3,103,000</b>	<b>(1,917,000)</b>		<b>1,186,000</b>	<b>\$0.23</b>

The Company offered a total of 12,436,000 share options to the Group's directors and employees as at 30 September 2005 under the "Cyber Village Share Option Scheme" approved in May 2003 and April 2004. The Table below shows the summary movement of the share options as at 30 September 2005. There are 3,251,000 share options outstanding as at 30 September 2005 (30 September 2004: 6,941,000).

<b>Total ESOS</b>	<b>Options granted</b>	<b>Options lapsed</b>	<b>Options exercised</b>	<b>Outstanding options</b>
Balance at 1 January 2005	12,436,000	(3,011,000)	(3,001,000)	6,424,000
Movement during the period	0	(331,000)	(93,000)	(424,000)
<b>Balance at 31 March 2005</b>	<b>12,436,000</b>	<b>(3,342,000)</b>	<b>(3,094,000)</b>	<b>6,000,000</b>
Movement during the period	0	(1,949,000)	(63,000)	(2,012,000)
<b>Balance at 30 June 2005</b>	<b>12,436,000</b>	<b>(5,291,000)</b>	<b>(3,157,000)</b>	<b>3,988,000</b>

Movement during the period	0	(551,000)	(186,000)	(737,000)
<b>Balance at 30 September 2005</b>	<b>12,436,000</b>	<b>(5,842,000)</b>	<b>(3,343,000)</b>	<b>3,251,000</b>

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

The figures have not been audited or reviewed by the 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.**

Except as disclosed in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the Group's most recently audited financial statements for the financial year ended 31 December 2004.

**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.**

The Group and the Company have adopted the following new / revised Singapore Financial Reporting Standards ("FRS") with effect from 1 January 2005 :-

**FRS 102: "Share-Based Payment"**

FRS 102 has resulted in a change in accounting policy for share-based payments which requires the Company and the Group to recognise an expense in the income statement. The total amount to be recognised is determined by reference to the fair value of the options at the date of grant and the number of options to be vested by the vesting date. Previously, the granting of options by the Company to its employees did not result in any charge in the income statement.

As a result of adopting FRS 102, the Company's and the Group's loss for FY2004 was increased by \$114,200. The impact towards the Company's and the Group's loss increased by \$57,100 for 3Q04 as the options were granted at the end of June 2004. The opening accumulated losses of the Company and the Group as at 1 January 2005 was restated upwards by \$114,200 and the capital reserve was credited by the same amount. Overall, there was no impact on the shareholders' funds as at 1 January 2005. The share option expense charged to the income statement of 3Q05 amounted to (\$41,000) due to over provision of the expense in the previous quarter.

**FRS 103: "Business Combinations"**

Revised FRS 36 : "Impairment of Assets"

Revised FRS 38 : "Intangible Assets"

FRS 103 requires goodwill acquired in a business combination to be measured at cost less any accumulated impairment losses. Goodwill shall no longer be amortised, instead, impairment is tested annually, or more frequently if events or changes in circumstances indicate that the goodwill might be impaired. Accordingly, the Group has discontinued amortising its positive goodwill and negative goodwill and has derecognised the carrying amount of negative goodwill of \$313,240 with a corresponding adjustment to the accumulated losses as at 1 January 2005.

Other new / revised FRSs

Apart from the above, the Company and the Group have adopted various other new / revised FRSs with effect from 1 January 2005. These FRSs do not have any material financial impact on the Company and the Group.

**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.**

	3 months ended		9 months ended	
	30/09/05	30/09/04	30/09/05	30/09/04
Earnings per ordinary share after deducting any provision for preference dividends based on weighted average number of ordinary shares in issue:				
(a) Basic (in cents)	(0.08)	0.18	(0.16)	0.22
(b) Fully diluted (in cents)	(0.08)	0.18	(0.16)	0.22

Earnings per share was calculated based on weighted average number of ordinary shares in issue: ('000)				
(a) Basic	164,873	164,392	164,734	158,651
(b) Fully diluted	164,873	165,653	164,734	160,984

**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:**

Net asset value per ordinary share based on existing issued share capital of 164,908,000 shares as at 30 September 2005 (31 December 2004: 164,566,000 shares) (in cents)	The Group		The Company	
	30/09/05	31/12/04	30/09/05	31/12/04
	2.79	2.62	2.68	2.74

**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.**

**Turnover**

The Group recorded a turnover of \$759,000 in the third quarter of the current financial year, FY2005 ("3Q05"). This represents a decrease of 32.4% from the third quarter of FY2004 ("3Q04"). The drop in revenue is largely due to lower billings for secured contracts carried forward from FY2004 as well as a weaker quarter in terms of new business.

This quarter's revenue also represents a reduction of 15.5%, or \$140,000 from the previous quarter, 2Q05.

**Costs of sales**

The cost of sales increased from \$121,000 in 3Q04 to \$309,000 this quarter. The increase is due to an increase in proportion of revenue derived from sale of third party software as part of the e-business projects.

This quarter's cost of sale also represents an increase of \$67,000 on the previous quarter, 2Q05. This larger than proportionate increase in cost of sales is expected to be a "one-off", due to the lumpy nature of such software sales.

**Gross Profit**

As a result, gross profit is reduced by \$551,000 from 3Q04 and \$657,000 from 2Q05, to \$450,000 in 3Q05.

**Loss after Tax**

For 3Q05, the Group recorded a loss of \$124,000 as compared to a profit of \$303,000 in 3Q04 and \$49,000 in 2Q05. This was due to the drop in gross profits but is mitigated by further reduction in administrative expenses.



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

In the prospect statement for our financial results announcement for 2Q05, we mentioned that we had yet to secure some of the sizeable contracts which the Group had been pursuing since last year. To date, some of these prospects have only issued their much-delayed official request for proposals (RFPs) and we are expecting these projects to be finalised only in the fourth quarter.

In addition, some of the projects secured with our Macau partner as announced in 6 Sep last year are finally expected to commence in the current or next quarter.

We highlighted that should the Group be successful in securing the contracts, as well as an increased contribution from a smooth progress in our Macau projects highlighted above, the Group will be able to achieve better results for 3Q05 and 4Q05 as compared to 2Q05.

Unfortunately, we did not succeed in one of our large project bids with a Malaysian financial institution. We are still awaiting the results of our other bids, which are only expected in the current quarter. Our projects in Macau have only commenced in a small scale in October, and hence its contribution is not yet recorded in this financial statement for the third quarter.

**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.**

Since the last quarter announcement, we have added approximately **\$0.7m** to our order books which will raise the total order books we have at hand for FY2005 to **\$6.2m**. As mentioned above, we are expecting the results of 2-3 of our more sizeable project tenders, particularly with Malaysian financial institutions to be concluded in the current quarter.

Should the Group be successful in securing the contracts, the Group will be able to achieve significantly better results for the 4Q05. However, should we fail to secure these projects or should there be a further delay in the award of these projects, and barring other unforeseen circumstances, then we are expecting the results of 4Q05 to be about the same as that of the past 2 quarters.

As per our announcement dated 8 June 2005, we signed an acquisition agreement to purchase the entire stake of Singalab International Pte Ltd ("SIPL"). We were initially expecting the acquisition to be concluded by the end of August 2005. However, the process has been delayed as we are in the midst of preparing the circular for approval by the shareholders and anticipate that it should be completed shortly. We are hopeful that the acquisition can be completed before the end of this year.

The Management will continue to be prudent with our cost and operation structure to ensure the continued sustainability and viability of the Group, as well as providing the foundation for improved profitability. In addition, our tighter credit policies as well as more selective clientele have largely ensured that we have been reasonably successful in collection with our current and new trade debtors.

**11. Dividend**

- (a) **Any dividend declared for the current financial period reported on?** None
- (b) **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 proposed to be paid for 3Q05 and no dividend was paid out for FY2004.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**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 immediately preceding year.**

Not applicable.

**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.**

Not applicable.

**15. A breakdown of sales.**

Not applicable.

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

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	0	0
Preference	0	0
Total:	0	0

**17. Interested Party Transactions**

The aggregate value of interested person transactions for 3Q05 amounted to less than \$100,000.

**BY ORDER OF THE BOARD**

Tony Pua Kiam Wee  
Chief Executive Officer  
04 November 2005