

Proforma Full Year Financial Statement And Dividend Announcement

Full-year financial statement on consolidated results for the period ended 28 February 2005

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF 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

FULL YEAR FINANCIAL STATEMENT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 28 FEBRUARY 2005

	Group		
	2005 S\$'000	2004 S\$'000	Increase/ (Decrease) %
Turnover	49,403	44,926	10
Cost of sales	(44,967)	(39,386)	14
Gross profit	4,436	5,540	(20)
Other revenue	1,206	1,520	(21)
Foreign exchange (loss)/ gain	(256)	15	N.M.
Distribution expenses	(3,115)	(3,844)	(19)
Administration expenses	(5,354)	(5,550)	(4)
Other operating expenses	(1,249)	(910)	37
Impairment in value of leasehold building	(3,000)	-	N.M.
Operating expenses	(12,718)	(10,304)	23
Loss from operating activities	(7,332)	(3,229)	127
Interest expenses	(2)	(2)	-
Loss before taxation	(7,334)	(3,231)	127
Taxation	142	(108)	N.M.
Loss after taxation	(7,192)	(3,338)	115
Minority interest	(78)	(52)	50
Loss for the financial year attributable to shareholders	(7,270)	(3,391)	114

Notes :

-Included in Cost of Sales is:

Allowance for stock obsolescence & stocks written off	122	47	160
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-Included in Other Revenue are:

Investment Income	97	128	(25)
Gain on sale of investments	19	50	(62)
Loss on disposal of plant & equipment	(3)	(3)	-

-Included in Operating Expenses are:

Depreciation and amortisation	(664)	(531)	25
Allowance for doubtful debts & bad debts written off	(285)	(210)	36
Write back/(off) of provision for impairment in value of investments	(23)	107	N.M.
Write off of investment	(214)	-	N.M.

-Included in taxation is:

Write back of over provision of tax in respect of prior years	142	-	N.M.
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N.M. denotes Not Meaningful

* Certain comparative figures have been reclassified to conform with current period's presentation.

1(b)(i) A balance sheet (for issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	28-Feb-05 S\$' 000	29-Feb-04 (audited) S\$' 000	28-Feb-05 S\$' 000	29-Feb-04 (audited) S\$' 000
ASSETS LESS LIABILITIES				
Non-current assets				
Property, plant & equipment	11,196	14,678	11,105	14,511
Investment in subsidiary companies	-	-	1,894	436
Other investments	274	274	274	274
	11,470	14,952	13,273	15,221
Current assets				
Short-term investments	2,081	859	2,024	734
Inventories (Note 1)	4,167	6,105	951	2,501
Trade debtors (Note 2)	6,589	5,851	246	473
Other debtors	1,590	1,541	833	921
Amounts due from subsidiary companies	-	-	3,891	8,115
Fixed deposits	5,418	8,587	5,342	8,512
Cash & bank balances	2,246	2,380	401	379
	22,091	25,323	13,688	21,635
Current Liabilities				
Trade creditors	5,163	4,822	1,405	1,866
Other creditors	1,348	1,227	489	640
Provision for warranty costs	151	259	87	259
Amounts due to subsidiary companies	-	-	59	316
Provision for taxation	-	6	-	-
Hire purchase creditors	9	9	-	-
	6,671	6,323	2,040	3,081
Net current assets	15,420	19,000	11,648	18,554
Non-current Liabilities				
Hire purchase creditors	16	25	-	-
	16	25	-	-
	26,874	33,927	24,921	33,775
EQUITY				
Share Capital	17,268	17,268	17,268	17,268
Reserves	9,433	16,553	7,653	16,507
Shareholders' Equity	26,701	33,821	24,921	33,775
Minority Interest	173	106	-	-
	26,874	33,927	24,921	33,775

Notes: 1. Decrease in inventories was due mainly to disposal of prior year's excess inventories.
2. Increase in trade debtors was due mainly to increase in sales in the last quarter of the year

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

(a) Amount repayable in one year or less, or on demand

As at 28/02/05 (S\$' 000)		As at 28/02/04 (S\$' 000)	
Secured	Unsecured	Secured	Unsecured
-	(9)	-	(9)

(b) Amount repayable after one year

As at 28/02/05 (S\$' 000)		As at 28/02/04 (S\$' 000)	
Secured	Unsecured	Secured	Unsecured
-	(16)	-	(25)

Details of any collateral

Not applicable

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

	Group	
	2005	2004
	S\$' 000	S\$' 000
Cash flows from operating activities :		
Loss before taxation	(7,334)	(3,231)
Adjustments for :-		
Depreciation of property, plant and equipment	664	714
Currency realignment	150	101
Loss on disposal of property, plant and equipment	3	3
Provision for impairment in value of other investments	-	1
Provision for impairment in Building	3,000	-
Write back of provision for impairment in value of other short-term investments	-	(107)
Provision for diminution in short term investments	6	-
Gain on disposal of other short-term investments	(35)	(53)
Write-off of other investments	214	-
Interest expenses	2	2
Interest income	(78)	(86)
Operating loss before reinvestment in working capital	(3,408)	(2,656)
(Increase) in trade and other debtors	(771)	(347)
Decrease/(Increase) in inventories	1,939	(2,059)
Increase in trade and other creditors	354	1,918
Cash used in operating activities	(1,886)	(3,144)
Interest paid	(2)	(2)
Taxation refund (paid)	120	(101)
Interest received	78	86
Net cash used in operating activities	(1,690)	(3,161)
Cash flows from investing activities :		
Proceeds from disposal of property, plant and equipment	0	3
Purchase of property, plant and equipment	(187)	(181)
Proceeds from disposal of property, plant and equipment	1	-
Proceeds from disposal of other short-term investments	408	539
Purchase of other short-term investments	(1,602)	(505)
Purchase of other investments	(214)	-
Net cash (used in)/generated from investing activities	(1,594)	(144)
Cash flows from financing activities :		
Proceeds from issue of shares	-	30
Repayment of hire purchase creditors	(9)	(9)
Dividend paid	(10)	(404)
Net cash used in financing activities	(19)	(383)
Net decrease in cash and cash equivalents	(3,303)	(3,688)
Cash and cash equivalents at beginning of financial year	10,967	14,655
Cash and cash equivalents at end of financial year	7,664	10,967

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

	Share Capital S\$' 000	Share Premium S\$' 000	Reserve on Consolidation S\$' 000	Foreign currency translation S\$' 000	Retained Earnings S\$' 000	Total share- holders' equity S\$' 000
Group						
Balance at 28 February 2003	17,245	17,202	115	(1,237)	4,163	37,488
Issue of shares during the financial year	23	7	-	-	-	30
Net gain and loss not recognised in profit & loss account:						
-Foreign currency translation adjustment	-	-	-	98	-	98
Dividends of 3% per ordinary share less tax for 28 February 2003 paid	-	-	-	-	(404)	(404)
Loss for the financial year	-	-	-	-	(3,391)	(3,391)
Balance at 29 February 2004	<u>17,268</u>	<u>17,209</u>	<u>115</u>	<u>(1,139)</u>	<u>368</u>	<u>33,821</u>
Net gain and loss not recognised in profit & loss account:						
-Foreign currency translation adjustment	-	-	-	150	-	150
Loss for the financial year	-	-	-	-	(7,270)	(7,270)
Balance at 28 February 2005	<u>17,268</u>	<u>17,209</u>	<u>115</u>	<u>(989)</u>	<u>(6,902)</u>	<u>26,701</u>
Company						
Balance at 28 February 2003	17,245	17,202	-	-	2,895	37,342
Issue of shares during the financial year	23	7	-	-	-	30
Dividends of 3% per ordinary share less tax for 28 February 2003 paid	-	-	-	-	(404)	(404)
Loss for the financial year	-	-	-	-	(3,193)	(3,193)
Balance at 29 February 2004	<u>17,268</u>	<u>17,209</u>	<u>-</u>	<u>-</u>	<u>(702)</u>	<u>33,775</u>
Loss for the financial year	-	-	-	-	(8,854)	(8,854)
Balance at 28 February 2005	<u>17,268</u>	<u>17,209</u>	<u>-</u>	<u>-</u>	<u>(9,556)</u>	<u>24,921</u>

1(d)(ii) Details of any changes in the company' s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of 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

As at 28 February 2005, there were unexercised options for 6,675,000 (FY2004 - 5,415,000) shares of \$0.10 each under the Employees' Share Option Scheme.

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

Figures have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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

Yes.

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 Earning per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	2005	2004
Loss per Ordinary Share for the year based on net (loss) attributable to shareholders:-		
(i) Based on weighted average number of ordinary shares on issue	(4.21) cents	(1.97) cents
(ii) On a fully diluted basis	(4.21) cents	(1.97) cents

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 period reported on and (b) immediately preceding financial year

	Group		Company	
	2005	2004	2005	2004
Net Asset Value per Ordinary Share based on issued share capital at the end of the year	15.46 cents	19.59 cents	14.43 cents	19.56 cents

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group' s business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Turnover

Group turnover increased by 10% to \$49.4 million as compared to \$44.9million in the previous financial year.

The increase in sales was due mainly to the increase in sales of Distribution (DIST) products of \$8.4million. This was partially offset by a decrease in sales of NETWORK products.

The increase in DIST revenue was attributed mainly to the new addition of high volume products in the second half of the financial year. Decline in sales revenue of NETWORK products resulted mainly from decline in selling prices while shipment volume remained the same.

Gross profit

Gross profit decreased 20% as compared to a 10% increase in turnover. The DIST business was able to maintain its gross profit because of strong growth in sales but gross profit for NETWORK declined as a result of lower margin and turnover.

Other revenue

Other revenue decreased 20% due mainly to lower profit from sale of investment in the current year. In addition there was an insurance claim of \$272,000 received in the previous year.

Foreign Exchange gain/ loss

The foreign exchange loss was due mainly to the weakening of US\$ against S\$ during the year.

Distribution expenses

Decrease in distribution expenses was attributed mainly to decrease in advertising and promotion expenses.

Other operating expenses

Other operating expenses increased due mainly to increase in property related expenses in the current year.

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

None.

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 immediately preceding year

	Network Products (LAN)		Distribution (DIST)		Eliminations		Consolidated	
	2005 \$' 000	2004 \$' 000	2005 \$' 000	2004 \$' 000	2005 \$' 000	2004 \$' 000	2005 \$' 000	2004 \$' 000
Segment revenue								
Sales to external customers	14,889	18,758	34,514	26,168	-	-	49,403	44,926
Intersegment sales	11	452	-	-	(11)	(452)	-	-
Total revenue	14,900	19,210	34,514	26,168	(11)	(452)	49,403	44,926
Segment result	(4,131)	(2,880)	(279)	(435)	-	-	(4,410)	(3,315)
Interest income							78	86
Interest expenses							(2)	(2)
Share of results of associated companies							-	-
Impairment in value of leasehold building							(3,000)	-
Loss before taxation							(7,334)	(3,231)
Taxation							142	(108)
Minority interest							(78)	(52)
Net loss for the financial year attributable to shareholders							(7,270)	(3,391)

14 In the review of performance, the factors leading to any material changes in contributions to turnover

Please refer to paragraph 8.

15 A breakdown of sales

	Group		
	Latest Year S\$' 000	Previous Year S\$' 000	Change %
Sales reported for first half year	23,652	20,717	14
Operating loss after tax before deducting minority interests reported for first half year	(1,889)	(2,229)	(16)
Sales reported for second half year	25,751	24,209	6
Operating (loss)/profit after tax before deducting minority interests reported for second half year	(5,303)	(1,110)	378

Loss for the second half year was higher than the first half year due mainly to the provision for impairment in value of the Company's leasehold building

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	-	-
Preference	-	-
Total	-	-

BY ORDER OF THE BOARD

Siau Kai Bing
Company Secretary
Date : 29 Apr 2005