



System Access Ltd

Company Registration no. 198304837E

**Full Year Financial Statement Announcement**

**PART 1-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.**

**Group Income Statement for the year ended 30 June 2006**

	Group		
	30-Jun-06	30-Jun-05 (Restated)	Increase/ (decrease)
	US\$'000	US\$'000	%
<b>Revenues</b>	21,255	23,808	(10.7)
Cost of revenues	(12,121)	(10,769)	12.6
<b>Gross profit</b>	9,134	13,039	(29.9)
Other operating income	466	175	166.3
Sales & marketing expenses	(3,296)	(2,880)	14.4
Research & development expenses	(3,635)	(2,627)	38.4
General & administrative expenses	(3,171)	(2,949)	7.5
Finance costs	(10)	(9)	11.1
Share of loss of associate	(392)	-	NM
<b>(Loss)/profit before taxation</b>	(904)	4,749	(119.0)
Taxation	(918)	(324)	183.3
<b>(Loss)/profit for the year and attributable to equity holders of the company</b>	(1,822)	4,425	(141.2)

**Notes:**

i) (Loss)/profit from operating activities is arrived at after charging/(crediting) the following:

	30-Jun-06	30-Jun-05	Increase/ (decrease)
	US\$'000	US\$'000	
Depreciation of property, plant and equipment	322	338	(4.7)
Foreign exchange (gain) / loss	(200)	277	NM
Amortisation of intangible assets	995	403	146.8

- ii) The measurement and presentation currency of the Company for current reporting period is US Dollars. (Please refer to paragraph 5 for details).
- iii) In prior years, we have included withholding taxes and distributor commission in our operating expenses. The directors are of the opinion that the withholding taxes and distributor commission are costs attributable to the generation of the revenue and have reclassified them from "operating expenses" to "cost of revenue" to better reflect the nature of the expenses in the financial statements presentation. The related comparative amounts of prior year have been restated to enhance the comparability with the current year's financial statements.

**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-Jun-06	30-Jun-05 (Restated)	30-Jun-06	30-Jun-05 (Restated)
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	406	321	101	126
Intangible assets	7,292	2,718	3,842	2,718
Investment in subsidiaries	-	-	4,099	464
Investment in associate	1,054	-	1,521	-
Deferred tax assets	150	1,060	-	841
<b>Current assets</b>				
Trade receivables	6,467	5,493	4,650	4,611
Prepayments	243	332	123	159
Deferred expenditure	61	-	61	-
Other receivables	6,438	6,185	4,947	5,390
Amounts due from subsidiaries	-	-	8,587	27,901
Cash and short term deposits	1,933	7,743	1,282	6,954
	15,142	19,753	19,650	45,015
<b>Current liabilities</b>				
Trade payables	671	670	449	324
Deferred revenue	1,309	548	705	382
Other payables	4,563	3,506	2,349	2,117
Amounts due to subsidiaries	-	-	9,537	29,703
Interest-bearing loan	566	-	566	-
Hire purchase creditor	26	5	-	-
Provision for income tax	482	661	-	-
	7,617	5,390	13,606	32,526
<b>Net current assets</b>	7,525	14,363	6,044	12,489
<b>Non-current liability</b>				
Hire purchase creditor	(10)	(52)	-	-
	16,417	18,410	15,607	16,638
<b>Equity</b>				
Share capital	14,764	9,432	14,764	9,432
Share premium	-	5,305	-	5,305
Accumulated profits	2,126	4,754	744	2,504
Share based compensation reserve	99	-	99	-
Exchange translation reserve	(572)	(1,081)	-	(603)
	16,417	18,410	15,607	16,638

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

**Amount repayable in one year or less, or on demand**

The short-term bank loan of US\$566K is unsecured, bears the interest rate of 7.16% per annum and is repayable three months from the balance sheet date.

**Amount repayable after one year**

Not applicable.

**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.**

	<b>Group</b>	
	<b>30-Jun-06</b>	<b>30-Jun-05</b>
	<b>US\$'000</b>	<b>(Restated)</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities :</b>		
(Loss)/profit before taxation	(904)	4,749
Adjustments for:-		
Amortisation of intangible assets	995	403
Write-off of intangible assets	-	380
Depreciation of property, plant and equipment	322	338
(Gain)/loss on disposal of property, plant and equipment	(3)	1
Interest income	(70)	(31)
Interest expense	10	7
Share of loss of associate	392	-
Share based compensation expense	99	-
Currency realignment	(256)	109
<b>Operating profit before working capital changes</b>	585	5,956
Increase in trade receivables	(565)	(1,717)
Decrease in prepayments	126	115
Increase in deferred expenditure	(61)	(646)
Decrease/(increase) in other receivables	4	(3,034)
Increase in trade payables	1	47
Increase/(decrease) in deferred revenue	584	(551)
(Decrease)/increase in other payables	(1,474)	1,076
<b>Cash flows (used in)/provided by operations</b>	(800)	1,246
Interest paid	(10)	(7)
Interest received	70	31
Tax paid	(187)	(263)
<b>Net cash flows (used in) /provided by operating activities</b>	(927)	1,007
<b>Cash flows from investing activities:</b>		
Investment in associate	(1,521)	-
Acquisition of subsidiary, net of cash acquired	(1,904)	-
Purchase of property, plant and equipment	(174)	(200)
Proceeds from disposal of property, plant and equipment	3	63
Payments on software development costs	(1,823)	(1,985)
<b>Net cash flows used in investing activities</b>	(5,419)	(2,122)

**Cash flows from financing activities:**

Transaction costs of issuance of ordinary shares	(9)	-
Proceeds from issuance of ordinary shares	-	5,893
Proceeds from short term bank loan	566	-
Repayments of hire purchase creditor	(21)	(10)
Decrease /(increase) in pledged short term deposits	748	(213)
<b>Net cash flows provided by financing activities</b>	<b>1,284</b>	<b>5,670</b>
Net (decrease)/increase in cash and cash equivalents	(5,062)	4,555
Cash and cash equivalents at beginning of year	6,756	2,201
<b>Cash and cash equivalents at end of year</b>	<b>1,694</b>	<b>6,756</b>

**Note 1: Cash and cash equivalents**

Cash and cash equivalents included in the consolidated statements of cash flows comprise the following balance sheet amounts:

	<b>30-Jun-06</b>	<b>30-Jun-05</b>
		<b>(Restated)</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Cash and bank balances	1,933	7,743
Less: Pledged short term deposits	(239)	(987)
	<b>1,694</b>	<b>6,756</b>

**Note 2: Acquisition of a subsidiary**

On 1 November 2005, the Company has acquired a 100% equity interest in Comex Genesys Berhad and its subsidiaries.

The fair value of the identifiable assets and liabilities as at the date of acquisition were: -

	<b>Recognised on acquisition</b>	<b>Carrying amount before combination</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Property, plant and equipment	163	163
Trade receivables	409	409
Prepayments	37	37
Other receivables	257	257
Cash and bank balances	665	665
	<b>1,531</b>	<b>1,531</b>
Other payables	1,405	1,405
Deferred revenue	177	177
	<b>1,582</b>	<b>1,582</b>
Net identifiable assets	(51)	(51)
Intangible assets at fair value	1,692	
Goodwill arising on acquisition	2,054	
Total purchase consideration	<b>3,695</b>	

The total cost of the acquisition was US\$3,694,754 and comprised costs directly attributable to the combination and deferred cash settlement.

<b>Costs of the acquisition:</b>	<b><u>US\$'000</u></b>
Costs directly attributable to the acquisition	2,569
Deferred cash settlement	<u>1,126</u>
Total cost of acquisition	<u>3,695</u>

<b>Cash outflow on acquisition:</b>	<b><u>US\$'000</u></b>
Cash paid	<u>(2,569)</u>
Net cash acquired with the subsidiary	665
Net cash outflow on acquisition	<u>(1,904)</u>

**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.**

Group	Attributable to the equity holders of the company						
	Share capital	Share premium	Accumulated profits	Share based compensation reserve	Exchange translation reserve	Total reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 30 June 2005 as previously reported	9,432	5,305	4,754	-	(1,081)	3,673	18,410
Effects of adopting FRS 21	64	(28)	(806)	-	771	(35)	1
At 1 July 2005 as restated	9,496	5,277	3,948	-	(310)	3,638	18,411
Translation of financial statements of foreign operations	-	-	-	-	(262)	(262)	(262)
Net loss recognised directly in equity	-	-	-	-	(262)	(262)	(262)
Loss for the year	-	-	(1,822)	-	-	(1,822)	(1,822)
Total recognised income and expenses for the year	-	-	(1,822)	-	-	(1,822)	(1,822)
Grant of equity-settled share options	-	-	-	99	-	99	99
Transfer of share premium to share capital	5,268	(5,268)	-	-	-	-	-
Share issue expenses in relation to prior year	-	(9)	-	-	-	-	(9)
<b>At 30 June 2006</b>	<b>14,764</b>	<b>-</b>	<b>2,126</b>	<b>99</b>	<b>(572)</b>	<b>1,653</b>	<b>16,417</b>
At 1 July 2004	7,960	1,945	329	-	-	329	10,234
Translation of financial statements of foreign operations	-	-	-	-	(1,081)	(1,081)	(1,081)
Net loss recognised directly in equity	-	-	-	-	(1,081)	(1,081)	(1,081)
Profit for the year	-	-	4,425	-	-	4,425	4,425
Total recognised income and expenses for the year	-	-	4,425	-	-	4,425	4,425
Issuance of ordinary shares	1,472	4,419	-	-	-	-	5,891
Share issue expenses	-	(1,059)	-	-	-	-	(1,059)
<b>At 30 June 2005</b>	<b>9,432</b>	<b>5,305</b>	<b>4,754</b>	<b>-</b>	<b>(1,081)</b>	<b>3,673</b>	<b>18,410</b>

Attributable to the equity holders of the company							
Share capital	Share premium	Accumulated profits	Share based compensation reserve	Exchange translation reserve	Total reserves	Total equity	
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
<b>Company</b>							
At 30 June 2005 as previously reported	9,432	5,305	2,504	-	(603)	1,901	16,638
Effects of adopting FRS 21	64	(28)	(638)	-	603	(35)	1
At 1 July 2005 as restated	9,496	5,277	1,866	-	-	1,866	16,639
Loss for the year	-	-	(1,122)	-	-	(1,122)	(1,122)
Total recognised income and expenses for the year	-	-	(1,122)	-	-	(1,122)	(1,122)
Grant of equity-settled share options	-	-	-	99	-	99	99
Transfer of share premium to share capital	5,268	(5,268)	-	-	-	-	-
Share issue expenses in relation to prior year	-	(9)	-	-	-	-	(9)
<b>At 30 June 2006</b>	<b>14,764</b>	<b>0</b>	<b>744</b>	<b>99</b>	<b>-</b>	<b>843</b>	<b>15,607</b>
At 1 July 2004	7,960	1,945	24	-	-	24	9,929
Effects of change in functional currency	-	-	-	-	(603)	(603)	(603)
Net loss recognised directly in equity	-	-	-	-	(603)	(603)	(603)
Profit for the year	-	-	2,480	-	-	2,480	2,480
Total recognised income and expenses for the year	-	-	2,480	-	-	2,480	2,480
Issuance of ordinary shares	1,472	4,419	-	-	-	-	5,891
Share issue expenses	-	(1,059)	-	-	-	-	(1,059)
<b>At 30 June 2005</b>	<b>9,432</b>	<b>5,305</b>	<b>2,504</b>	<b>-</b>	<b>(603)</b>	<b>1,901</b>	<b>16,638</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.**

On 30 January 2006, in accordance with the Companies (Amendment) Act 2005, the concepts of "par value" and "authorised capital" were abolished and on that date, the shares of the Company ceased to have a par value. In addition, the amount standing in the share premium reserve had become part of the Company's share capital.

### **System Access Share Option Plan**

In pursuant of the System Access Share Option Scheme, the Company granted 14.11 million of share options to key employees. The options will vest over a period of 3 years from the date of grant. The contractual life of the options is 10 years and there are no cash settlement alternatives.

**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).**

The figures have not been audited or reviewed by auditors.

**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.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements for the year ended 30 June 2005.

**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 changes.**

### **Adoption of FRS 21 (revised) - The Effects of Changes in Foreign Exchange Rates**

The Group and Company had adopted FRS 21 (revised) on 1 July 2005 and management has determined that the functional currency of the Group and Company is United States Dollars (USD) in the view that all new secured sales contracts and contracts under negotiations for financial year ended 30 June 2006 are denominated in USD and also an increasing percentage of operating expenses being denominated in USD. Accordingly, translation procedures were applied

prospectively from 1 July 2005. All items including share capital and reserves of the Company and Group as at 30 June 2005 are translated to USD, the new functional currency. For the purpose of presenting comparative figures (FY2005) in the current year, FY2005's asset and liabilities are translated at 30 June 2005's closing rate; profit and loss items are translated at FY2005's average rate and equity is translated at historical rate. The resulting exchange difference is recognised as a separate component of equity.

### **Adoption of FRS 39**

The Group and Company had adopted FRS 39 prospectively on 1 July 2005, which is mandatory for annual financial periods beginning on or after 1 January 2005. At that date, financial assets within the scope of FRS 39 were classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Financial assets that were classified as financial assets at fair value through profit or loss and available-for-sale financial assets were measured at fair value while loans and receivables and held-to-maturity investments were measured at amortised cost using the effective interest rate method. The change in accounting policy has no significant financial impact on the financial statements as at 30 June 2006 and 30 June 2005.

### **Adoption of FRS 102**

The main impact of FRS 102 on the Group and Company is the recognition of an expense and a corresponding entry to equity for share options granted to senior executives and general employees. As SAL only commenced granting share-based awards in the current year, the transitional provision of FRS 102 is not applicable to the Group and Company. The change in accounting policy resulted in the recognition of a liability for share option reserve of US\$99k at 30 June 2006 and an increase in the Group and Company's losses for the year by an equivalent amount.

### **Adoption of new/revised FRS**

The Group and Company adopted the new accounting policies of the following revised standards:

FRS 36 (revised), Impairment of Assets  
FRS 38 (revised), Intangible Assets  
FRS 103 (revised), Business Combinations

The Group and Company also adopted the following revised standards which did not result in any significant change in accounting policies:

FRS 1 (revised), Presentation of Financial Statements  
FRS 8 (revised), Accounting Policies, Changes in Accounting Estimates and Errors  
FRS 10 (revised), Events after the Balance Sheet Date  
FRS 16 (revised), Property, Plant and Equipment  
FRS 17 (revised), Leases  
FRS 24 (revised), Related Party Disclosures  
FRS 27 (revised), Consolidated and Separate Financial Statements  
FRS 28 (revised), Investments in Associates  
FRS 32 (revised), Financial Instruments. Presentation and Disclosure  
FRS 33 (revised), Earnings Per Share

**6. Earnings 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	
	30-Jun-06	30-Jun-05
Based on weighted average number of ordinary shares in issue (cents)	(0.57) cents	1.63 cents
On a fully diluted basis (cents)	(0.57) cents	1.63 cents

Earnings per share for the year ended 30 June 2006 and 2005 are computed based on weighted average share capital of shares 319,788,960 and 272,131,426 shares respectively.

**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	
	30-Jun-06	30-Jun-05	30-Jun-06	30-Jun-05
Net assets value per share (cents)	5.13 cents	5.76 cents	4.88 cents	5.20 cents

**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.**

## **REVIEW OF OUR OPERATING RESULTS**

### **Income Statement**

#### **Revenue**

Group's revenue fell 11% from US\$23.8 million in FY2005 to US\$21.3 million in FY2006. Decrease was attributable to lower Software Development, Licensing and Implementation Services revenue due to fewer new projects secured during the year. Software Development, Licensing and Implementation Services revenue dropped 53% to US\$9.5 million in FY2006. Decreased was partially offset by a 223% increase in Software Maintenance & Enhancement Services revenue to US\$11.8 million in FY2006 as the Group received more enhancement work orders from existing customers.

Boosted by contributions from recently acquired credit card and payment solutions business, System Access GeneSys Group ("GeneSys"), revenue from Asia Pacific region increased 15% to US\$7.0 million. Revenue from Europe and Middle East & Africa however declined 22% and 12% respectively due to lower Software Development, Licensing and Implementation Services contributions.

#### **Profitability**

Gross profit decreased 30% from US\$13.0 million in FY2005 to US\$9.1 million in FY2006 due to lower revenue and changes in revenue mixes with higher contributions from Software Maintenance & Enhancement Services and from Asia Pacific.

Higher cost of revenues and operating expenses were mainly attributable to consolidation of the expenses of GeneSys which was acquired during the year.

Other income increased as our Group received more marketing and product development grants from the government during the year.

Share of loss of associate company comprised start-up expenses incurred in Beijing and XiAn by the newly set up 44.7%-owned associate, Digital-China System Access Holdings Limited, which is a joint venture with Digital China, since July 2005.

The future income tax benefits of US\$0.9m as reported under deferred tax asset has now been written off as tax expenses as the tax losses may not be available to the Company if the offer that has been made by SunGard were to be accepted by the shareholders. .

Owing to the above, our Group incurred a net loss of US\$1.8 million in FY2006 compared with net profit of US\$4.4 million in FY2005.

The Group's Earnings before Interests, Tax, Depreciation and Amortisation ("EBITDA") and before the share of losses from Associate for FY06 is US\$0.8m compared to US\$5.5m for FY05.

## **Balance Sheet**

Intangible Assets increased from US\$2.7 million to US\$7.3 million due to goodwill and identifiable intangible assets arising from our acquisition of GeneSys, as well as increase in Software Development Costs, comprising mainly the development cost of eBusiness solution and certain country-specific functionalities and capabilities.

Trade and Other Debtors balance increased from US\$12.0 million to US\$13.2 million mainly due to government grant receivable, refund due from United Kingdom HM Revenue and Customs for deregistration of our Czech Republic Permanent Establishment, and an amount due from the previous associated companies of Genesys.

Cash and bank balances decreased from US\$7.7 million to US\$1.9 million mainly due to cash paid out for the investments in Digital-China System Access Holdings Limited and the acquisition of GeneSys, as well as the funding of our research and development costs.

Trade and Other Creditors balance increased from US\$4.7 million to US\$7.1 million. This was attributable to the remaining 30% purchase consideration payable to the previous shareholders of GeneSys, increase in deferred revenue arising from timing difference between revenue recognized and actual billings and a short term bank loan.

Shareholders' Equity decreased from US\$18.4 million to US\$16.4 million due primarily to the net losses recorded for FY2006.

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

On 24 July 2006, the Board has made a profit warning announcement for the financial year ended 30 June 2006 and the results reported in this full year financial statement announcement are in line with the profit warning announcement.

### **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.**

On 24 July 2006, the Company announced that it had received SunGard Asia Pacific Inc's ("Offeror") intention to make a conditional cash offer (the "Offer") to acquire all the issued ordinary shares ("Shares") of the Company at S\$0.36 per share. The Offer is conditional upon the conditions set out in the Offer Document dated 14 August 2006 under Appendix 2, including the conditions that the Offeror shall receive acceptances which will result in the Offeror having not less than 90% of the shares of System Access Limited as stated in paragraph 5 (page 8) of the Offer Document.

The Company shall be issuing a circular to shareholders shortly, in which the directors shall be making their recommendation to the shareholders in respect of the Offer on the basis of the advice and recommendations of the Independent Financial Advisor.

It is the intention of the Offeror to make the company its wholly owned subsidiary. The Offeror does not intend to preserve the listed status of the Company.

## **11. Dividend**

### **(a) Current Financial Year Reported On**

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

None.

### **(b) Corresponding Year of the Immediately Preceding Financial Year**

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

None.

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

No dividend has been proposed or declared for the financial year ended 30 June 2006.

**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.**

**a) Business Segments**

	Software development, licensing and implementation services (Restated)  US\$'000	Software maintenance and enhancement services (Restated)  US\$'000	Group (Restated)  US\$'000
<b>Year ended 30 June 2005</b>			
<b>Segment revenue</b>			
Sales to external customers	<u>20,160</u>	<u>3,648</u>	<u>23,808</u>
<b>Segment results</b>	<u>4,177</u>	<u>1,406</u>	5,583
Other operating income			175
Unallocated administrative costs			(1,000)
Finance costs			(9)
Profit before taxation			<u>4,749</u>
Taxation			(324)
Profit for the year			<u><u>4,425</u></u>

	<b>Software development, licensing and implementation services</b>	<b>Software maintenance and enhancement services</b>	<b>Group</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Year ended 30 June 2006</b>			
<b>Segment revenue</b>			
Sales to external customers	<u>9,466</u>	<u>11,789</u>	<u>21,255</u>
<b>Segment results</b>	<u>(5,400)</u>	<u>5,810</u>	410
Other operating income			466
Unallocated administrative costs			(1,378)
Finance costs			(10)
Share of loss of associate			(392)
Loss before taxation			<u>(904)</u>
Taxation			(918)
Loss for the year			<u><u>(1,822)</u></u>

#### **b) Geographical Segments**

<b>Segment Revenue</b>	<b>Europe</b>	<b>Asia Pacific</b>	<b>Middle East and Africa</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Year ended 30 June 2005	13,279	6,086	4,443	23,808
Year ended 30 June 2006	<u>10,339</u>	<u>7,019</u>	<u>3,897</u>	<u>21,255</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 our comments in paragraph 8 above.

**15. A breakdown of sales as follows:**

	<b>30-Jun-06</b>	<b>30-Jun-05</b>	<b>% increase/(decrease)</b>
	<b>US\$'000</b>	<b>(Restated)</b>	
	<b>Group</b>	<b>US\$'000</b>	<b>\$'000</b>
		<b>Group</b>	<b>Group</b>
(a) Sales reported for first half year	10,299	10,274	0.2%
(b) Operating profit after tax before deducting minority interests reported for first half year	719	1,408	(48.9%)
(c) Sales reported for second half year	10,956	13,534	(19.0%)
(d) Operating (loss)/profit after tax before deducting minority interests reported for second half year	(2,541)	3,017	(184.2%)

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

Not applicable.

**BY ORDER OF THE BOARD**

Company Secretary  
22 August 2006