

**GES INTERNATIONAL LIMITED (Company Registration No: 198601427R)**  
**Unaudited Full Year Financial Statement And Dividend Announcement for the Year Ended 30/06/2006**

**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.**

	Group S\$'000 FY2006 4th Qtr	Group S\$'000 FY2005 4th Qtr	+ / (-) %	Group S\$'000 FY2006 Full year	Group S\$'000 FY2005 Full Year	+ / (-) %
	1 Apr 2006 to 30 Jun 2006	1 Apr 2005 to 30 Jun 2005 Restated		1 Jul 2005 to 30 Jun 2006	1 Jul 2004 to 30 Jun 2005 Restated	
Turnover	194,354	167,420	16%	691,966	624,311	11%
Cost of sales	(165,678)	(145,467)	14%	(590,640)	(536,991)	10%
<b>Gross profit</b>	<b>28,676</b>	<b>21,953</b>	<b>31%</b>	<b>101,326</b>	<b>87,320</b>	<b>16%</b>
<b>Other income</b>	<b>490</b>	<b>1,602</b>	<b>-69%</b>	<b>1,005</b>	<b>1,885</b>	<b>-47%</b>
Distribution and selling expenses	(1,038)	(1,462)	-29%	(8,505)	(8,377)	2%
Administrative and other operating expenses	(9,492)	(8,278)	15%	(35,011)	(32,223)	9%
<b>Operating expenses</b>	<b>(10,530)</b>	<b>(9,740)</b>	<b>8%</b>	<b>(43,516)</b>	<b>(40,600)</b>	<b>7%</b>
<b>Profit from operations</b>	<b>18,636</b>	<b>13,815</b>	<b>35%</b>	<b>58,815</b>	<b>48,605</b>	<b>21%</b>
Financial income/(expenses), net	367	1,029	-64%	3,023	1,302	132%
<b>Profit from operations before share of results of joint venture</b>	<b>19,003</b>	<b>14,844</b>	<b>28%</b>	<b>61,838</b>	<b>49,907</b>	<b>24%</b>
Share of results of joint venture company	(1)	(3)	-66%	(2)	(3)	-33%
<b>Profit before taxation</b>	<b>19,002</b>	<b>14,841</b>	<b>28%</b>	<b>61,836</b>	<b>49,904</b>	<b>24%</b>
Taxation	(658)	(1,374)	-52%	(3,653)	(5,225)	-30%
<b>Profit after taxation</b>	<b>18,344</b>	<b>13,467</b>	<b>36%</b>	<b>58,183</b>	<b>44,679</b>	<b>30%</b>
Minority interests	-	(1)	n.m	-	1	n.m.
<b>Net profit attributable to shareholders</b>	<b>18,344</b>	<b>13,466</b>	<b>36%</b>	<b>58,183</b>	<b>44,680</b>	<b>30%</b>
<b>Attributable to:</b>						
<b>Shareholders of the company</b>	<b>18,344</b>	<b>13,467</b>	<b>36%</b>	<b>58,183</b>	<b>44,679</b>	<b>30%</b>
<b>Minority interests</b>	<b>-</b>	<b>(1)</b>	<b>n.m</b>	<b>-</b>	<b>1</b>	<b>n.m.</b>

<b>Group</b> <b>S\$'000</b> <b>FY2006</b> <b>4th Qtr</b>	<b>Group</b> <b>S\$'000</b> <b>FY2005</b> <b>4th Qtr</b>	<b>+ /(-)</b> <b>%</b>	<b>Group</b> <b>S\$'000</b> <b>FY2006</b> <b>Full Year</b>	<b>Group</b> <b>S\$'000</b> <b>FY2005</b> <b>Full Year</b>	<b>+ /(-)</b> <b>%</b>
<b>1 Apr 2006 to</b>	<b>1 Apr 2005 to</b>		<b>1 Jul 2005 to</b>	<b>1 Jul 2004 to</b>	
<b>30 Jun 2006</b>	<b>30 Jun 2005</b> <b>Restated</b>		<b>30 Jun 2006</b>	<b>30 Jun 2005</b> <b>Restated</b>	

**I) Profit before taxation is determined after crediting/(charging) the following :**

(a) Interest on borrowings	<b>(281)</b>	(208)	<b>35%</b>	<b>(914)</b>	(584)	<b>57%</b>
(b) Depreciation and amortisation	<b>(2,391)</b>	(2,335)	<b>2%</b>	<b>(10,422)</b>	(9,243)	<b>13%</b>
(c) Writeback of/(Allowance for) doubtful debts net of bad debts written off	<b>357</b>	(155)	<b>n.m.</b>	<b>495</b>	(150)	<b>n.m.</b>
(d) Writeback of/(Provision for stocks obsolescence)	<b>74</b>	115	<b>-35%</b>	<b>(293)</b>	(409)	<b>-28%</b>
(e) Foreign exchange gain/(loss)	<b>(262)</b>	498	<b>n.m.</b>	<b>373</b>	721	<b>-48%</b>
(f) Gain/(Loss) on disposal /write off of fixed assets	<b>(165)</b>	210	<b>n.m.</b>	<b>(93)</b>	166	<b>n.m.</b>

**n.m. - not meaningful**

**II) During the year ended 30 Jun 2006, there was an adjustment for overprovision of tax in respect of prior years of S\$0.6m (30 Jun 2005:S\$0.4m).**

**III) The comparatives for FY2005 had been restated to take into account retrospective adjustments relating to the changes in accounting policies as disclosed in item 5 of this announcement.**

**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 S\$'000 30-Jun-06	Group S\$'000 30-Jun-05 Restated	Company S\$'000 30-Jun-06	Company S\$'000 30-Jun-05 Restated
<b>NON - CURRENT ASSETS</b>				
Property, plant and equipment	64,333	71,541	-	-
Interest in subsidiaries	-	-	174,230	174,230
Interest in joint venture company	2,449	2,587	-	-
Other investments	85	479	1	1
Deferred tax assets	618	564	-	-
Goodwill	11,752	11,752	-	-
<b>CURRENT ASSETS</b>				
Stocks	127,231	92,923	-	-
Trade debtors	140,901	112,630	-	-
Other debtors, deposits and prepayments	11,713	4,393	6,274	26
Other investments	-	5,057	-	-
Due from subsidiaries (non-trade)	-	-	-	3,202
Fixed deposits	62,141	42,695	5,831	-
Cash and bank balances	29,182	44,456	507	451
	<b>371,168</b>	<b>302,154</b>	<b>12,612</b>	<b>3,679</b>
<b>CURRENT LIABILITIES</b>				
Trade creditors	122,976	78,773	24	11
Other creditors and accruals	37,186	29,539	843	598
Due to subsidiaries (non-trade)	-	-	15	22,015
Provision for taxation	2,139	3,862	-	53
Short-term bank loans, unsecured	20,387	13,448	-	-
Finance lease liabilities, current	363	676	-	-
	<b>183,051</b>	<b>126,298</b>	<b>882</b>	<b>22,677</b>
<b>NET CURRENT ASSETS</b>	<b>188,117</b>	<b>175,856</b>	<b>11,730</b>	<b>(18,998)</b>
<b>NON - CURRENT LIABILITIES</b>				
Deferred tax liabilities	590	871	-	-
Finance lease liabilities, non current	27	593	-	-
	<b>617</b>	<b>1,464</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>	<b>266,737</b>	<b>261,315</b>	<b>185,961</b>	<b>155,233</b>
<b>EQUITY</b>				
Share capital	155,628	146,998	155,628	146,998
Share premium	-	5,091	-	5,091
Share option reserve	3,185	1,467	3,185	1,467
Accumulated profits	114,106	100,304	27,148	1,677
Translation reserve	(6,182)	7,423	-	-
	<b>266,737</b>	<b>261,283</b>	<b>185,961</b>	<b>155,233</b>
Minority interests	-	32	-	-
<b>EQUITY AND MINORITY INTERESTS</b>	<b>266,737</b>	<b>261,315</b>	<b>185,961</b>	<b>155,233</b>

**Note:**

(1) The comparatives for the year ended 30 June 2005 have been restated to take into account retrospective adjustments relating to changes in accounting policies as disclosed in item 5 of this announcement.

(2) Under the Companies (Amendment) Act 2005 effective 30 January 2006, the concepts of par value and authorised share capital are abolished and the amount in the share premium account as of 30 June 2006 becomes part of the Company's share capital.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.  
Amount repayable in one year or less, or on demand**

As at 30/06/2006		As at 30/06/2005	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
363	20,387	676	13,448

**Amount repayable after one year**

As at 30/06/2006		As at 30/06/2005	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
27	-	593	-

**Details of any collateral**

Secured borrowings relate to hire purchase and finance lease arrangements.

**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 Apr 06 to Jun 06 S\$'000	Group Apr 05 to Jun 05 S\$'000	Group Jul 05 to Jun 06 S\$'000	Group Jul 04 to Jun 05 S\$'000
<b>Cash flows from operating activities</b>				
Receipts from customers	180,707	174,413	723,338	697,217
Payments to suppliers and employees	(177,839)	(138,042)	(674,424)	(605,640)
Income tax refund	-	67	-	452
Income tax paid	(904)	(1,492)	(5,496)	(5,333)
Interest paid	(281)	(208)	(914)	(584)
Interest income	965	491	3,756	1,021
<b>Net cash generated from operating activities</b>	<b>2,648</b>	<b>35,229</b>	<b>46,260</b>	<b>87,133</b>
<b>Cash flows from investing activities</b>				
Proceeds from minority shareholders	-	(2,477)	-	(4)
Payments to minority shareholders	(31)	(64)	(31)	(64)
Payments for property, plant and equipment	(620)	(5,149)	(6,892)	(10,857)
Proceeds from sale of property, plant and equipment	248	345	320	477
Proceeds from sale of investments	5,057	-	5,395	-
Payments for other investments	(6,260)	2,473	(6,260)	-
<b>Net cash used in investing activities</b>	<b>(1,606)</b>	<b>(4,872)</b>	<b>(7,468)</b>	<b>(10,448)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of shares	1,411	889	3,540	2,851
Proceeds from borrowings	6,342	257	17,521	13,448
Repayment of borrowings	(4,035)	(453)	(10,422)	(13,033)
Repayment of finance lease obligation	(198)	(355)	(878)	(1,269)
Payment of dividends	-	-	(44,381)	(21,926)
<b>Net cash generated from/(used in) financing activities</b>	<b>3,520</b>	<b>338</b>	<b>(34,620)</b>	<b>(19,929)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,562</b>	<b>30,695</b>	<b>4,172</b>	<b>56,756</b>
Cash and cash equivalents at beginning of financial period	86,761	56,456	87,151	30,395
<b>Cash and cash equivalents at end of financial period</b>	<b>91,323</b>	<b>87,151</b>	<b>91,323</b>	<b>87,151</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.**

Group	Share capital	Share premium	Share Option reserve	Accum profits	Translation reserve	Total	Minority Interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 July 2005, previously reported</b>	146,998	5,091	-	112,917	(4,496)	<b>260,510</b>	32	<b>260,542</b>
Impact of change in accounting policies	-	-	1,467	(12,613)	11,919	<b>773</b>	-	<b>773</b>
<b>Balance as at 1 July 2005, as restated</b>	146,998	5,091	1,467	100,304	7,423	<b>261,283</b>	32	<b>261,315</b>
Issue of ordinary shares	1,915	1,624	-	-	-	<b>3,539</b>	-	<b>3,539</b>
Profit attributable to shareholders	-	-	-	58,183	-	<b>58,183</b>	-	<b>58,183</b>
Cost of share-based payment	-	-	1,718	-	-	<b>1,718</b>	-	<b>1,718</b>
Dividends paid	-	-	-	(44,381)	-	<b>(44,381)</b>	-	<b>(44,381)</b>
Currency translation differences	-	-	-	-	(13,605)	<b>(13,605)</b>	-	<b>(13,605)</b>
Transfer of share premium reserves to share capital	6,715	(6,715)	-	-	-	-	-	-
Liquidation of subsidiary	-	-	-	-	-	-	(32)	<b>(32)</b>
<b>Balance as at 30 Jun 2006</b>	<b>155,628</b>	-	<b>3,185</b>	<b>114,106</b>	<b>(6,182)</b>	<b>266,737</b>	-	<b>266,737</b>
<b>Balance as at 1 July 2004, previously reported</b>	145,319	3,919	-	89,516	(885)	<b>237,869</b>	98	<b>237,967</b>
Impact of change in accounting policies	-	-	388	(11,966)	12,934	<b>1,356</b>	-	<b>1,356</b>
<b>Balance as at 1 July 2004, as restated</b>	145,319	3,919	388	77,550	12,049	<b>239,225</b>	98	<b>239,323</b>
Issue of ordinary shares	1,679	1,172	-	-	-	<b>2,851</b>	-	<b>2,851</b>
Profit attributable to shareholders	-	-	-	45,759	-	<b>45,759</b>	(66)	<b>45,693</b>
Cost of share-based payment	-	-	1,079	(1,079)	-	-	-	-
Dividends paid	-	-	-	(21,926)	-	<b>(21,926)</b>	-	<b>(21,926)</b>
Currency translation differences	-	-	-	-	(4,626)	<b>(4,626)</b>	-	<b>(4,626)</b>
<b>Balance as at 30 Jun 2005</b>	<b>146,998</b>	<b>5,091</b>	<b>1,467</b>	<b>100,304</b>	<b>7,423</b>	<b>261,283</b>	32	<b>261,315</b>

  

Company	Share capital	Share premium	Share Option reserve	Accum profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 July 2005, previously reported</b>	146,998	5,091	-	3,144	<b>155,233</b>
Cost of share-based payment	-	-	1,467	(1,467)	-
<b>Balance as at 1 July 2005, as restated</b>	146,998	5,091	1,467	1,677	<b>155,233</b>
Issue of ordinary shares	1,915	1,624	-	-	<b>3,539</b>
Profit attributable to shareholders	-	-	-	69,852	<b>69,852</b>
Cost of share-based payment	-	-	1,718	-	<b>1,718</b>
Dividends paid	-	-	-	(44,381)	<b>(44,381)</b>
Transfer of share premium reserves to share capital	6,715	(6,715)	-	-	-
<b>Balance as at 30 Jun 2006</b>	<b>155,628</b>	-	<b>3,185</b>	<b>27,148</b>	<b>185,961</b>
<b>Balance as at 1 July 2004</b>	145,319	3,919	-	2,417	<b>151,655</b>
Cost of share-based payment	-	-	388	(388)	-
<b>Balance as at 1 July 2004, as restated</b>	145,319	3,919	388	2,029	<b>151,655</b>
Issue of ordinary shares	1,679	1,172	-	-	<b>2,851</b>
Profit attributable to shareholders	-	-	-	22,653	<b>22,653</b>
Cost of share-based payment	-	-	1,079	(1,079)	-
Dividends paid	-	-	-	(21,926)	<b>(21,926)</b>
<b>Balance as at 30 Jun 2005</b>	<b>146,998</b>	<b>5,091</b>	<b>1,467</b>	<b>1,677</b>	<b>155,233</b>

Note: Under the Companies (Amendment) Act 2005 effective 30 January 2006, the concepts of par value and authorised share capital are abolished and the amount in the share premium account as of 30 June 2006 becomes part of the Company's share capital.

**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.**

Pursuant to the exercise of options granted under the GES International Limited Employee's Share Option Scheme, the Company issued ordinary shares of \$0.20 each as follows:

Apr 06 to Jun 2006	No of ordinary shares issued		FY 2005	Exercise Price
	Apr 05 to Jun 2005	FY 2006		
683,520	986,440	1,118,520	3,246,440	\$0.39
222,680	82,080	1,422,000	2,639,600	\$0.28
1,309,960	1,055,100	3,476,760	2,097,000	\$0.35
385,000	410,000	1,745,000	410,000	\$0.27
928,440	-	1,818,200	-	\$0.56
<b>3,529,600</b>	<b>2,533,620</b>	<b>9,580,480</b>	<b>8,393,040</b>	

As at 30 June 2006, there were 39,392,880 (30 June 2005: 38,172,120) unissued ordinary shares of S\$0.20 each in respect of options granted.

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

The figures have not been audited nor reviewed by the Group 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 item 5 of this announcement, the Group had adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as those in the audited annual 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 change.**

**Change in accounting policies**

The Group had adopted the new and revised Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 1 January 2005.

The impact of the changes in accounting policies is as follows:

**FRS 21**

On 1 July 2005, the Group adopted FRS 21 "The Effects of Changes in Foreign Exchange Rates" and gave cognisance to the fact that the revised FRS 21 gives greater emphasis than INT FRS 19 gave to the currency of the economy that determines the pricing of our revenue transactions, as opposed to the currency in which transactions are denominated. As a result, the Group's subsidiaries GES Investment Pte Ltd (formerly known as Eltech Electronics Limited), GES Manufacturing Services (M) Sdn Bhd (formerly known as Eltech Electronics Technology (Malaysia) Sdn Bhd) and Shanghai GES Information Technology Co., Ltd have determined the United States dollar as their respective measurement currency.

Prior to adopting the revised FRS21, GES Investment Pte Ltd, GES Manufacturing Services (M) Sdn Bhd and Shanghai GES Information Technology Co Ltd, measurement currency were Singapore Dollars, Malaysian Ringgit and Renminbi respectively.

The change in accounting policy resulted in prior period adjustments to accumulated profits and translation reserve and are disclosed in item 1(d)(i) of this announcement.

**FRS102**

On 1 July 2005, the Group adopted FRS 102 "Share-based Payment". The Group's share option schemes are equity settled, share-based compensation plans. FRS102 requires the Group to recognise an expense in the profit and loss account with a corresponding increase in the share option reserve for share options granted after 22 November 2002 and not vested as at 1 January 2005.

FRS102 requires share options to employees to be measured at fair value at the date of the grant and recognised as expense over the vesting period. The application of FRS102 is retrospective.

Accordingly the financial impact of FRS102 on the group's current and comparative financial statements is set out as follows:-

The company and the group	Increased/(Decreased)	
	S\$'000	
	FY 2006	FY 2005
Net Profit for the quarter	(782)	(454)
Net Profit for the year	(1,718)	(1,079)
Opening retained earnings as at 1 July	(1,467)	(388)
Share Option reserve as at 1 July	1,467	388

The impact on both the Group's basic and diluted earnings per share for the 4th Qtr 2006 and the year ended 30 June 2006 is a decrease of 0.1 cent and 0.23 cents respectively. (4<sup>th</sup> Qtr 2005: 0.06 cents and year ended 30 June 2005: 0.2 cents).

**FRS39**

On 1 July 2005, the Group adopted FRS 39 "Financial Instruments: Recognition and Measurement" which sets out the new requirements for the recognition, derecognition and measurement of the Group's financial instruments and hedge accounting. In accordance with the transitional provisions of FRS 39, the comparative financial statements are not restated. The adoption of FRS 39 does not have a material financial impact on the Group and the Company.

**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.**

	Apr 06 to Jun 06	Apr 05 to Jun 05 Restated	Jul 05 to Jun 06	Jul 04 to Jun 05 Restated
Earnings per share (cents)				
Basic	2.48	1.84	7.87	6.12
Diluted	2.46	1.83	7.81	6.06

Earnings per ordinary share is calculated by dividing the Group's profit after taxation and minority interest of S\$18.3m for 4<sup>th</sup> Qtr 2006 and S\$58.2m for the full year ended 30 June 2006 respectively (4<sup>th</sup> Qtr 2005: S\$13.5m and the year ended 30 June 2005: S\$44.7m) by the basic and diluted weighted average number of shares.

The calculation of Earnings Per Share is based on the number of shares as shown below.

	Number of Shares	
	30 Jun 06	30 Jun 05
Weighted average number of ordinary shares in issue during the year	739,257,114	730,566,484
Effects of dilutive securities: - Share options	<u>5,643,880</u>	<u>6,672,840</u>
Adjusted weighted average number of shares applicable to diluted earnings per share	<u>744,900,994</u>	<u>737,239,324</u>

**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 financial period reported on; and  
(b) immediately preceding financial year.

	<u>30 Jun 2006</u>	<u>30 June 2005</u> Restated
Net asset value	35.83 Cents	35.55 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.

The Directors are pleased to report that GES International Limited ("GES" or the "Group") has, for the 4<sup>th</sup> quarter of financial year ended 30 June 2006, achieved a profit after tax of \$18.3m, an increase of 36% or \$4.9m from the \$13.5m reported for the same corresponding period of the previous financial year.

Revenue for the 4<sup>th</sup> quarter grew 16% to \$194.4m.

For the year ended 30 June 2006, the Group achieved a 30 % or \$13.5m increase in profit after tax to \$58.2m and revenue increased 11% to \$692.0m.

## **(a) Revenue Review**

### **(i) 4<sup>th</sup> Financial Quarter Revenue Review**

The Group's consolidated 4<sup>th</sup> financial quarter revenue grew 16% to \$194.4m. This was attributable to:

- a 23% increase in original design and manufacture of Point of Sales System ("ODM-POS") revenue to \$130.1m; and
  - a 16% increase in EMS segment revenue to \$44.7m;
- which was offset by
- a 17% decline in original design and manufacture of other Industrial Products ("ODM-Industrial Product") revenue to \$19.6m:

#### **ODM Activities**

##### **ODM-POS**

ODM-POS activities contributed to the Group's growth. The Group's ODM-POS segment grew 23% on the back of improved shipments to its customers.

For the quarter ended 30 June 2006, ODM-POS contributed 67% to revenue, from 63% recorded in the previous corresponding quarter.

##### **ODM-Industrial Products**

The Group launched a new supply chain logistic management device for a new ODM-Industrial Product customer in the 4<sup>th</sup> financial quarter. However, its contribution was offset by the business decline of certain ODM-Industrial Product customer. As a result, the Group reported a decline of 17% in ODM-Industrial Product segment.

ODM-Industrial Product activities contributed 10% to the Group's revenue.

#### **EMS Activities**

The Group's EMS segment grew 16% to \$44.7m in the 4<sup>th</sup> financial quarter. Revenue from new customers contributed to the growth of the EMS segment, which now includes medical test instruments as well as other industrial products.

The EMS segment contributed 23% to the Group's revenue in the 4<sup>th</sup> financial quarter.

### **(ii) Full Year Revenue Review**

For the financial year ended 30 June 2006, the Group's consolidated revenue grew 11% to \$692.0m from \$624.3m. This was attributable to the 13% growth in ODM-POS segment and the 17% growth in EMS revenues respectively, whilst ODM – Industrial Products revenues declined by 11%.

Reflecting the Group's increased focus on its ODM activities, revenue from this division now contribute 78% to the Group's revenue, with ODM-POS contributing 68% whilst ODM - Industrial Products contributed 10%. EMS activities contributed 22% to the Group's revenue.

For the financial year ended 30 June 2006, the Group's Singapore operations increased its revenue by 10% to \$476.2m from \$431.5m reported the previous financial year. The Group's Singapore operations derived most of its revenues from ODM activities.

The Group's Malaysian operations' reported revenues of \$127.3m for the financial year ended 30 June 2006.

The Group's plant in Shanghai generated revenue of \$50.8m, an increase of 135% from \$21.6m the year before.

Revenue from Group's US operations reported revenues of \$37.7m for the financial year ended 30 June 2006.

## **(b) Profits Review**

### **(i) 4<sup>th</sup> Financial Quarter Operating Expenses and Profit Review**

The Group derived profit after tax of \$18.3m in the 4<sup>th</sup> financial quarter after charging:

- Operating Expenses of:
  - \$1.0m for distribution and selling expenses (4<sup>th</sup> quarter 2005: \$1.5m); and
  - \$9.5m for administration and other operating expenses (4<sup>th</sup> quarter 2005: \$8.3m); and which was
- offset by a net interest income, net of financial expenses, of \$0.4m (4<sup>th</sup> quarter 2005: \$1.0m); and
- a provision for tax of \$0.7m (4<sup>th</sup> quarter 2005: \$1.4m)

### **Operating Profits and Expenses Review**

Group Profit from operations increased by 28% to \$19.0m in the 4<sup>th</sup> financial quarter, from the \$14.8m reported for the previous corresponding quarter.

Distribution and selling expenses decreased by 29% or \$0.4m due to a non – recurring provision for warranty expenses related to its discontinued OEM-PC activities of \$0.7m in the 4<sup>th</sup> quarter of the previous financial year.

The Group's operating expenses, excluding non-recurring items, increased at a much lower rate than revenue growth.

The Group increased its borrowings to finance the working capital requirements of its Shanghai operations. In addition, the Group paid an interim and a special dividend amounting to \$29m in March 2006. As a result, financial income net of expenses declined to \$0.4m from \$1.0m in the 4<sup>th</sup> financial quarter.

### **Provision for Tax**

The Group arrived at its applicable tax rate for each reporting period by applying the applicable statutory rate of tax in the respective jurisdiction of operations.

### **Profit after Tax**

For the quarter ended 30 June 2006, the Group's net profit after tax increased by 36% or \$4.9m to \$18.3m

### **(ii) Full Year Operating Expenses and Profit Review**

Group operating profit before tax grew 24% to \$61.8m in the financial year ended 30 June 2006. This is because, total operating expenses increased at a much lower rate than revenue growth and, as a result, the Group's profit after tax increased by 30% to \$58.2m.

### **(c) Working capital, asset and liability review**

For the financial year ended 30 June 2006, the Group increased its investment in fixed assets by \$6.9m. The Group's investment in fixed assets was funded internally.

Inventory balance at the end of the financial year ended 30 June 2006 increased by \$34.3m to \$127.2m from \$92.9m. Trade receivables increased by \$28.3m to \$140.9m as compared to the \$112.6m reported as at 30 June 2005. The increase in inventory was funded by an increase in trade payable of \$44.2m to \$123m.

Despite the payment of a special and an interim dividend amounting to approximately \$29m in March 2006, the Group increased its cash and cash equivalent balance to \$91.3m from \$87.2m as at 30 June 2005.

The Group's Shanghai operations also increased its short term borrowings to fund its working capital requirements, resulting in short term borrowings increasing from \$13.4m to \$20.4m. To match its receivables, these short-terms borrowings are denominated in US Dollars.

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

In its announcement dated 26 April 2006, the Board of Directors stated that, barring unforeseen circumstances, the current financial year will remain profitable. The Group reported an unaudited profit attributable to shareholders for the financial year ended 30 June 2006 of approximately \$58.2m.

**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 business environment in which the Group operates continues to remain competitive.

As announced by the Company (together with Venture Corporation Limited ("Venture") in the joint announcement dated 26 July 2006, the Company entered into an implementation agreement with Venture relating to the proposed acquisition by Venture of all the issued shares of GES which it and its concert parties do not already own by way of a scheme of arrangement under Section 210 of the Companies Act, Chapter 50 of Singapore and the Singapore Code on Take-overs and Mergers. Shareholders are to refer to the joint announcement for details of the transaction.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No

Name of Dividend	Interim	Special	Final
Dividend Type	Cash	Cash	NONE
Dividend Amount per Share (in cents)	2 cents per ordinary share (tax exempt)	2 cents per ordinary share (tax exempt)	Not Applicable
Optional:- Dividend Rate (in %)	10 % per ordinary share (tax exempt)	10 % per ordinary share (tax exempt)	Not Applicable
Par value of shares	S\$0.20	S\$0.20	Not Applicable
Tax Rate	Tax exempt	Tax exempt	Not Applicable

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

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

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1.5 cents per ordinary share (tax exempt)	2.0 cents per ordinary share (tax exempt)
Optional:- Dividend Rate (in %)	7.5 % per ordinary share (tax exempt)	10.0 % per ordinary share (tax exempt)
Par value of shares	S\$0.20	S\$0.20
Tax Rate	Tax exempt	Tax exempt

**(c) Date payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

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

Save for a special dividend and an interim dividend paid in March 2006, no final dividend is declared or recommended 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) Geographical segments

	Singapore		Malaysia		Asia (incl China excl Spore & M'sia)		USA		Elimination		Group	
	2006 S\$'000	2005 S\$'000 Restated	2006 S\$'000	2005 S\$'000 Restated	2006 S\$'000	2005 S\$'000 Restated	2006 S\$'000	2005 S\$'000 Restated	2006 S\$'000	2005 S\$'000 Restated	2006 S\$'000	2005 S\$'000 Restated
External sales	476,225	431,485	127,272	151,715	50,846	3,429	37,623	37,682	-	-	691,966	624,311
Intersegment sales	5,066	7,486	8,143	12,913	4,589	18,161	-	-	(17,798)	(38,560)	-	-
Intersegment investment income	72,237	23,639	-	-	-	-	-	-	(72,237)	(23,639)	-	-
<b>Total revenue</b>	<b>553,528</b>	<b>462,610</b>	<b>135,415</b>	<b>164,628</b>	<b>55,435</b>	<b>21,590</b>	<b>37,623</b>	<b>37,682</b>	<b>(90,035)</b>	<b>(62,199)</b>	<b>691,966</b>	<b>624,311</b>
<b>Segment results</b>	<b>37,391</b>	<b>32,157</b>	<b>13,625</b>	<b>15,776</b>	<b>6,122</b>	<b>(1,329)</b>	<b>1,677</b>	<b>2,001</b>	<b>-</b>	<b>-</b>	<b>58,815</b>	<b>48,605</b>
Unallocated corporate expenses											-	-
<b>Profit from operations</b>											<b>58,815</b>	<b>48,605</b>
Financial expenses, net											3,023	1,302
Share of Joint Venture Co loss											(2)	(3)
Taxation											(3,653)	(5,225)
<b>Profit after operations</b>											<b>58,183</b>	<b>44,679</b>
Minority interest											-	1
<b>Profit from ordinary activities</b>											<b>58,183</b>	<b>44,680</b>
Segment assets	297,333	251,787	61,192	78,871	66,614	31,053	24,648	26,802	-	-	449,787	388,513
Unallocated assets											618	564
<b>Total assets</b>											<b>450,405</b>	<b>389,077</b>
Segment liabilities	106,817	74,783	22,380	25,744	45,849	18,435	5,893	4,067	-	-	180,939	123,029
Unallocated liabilities											2,729	4,733
<b>Total liabilities</b>											<b>183,668</b>	<b>127,762</b>
Capital expenditure	2,072	4,148	610	5,700	3,695	770	515	239	-	-	6,892	10,857
Depreciation	5,564	4,472	2,328	1,927	1,496	1,314	1,034	1,530	-	-	10,422	9,243
Amortisation of goodwill		-		-		-		-	-	-	-	-
Other non cash expenses	(75)	6,033	(56)	176	134	84	(5)	172	-	-	(2)	6,465

b) Business segments.

The Group has classified its business activities into the following segments:

- Manufacturing and sales of ODM – Point of sales systems products(POS);
- Manufacturing and sales of ODM – Industrial products; and
- Manufacturing and sales of EMS products.

The Directors are of the opinion that, aside from turnover which can be distinguished among the three business segments, there is no reasonable basis for the allocation of assets and capital expenditure to the three business segments.

	Turnover	
	2006 S\$'000	2005 S\$'000 Restated
ODM - POS	472,711	419,657
ODM - Industrial Products	64,497	72,658
EMS	154,758	131,996
<b>TOTAL</b>	<b>691,966</b>	<b>624,311</b>

**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 Part I Item 8 above.

**15. A breakdown of sales.**

	Latest Financial year Group S\$'000	Previous Financial year Group S\$'000 Restated	% Increase/ (Decrease) Group
(a) Sales reported for first half year	340,472	315,573	8%
(b) Operating profit after tax before deducting minority interests reported for first half year	26,746	21,535	24%
(c) Sales reported for second half year	351,494	308,738	14%
(d) Operating profit after tax before deducting minority interests reported for second half year	31,437	23,144	36%

**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

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	29,605	25,757
Preference	0	0
Total:	29,605	25,757

**BY ORDER OF THE BOARD**

**Catherine Lau Wee Nah/Tan San-Ju**  
**Joint Company Secretaries**  
3rd August 2006