

Financial Statements for the 3Q FY 2008 ended 30 June 2008

**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**

These figures have not been audited.

	The Group			Group		
	3 months ended 30 June			9 months ended 30 June		
	2008	2007	%	2008	2007	%
	S\$'000	S\$'000	change	S\$'000	S\$'000	change
Sales	48,230	57,134	-16%	157,704	254,864	-38%
Cost of sales	(51,063)	(58,144)	-12%	(157,761)	(225,407)	-30%
Gross (loss)/profit	(2,833)	(1,010)	180%	(57)	29,457	-100%
Other gains	1,461	2,938	-50%	3,518	5,573	-37%
Expenses						
- Distribution and marketing	(2,006)	(1,317)	52%	(6,760)	(7,049)	-4%
- Administrative	(2,610)	(2,603)	0%	(7,329)	(8,716)	-16%
- Other	(819)	(799)	3%	(1,369)	(2,279)	-40%
- Finance	(31)	(50)	-38%	(93)	(231)	-60%
(Loss)/profit before income tax	(6,838)	(2,841)	141%	(12,090)	16,755	-172%
Income tax expense	(126)	701	-118%	459	(1,874)	-124%
Total (loss)/profit for the period	(6,964)	(2,140)	225%	(11,631)	14,881	-178%
Attributable to:						
Equity holders of the Company	(6,935)	(2,348)	195%	(11,685)	12,872	-191%
Minority interest	(29)	208	-114%	54	2,009	-97%
	(6,964)	(2,140)	225%	(11,631)	14,881	-178%

Additional information for the income statement

	The Group		The Group	
	3 months ended 30 June		9 months ended 30 June	
	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
Interest income	79	317	424	1,051
Sale of scrap/gold reclaims	1,404	759	2,970	2,592
Interest on borrowings	(31)	(50)	(93)	(231)
Depreciation and amortization	(2,360)	(2,587)	(7,106)	(7,753)
(Allowance)/Write back of allowance for doubtful debts, net	(89)	(91)	166	(492)
(Allowance)/Write back of allowance for stock obsolescence, net	(209)	(2,058)	2,429	(2,983)
Stocks write-down/write-off	(179)	(449)	(1,019)	(807)
Foreign exchange loss	(526)	60	(1,926)	(2,582)
Adjustment for (under)/overprovision of tax in respect of prior years	-	-	(65)	(193)
Professional fees incurred for proposed merger transaction	-	(11)	-	(1,183)
Profit on sale of available-for-sale assets	-	1,850	-	1,850
Loss on sale of property, plant and equipment	(1)	-	(17)	-

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

	As at 6/30/2008 S\$'000	As at 9/30/2007 S\$'000	As at 6/30/2008 S\$'000	As at 9/30/2007 S\$'000
Current assets				
Cash and cash equivalents	49,752	61,888	4,163	5,397
Derivative financial instruments	107	163	-	-
Trade and other receivables	51,433	63,632	28,804	28,744
Inventories	26,434	28,806	-	-
Tax recoverable	2,902	995	135	127
Other current assets	6,723	4,534	622	18
	137,351	160,018	33,724	34,286
Non-current assets				
Investment in subsidiaries	-	-	39,225	39,225
Property, plant & equipment	76,767	75,953	5	6
	76,767	75,953	39,230	39,231
Total assets	214,118	235,971	72,954	73,517
Current liabilities				
Trade and other payables	51,799	53,668	600	846
Current income tax liabilities	-	175	-	-
Borrowings	1,991	1,979	-	-
Provision for warranty	265	393	-	-
	54,055	56,215	600	846
Non-current liabilities				
Deferred income tax liabilities	1,580	2,331	-	-
	1,580	2,331	-	-
Total liabilities	55,635	58,546	600	846
	158,483	177,425	72,354	72,671
Share capital and reserves				
Share capital	71,124	71,124	71,124	71,124
Foreign currency translation reserve	(3,841)	(3,018)	-	-
Other reserves	1,028	1,028	1,028	1,028
Retained earnings	71,483	89,773	202	519
Interest of shareholders of the Company	139,794	158,907	72,354	72,671
Minority interest	18,689	18,518	-	-
Total Equity	158,483	177,425	72,354	72,671

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

	As at 30/06/2008		As at 30/09/2007	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	-	1,991	-	1,979
Amount repayable after one year	-	-	-	-

1(b)(iii) 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

Consolidated Cash Flow Statements

	3 months ended 30 June		9 months ended 30 June	
	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net (loss)/profit	(6,965)	(2,140)	(11,631)	14,881
Adjustments for: -				
- Tax	126	(701)	(459)	1,874
- Depreciation	2,360	2,587	7,106	7,753
- Interest income	(79)	(317)	(424)	(1,051)
- Interest expense	31	50	93	231
- Loss on sale of property, plant and equipment	-	-	17	-
- Share-based payment expenses	-	36	-	177
- Write-off of property, plant and equipment	-	-	16	-
- Disposal of available-for-sale assets	-	(1,850)	-	(1,850)
- Foreign exchange adjustment	95	(652)	1,154	725
Operating cash flow before working capital changes	(4,432)	(2,987)	(4,128)	22,740
Changes in operating assets and liabilities				
- Trade and other receivables	(913)	20,440	13,776	27,274
- Inventories	(176)	14,680	2,334	3,662
- Other current assets	78	(232)	1,299	66
- Trade and other payables	10,022	(30,980)	(1,867)	(38,140)
- Provision for warranty	32	(100)	(128)	(491)
Cash generated from operations	4,611	821	11,286	15,111
Income tax paid	(220)	(2,011)	(2,400)	(5,342)
Net cash provided by operating activities	4,391	(1,190)	8,886	9,769
Cash flows from investing activities				
Proceeds from the disposal of property, plant and equipment	-	-	28	-
Purchase of property, plant and equipment	(6,859)	(2,495)	(13,622)	(6,292)
Sale of available-for-sale financial assets	-	4,661	-	4,661
Interest received	79	317	424	1,051
Net cash used in investing activities	(6,780)	2,483	(13,170)	(580)
Cash flows from financing activities				
Proceed from issuance of ordinary shares	-	934	-	983
Repayment of bank borrowings	-	-	-	(10,811)
Interest paid	(31)	(50)	(93)	(231)
Dividend paid	-	-	(6,605)	-
Net cash used in financing activities	(31)	884	(6,698)	(10,059)
Net decrease in cash and cash equivalents	(2,420)	2,177	(10,982)	(870)
Cash and cash equivalents at beginning of the financial period	52,267	66,725	61,888	71,149
Effects of currency translation on cash and cash equivalents	(95)	652	(1,154)	(725)
Cash and cash equivalents at end of period	49,752	69,554	49,752	69,554

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

Consolidated Statement of Changes in Equity for the three-month period ended 30 June 2008

The Group	Attributable to equity holders of the Company					Total Equity S\$'000
	Share Capital S\$'000	Foreign Currency Translation Reserve S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Minority Interest S\$'000	
2008						
Balance at 1 April 2008	71,124	(3,603)	1,028	78,419	18,435	165,403
Currency translation difference	-	(238)	-	-	283	45
Net losses recognised directly in equity	-	(238)	-	-	283	45
Net loss	-	-	-	(6,936)	(29)	(6,965)
Total recognised losses for the period	-	(238)	-	(6,936)	254	(6,920)
Dividend relating to FY2007 paid	-	-	-	-	-	-
Balance at 30 June 2008	71,124	(3,841)	1,028	71,483	18,689	158,483
2007						
Balance at 1 April 2007	69,951	(3,183)	2,609	110,206	19,600	199,183
Fair value gains on available-for-sale financial assets	-	-	309	-	-	309
- Transfer on disposal	-	-	(1,602)	-	-	(1,602)
Currency translation differences	-	1,319	-	-	575	1,894
Net (losses)/gains recognised directly in equity	-	1,319	(1,293)	-	575	601
Net profit	-	-	-	(2,348)	208	(2,140)
Total recognised (losses)/gains for the period	-	1,319	(1,293)	(2,348)	783	(1,539)
Employee share option scheme:						
- Value of employee services	-	-	36	-	-	36
- Proceeds from shares issued	934	-	-	-	-	934
Balance at 30 June 2007	70,885	(1,864)	1,352	107,858	20,383	198,614

Statement of Changes in Equity for the three-month period ended 30 June 2008

	Share Capital	Other Reserves	Retained Earnings	Total
The Company	S\$'000	S\$'000	S\$'000	S\$'000
2008				
Balance at 1 April 2008	71,124	1,028	387	72,539
Net profit	-	-	(185)	(185)
Total recognised profit for the period	-	-	(185)	(185)
Balance at 30 June 2008	71,124	1,028	202	72,354
2007				
Balance at 1 April 2007	69,951	1,196	(1,492)	69,655
Net loss	-	-	(169)	(169)
Total recognised loss for the period	-	-	(169)	(169)
Employee share option scheme:				
- Value of employee services	-	38	-	38
- Proceeds from shares issued	934	-	-	934
Balance at 30 June 2007	70,885	1,234	(1,661)	70,458

Consolidated Statement of Changes in Equity for the six-month period ended 30 June 2008

The Group	Attributable to equity holders of the Company					Total Equity S\$'000
	Share Capital S\$'000	Foreign Currency Translation Reserve S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Minority Interest S\$'000	
2008						
Balance at 1 October 2007	71,124	(3,018)	1,028	89,773	18,518	177,425
Currency translation difference	-	(823)	-	-	117	(706)
Net losses recognised directly in equity	-	(823)	-	-	117	(706)
Net (loss)/profit	-	-	-	(11,685)	54	(11,631)
Total recognised losses for the period	-	(823)	-	(11,685)	171	(12,337)
Dividend relating to FY2007 paid	-	-	-	(6,605)	-	(6,605)
Balance at 31 March 2008	71,124	(3,841)	1,028	71,483	18,689	158,483
2007						
Balance at 1 October 2006	69,891	(3,048)	2,480	94,986	18,173	182,482
Fair value gains on available-for-sale financial assets	-	-	308	-	-	308
- Transfer on disposal	-	-	(1,602)	-	-	(1,602)
Currency translation differences	-	1,184	-	-	201	1,385
Net losses recognised directly in equity	-	1,184	(1,294)	-	201	91
Net profit	-	-	-	12,872	2,009	14,881
Total recognised (losses)/gains for the period	-	1,184	(1,294)	12,872	2,210	14,972
Employee share option scheme:						
- Value of employee services	11	-	166	-	-	177
- Proceeds from shares issued	983	-	-	-	-	983
Balance at 31 March 2007	70,885	(1,864)	1,352	107,858	20,383	198,614

Statement of Changes in Equity for the six-month period ended 30 June 2008

The Company	Share Capital S\$'000	Other Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000
2008				
Balance at 1 October 2007	71,124	1,028	519	72,671
Net profit	-	-	6,288	6,288
Total recognised profit for the period	-	-	6,288	6,288
Dividend relating to FY2007 paid	-	-	(6,605)	(6,605)
Balance at 30 June 2008	71,124	1,028	202	72,354
2007				
Balance at 1 October 2006	69,891	1,066	347	71,304
Net loss	-	-	(2,008)	(2,008)
Total recognised loss for the period	-	-	(2,008)	(2,008)
Employee share option scheme:				
- Value of employee services	11	168	-	179
- Proceeds from shares issued	983	-	-	983
Balance at 30 June 2007	70,885	1,234	(1,661)	70,458

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

Since 30 September 2007, the Company did not issue any ordinary shares.

As at 30 June 2008, options to subscribe for 3,877,250 ordinary shares under the MFS Share Option Scheme remain outstanding against 4,053,750 at 30 September 2007.

There were no shares held as treasury shares as at 30 June 2008 and 30 June 2007.

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

Not applicable.

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

The accounting policies and methods of computation applied by the Group are consistent with those used in its recently audited financial statements, except for changes made to comply with the following Singapore Financial Reporting Standards (FRS) that became effective in this financial year:

- FRS 1 - Presentation of Financial Statements
- FRS 10 - Events after the Balance Sheet Date
- FRS 12 - Income Taxes
- FRS 14 - Segment Reporting
- FRS 17 - Leases
- FRS 19 - Employee Benefits
- FRS 32 - Financial Instruments: Presentation
- FRS 33 - Earning Per Share
- FRS 39 - Financial Instruments: Recognition and Measurement
- FRS 102 - Share-based Payment
- FRS 103 - Business Combination
- FRS 107 - Financial Instruments: Disclosure

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 adoption of the above FRS did not result in changes to the Group's accounting policies.

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

	The Group			
	3 months ended 30 June 2008	30 June 2007	9 months ended 30 June 2008	30 June 2007
Earnings per ordinary share for the period based on profit attributable to shareholders:-				
(i) Based on weighted average no. of ordinary shares in issue (in cents)	(1.05)	(0.36)	(1.77)	1.95
(ii) On a fully diluted basis (in cents)	(1.05)	(0.36)	(1.77)	1.95

Note: For the purpose of calculating the diluted earnings per share, the weighted average number of ordinary shares in issue had been adjusted to reflect the dilutive effect arising from the exercise of all outstanding share options granted to employees. The number of such shares issue is added to the number of ordinary shares outstanding in the computation of diluted earnings per ordinary share. No adjustment is made to the profit after tax attributed to shareholders.

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

	The Group		The Company	
	As at 30/06/2008	As at 30/09/2007	As at 30/06/2008	As at 30/09/2007
Net asset value per ordinary share based on existing issued share capital at the end of the period reported on (in cents):	21.2	24.1	11.0	11.0

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

The Group sales for 3Q FY2008 ended 30th June 2008 declined 16% to \$48.2 million from \$57.1 million for the same quarter ended FY2007. The decline was attributed to lower FPC sales which fell from \$41.1million in 3Q FY2007 to \$30.8 million in 3Q FY2008. Reduction in demand from our major customers and persistent weakness in the US dollar which is the principal currency that we billed our customers were the major factors attributing to the decline in turnover. Decline in demand stemmed from our core business segments - Personal Communication, Display and Imaging System as well as Data Storage. A less favorable product mix with higher volume of lower value products without components also contributed to the overall decline in turnover for the FPC division.

Consequent to the lower demand, the FPC division did not operate under optimal level and incurred operating losses notwithstanding the concerted effort to rein in cost and improve productivity. The division will continue to drive cost reduction measures and step up the transfer of FPC technology and production to Malaysia and China to leverage on the lower operating cost.

The PCB sales increased 10% from \$15.8 million in 3Q FY 2007 to \$17.4 million in 3Q FY 2008 driven by higher demand for products in the power supply segment. However, the higher sales achieved did not translate to higher profit due to higher outsourcing expenses arising from capacity constraints.

The Group reported a higher distribution and marketing expenses of \$0.7 million from \$1.3 million in 3Q FY2007 to \$2.0 million in 3Q FY2008. This was primarily due to foreign exchange losses, increase in staff cost and warranty provision which were offset by lower freight cost and commission. Administrative expenses remain relatively stable.

Other operating income decreased from \$2.9 million in 3Q FY2007 to \$1.4 million in 3Q FY2008 due mainly to the gain on sale of quoted investment of \$1.8 million recorded in the previous corresponding period. Other operating expenses in 3Q FY2008 were comparable to that of 3Q FY2007.

The Group posted a loss after tax attributable to shareholders of \$6.9 million for 3Q FY2008 versus a loss of \$2.3 million in the previous corresponding period.

The Group's cash balance decreased marginally to \$49.8 million as at 30 June 2008 from \$52.3 million reported as at 31 March 2008. Despite reporting a loss for 3Q FY2008, the Group continued to generate positive operating cash flow amounting to \$4.4 million for 3Q FY2008 attributed to concerted efforts in reducing inventory level and ensuring timely collection of trade receivables. Cash flow provided for investing activities of \$6.8 million were mainly for upgrade of plant and equipment and expansion of manufacturing facilities.

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

In the SGXNET prospect statement released for 2Q FY2008 ended 31 March 2008, the directors did not expect the group results in the third quarter to be significantly different from the second quarter.

The Group's net loss for the 3Q FY2008 was \$6.9 million versus the net loss of \$5.1 million in the 2Q FY2008.

10. A commentary at the date of the announcement of the 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 FPC division is still suffering from decline in orders from one of our key customers. Margin pressure from rising costs and poor product mix will persist into the next quarter.

Although the decline in FPC sales was reported in all segments, the FPC business units have continued its diversification efforts. Some of these efforts have started to show results and translated into new production orders in our 4Q FY2008. This initiative is in line with our strategy to expand our customer base and reducing reliance on a single customer and segment.

The PCB division continued to achieve sales growth, a result of its strategy to specialise in high layer count and thick copper PCB for application in the power supply industry. Our PCB production activities have been consolidated to a single site to improve efficiency and will be completed by the end of FY2008 which will result in approximately 30% increase in production capacity. The PCB division continues to show resilience, and related positive impact of consolidation of the PCB manufacturing should be realised in FY2009.

In anticipation of new programs for the year end seasonal sales, it is likely that order visibilities from our major customers will improve in the fourth quarter FY2008 ("4Q FY2008"). Barring any unforeseen circumstances, the directors expect the capacity utilization in 4Q FY2008 to be better than the current quarter.

As at 30 June 2008, the Group's backlog orders for the FPC was \$39.6 million, while our PCB was \$13.2 million. Some of these orders are spread over a period of twelve months.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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 declared for the 3rd quarter ended 30 June 2008.

13. The aggregate value of interested person transactions conducted pursuant to the general mandate in 3Q FY2008 are as follows:-

Nature and name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Commission charged by Wearnes Global Co Ltd	Nil	\$11,941
Sales to Multi-Fineline Electronix, Inc.	Nil	\$5,040,544
Purchases from Multi-Fineline Electronix, Inc.	Nil	\$835,310
Subcontract services rendered by Wearnes Electronics (M) Sdn Bhd	Nil	\$262,247

14. Statement pursuant to Rule 705(4) of the Listing Manual

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the 3rd quarter ended 30th June 2008 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Submitted by Peter Tan, Company Secretary on 11/08/2008 to the SGX