



The Interconnect Solutions Provider

## MFS TECHNOLOGY LTD

### Full Year Financial Statements and Dividend Announcement

#### 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		
	Full year ended 30 September		%
	2007	2006	
	S\$'000	S\$'000	change
Sales	319,997	383,392	-17%
Cost of sales	(289,763)	(322,765)	-10%
Gross Profit	30,234	60,627	-50%
Other gains	7,437	5,725	30%
Expenses			
- Distribution and marketing	(9,905)	(10,368)	-4%
- Administrative	(13,040)	(11,961)	9%
- Other	(2,901)	(4,220)	-31%
- Finance	(255)	(1,542)	-83%
Profit before tax	11,570	38,261	-70%
Income tax expense	(1,651)	(5,320)	-69%
Profit for the period	9,919	32,941	-70%
Attributable to:			
Equity holders of the Company	7,996	29,279	-73%
Minority interest	1,923	3,662	-47%
	9,919	32,941	-70%

#### Additional information for the income statement

	The Group	
	Full year ended 30 September	
	2007	2006
	S\$'000	S\$'000
Interest income	1,294	762
Interest on borrowings	(255)	(1,542)
Depreciation and amortisation	(10,206)	(10,525)
Provision for doubtful debts, net of writeback	(352)	35
Profit on sale of available-for-sale assets	1,972	-
Provision for stock obsolescence, net of writeback	(3,719)	398
Stocks writedown/writeoff	(706)	(1,960)
Foreign exchange gain/(loss)	(4,395)	(3,841)
Adjustment for tax (under)/over provided in prior years	(249)	214
Professional fees incurred for proposed merger transaction	(1,233)	(1,284)
Loss on sale of property, plant and equipment	(27)	(6)

N/m: Not Meaningful

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

	The Group		The Company	
	As at 30/09/2007 S\$'000	As at 30/09/2006 S\$'000	As at 30/09/2007 S\$'000	As at 30/09/2006 S\$'000
<b>Current assets</b>				
Cash and cash equivalents	61,888	71,149	5,397	3,464
Derivative financial instruments	163	6	-	-
Trade and other receivables	63,632	86,082	28,744	30,017
Inventories	28,806	40,093	-	-
Tax recoverable	995	541	127	177
Other current assets	4,534	2,809	18	20
	<b>160,018</b>	<b>200,680</b>	<b>34,286</b>	<b>33,678</b>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	39,225	39,065
Available for sale financial assets	-	4,403	-	-
Property, plant & equipment	75,953	78,873	6	6
	<b>75,953</b>	<b>83,276</b>	<b>39,231</b>	<b>39,071</b>
<b>Total assets</b>	<b>235,971</b>	<b>283,956</b>	<b>73,517</b>	<b>72,749</b>
<b>Current liabilities</b>				
Trade and other payables	53,668	83,772	846	1,445
Current income tax liabilities	175	2,803	-	-
Borrowings	1,979	7,918	-	-
Provision for warranty	393	815	-	-
	<b>56,215</b>	<b>95,308</b>	<b>846</b>	<b>1,445</b>
<b>Non-current liabilities</b>				
Borrowings	-	3,009	-	-
Deferred income tax liabilities	2,331	3,157	-	-
	<b>2,331</b>	<b>6,166</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>58,546</b>	<b>101,474</b>	<b>846</b>	<b>1,445</b>
	<b>177,425</b>	<b>182,482</b>	<b>72,671</b>	<b>71,304</b>
<b>Share capital and reserves</b>				
Share capital	71,124	69,891	71,124	69,891
Foreign currency translation reserve	(3,018)	(3,048)	-	-
Other reserves	1,028	2,480	1,028	1,066
Retained earnings	89,773	94,986	519	347
Interest of shareholders of the Company	158,907	164,309	72,671	71,304
Minority interest	18,518	18,173	-	-
<b>Total Equity</b>	<b>177,425</b>	<b>182,482</b>	<b>72,671</b>	<b>71,304</b>

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

	As at 30/09/2007		As at 30/09/2006	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	-	1,979	-	7,918
Amount repayable after one year	-	-	-	3,009

**1(b)(iii) Details of any collateral**

As at 30 September 2007, there were no secured borrowings.

**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**

	Full year ended 30 September	
	2007	2006
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Net profit	9,919	32,941
Adjustments for:		
- Tax	1,651	5,320
- Depreciation	10,206	10,525
- Interest income	(1,294)	(762)
- Interest expense	255	1,542
- Loss on sale of property, plant and equipment	14	6
- Share-based payment expenses	177	816
- Dividend income	(69)	(19)
- Disposal of available-for-sale assets	(1,972)	-
Foreign exchange adjustment	1,892	1,559
<b>Operating cash flow before working capital changes</b>	<b>20,779</b>	<b>51,928</b>
Changes in operating assets and liabilities		
- Trade and other receivables	22,152	6,629
- Inventories	11,303	(2,305)
- Other current assets	(284)	475
- Trade and other payables	(29,988)	(6,946)
- Provisions	(422)	815
<b>Cash generated from operations</b>	<b>23,540</b>	<b>50,596</b>
Income tax paid	(5,571)	(5,872)
<b>Net cash inflow from operating activities</b>	<b>17,969</b>	<b>44,724</b>
<b>Cash flow from investing activities</b>		
Payment for property, plant and equipment	(9,019)	(5,963)
Sale of available-for-sale financial assets	4,961	-
Interest received	1,294	762
Dividend income	69	-
Proceeds from the sale of property, plant and equipment	13	20
<b>Net cash outflow from investing activities</b>	<b>(2,682)</b>	<b>(5,181)</b>
<b>Cash flow from financing activities</b>		
Net proceeds from issues of shares	1,018	3,084
Interest paid	(255)	(1,542)
Repayment of short-term bank loans	(8,816)	(14,101)
Dividend paid	(13,209)	(26,161)
Dividend paid to minority interest	(1,394)	-
<b>Net cash outflow from financing activities</b>	<b>(22,656)</b>	<b>(38,720)</b>
<b>Net (decrease)/increase in cash/cash equivalents held</b>	<b>(7,369)</b>	<b>823</b>
<b>Cash and cash equivalents at beginning</b>	<b>71,149</b>	<b>71,885</b>
<b>Effects of exchange rate changes on balances held in foreign currencies</b>	<b>(1,892)</b>	<b>(1,559)</b>
<b>Cash and cash equivalents at end</b>	<b>61,888</b>	<b>71,149</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or 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 full year ended 30 September 2007**

The Group	Attributable to equity holders of the Company					Total Equity S\$'000
	Share Capital S\$'000	Foreign Currency Translation Reserve S\$'000	Revaluation and Other Reserves * S\$'000	Retained Earnings S\$'000	Minority Interest S\$'000	
<b>2007</b>						
<b>Balance at 1 October 2006</b>	69,891	(3,048)	2,480	94,986	18,173	182,482
Financial assets, available for sale						
- Transfer on disposal	-	-	(1,414)	-	-	(1,414)
Currency translation difference	-	30	-	-	(184)	(154)
Net gains/(losses) recognised directly in equity	-	30	(1,414)	-	(184)	(1,568)
Net profit	-	-	-	7,996	1,923	9,919
<b>Total recognised gains/(losses) for the period</b>	-	30	(1,414)	7,996	1,739	8,351
Employee share option scheme:						
- Value of employee services	215	-	(38)	-	-	177
- Proceeds from shares issued	1,018	-	-	-	-	1,018
Dividend relating to FY2006 paid	-	-	-	(13,209)	(1,394)	(14,603)
<b>Balance at 30 September 2007</b>	<b>71,124</b>	<b>(3,018)</b>	<b>1,028</b>	<b>89,773</b>	<b>18,518</b>	<b>177,425</b>
<b>2006</b>						
<b>Balance at 1 October 2005</b>	66,035	(935)	3,178	91,868	15,160	175,306
Fair value losses on available-for-sale financial assets	-	-	(742)	-	-	(742)
Currency translation differences	-	(2,113)	-	-	(649)	(2,762)
Net losses recognised directly in equity	-	(2,113)	(742)	-	(649)	(3,504)
Net profit	-	-	-	29,279	3,662	32,941
<b>Total recognised (losses)/gains for the period</b>	-	(2,113)	(742)	29,279	3,013	29,437
Employee share option scheme:						
- Value of employee services	772	-	44	-	-	816
- Proceeds from shares issued	3,084	-	-	-	-	3,084
Dividend relating to FY2005 paid	-	-	-	(26,161)	-	(26,161)
<b>Balance at 30 September 2006</b>	<b>69,891</b>	<b>(3,048)</b>	<b>2,480</b>	<b>94,986</b>	<b>18,173</b>	<b>182,482</b>

**Note: \* Include available for sale reserve and share options expense reserve**

## Consolidated Statement of Changes in Equity for the full year ended 30 September 2007

The Company	Share Capital	Other Reserves	Retained Earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>2007</b>				
<b>Balance at 1 October 2006</b>	69,891	1,066	347	71,304
Net profit	-	-	13,381	13,381
<b>Total recognised profit for the period</b>	<b>-</b>	<b>-</b>	<b>13,381</b>	<b>13,381</b>
Employee share option scheme:				
- Value of employee services	215	(38)	-	177
- Proceeds from shares issued	1,018	-	-	1,018
Dividend relating to FY2006 paid	-	-	(13,209)	(13,209)
<b>Balance at 30 September 2007</b>	<b>71,124</b>	<b>1,028</b>	<b>519</b>	<b>72,671</b>
<b>2006</b>				
<b>Balance at 1 October 2005</b>	66,035	1,022	2,615	69,672
Net profit	-	-	23,893	23,893
<b>Total recognised profit for the period</b>	<b>-</b>	<b>-</b>	<b>23,893</b>	<b>23,893</b>
Employee share option scheme:				
- Value of employee services	772	44	-	816
- Proceeds from shares issued	3,084	-	-	3,084
Dividend relating to FY2005 paid	-	-	(26,161)	(26,161)
<b>Balance at 30 September 2006</b>	<b>69,891</b>	<b>1,066</b>	<b>347</b>	<b>71,304</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**

Since 30 September 2006, the Company issued 31,500, 42,000, 42,000 and 1,661,500 ordinary shares of \$0.10 each at the price of S\$0.18, \$0.21, S\$0.76 and S\$0.585 respectively upon the exercise of options granted under the MFS Share Options Scheme.

As at 30 September 2007, options to subscribe for 4,053,750 ordinary shares under the MFS Share Options Scheme remain outstanding against 6,388,750 at 30 September 2006.

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

The 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**

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 (amendment)	– Presentation of Financial Statements
FRS 16 (amendment)	– Property, Plant and Equipment
FRS 19 (amendment)	– Employee Benefits
FRS 21 (amendment)	– The Effects of Changes in Foreign Exchange Rates
FRS 24 (amendment)	– Related Party Disclosures
FRS 32 (amendment)	– Financial Instruments: Disclosures and Presentation
FRS 37 (amendment)	– Provisions, Contingent Liabilities and Contingent Assets
FRS 39 (amendment)	– Financial Instruments: Recognition and Measurement
INT FRS 104	– Determining Whether an Arrangement Contains a Lease
INT FRS 108	– Scope of FRS 102
INT FRS 109	– Reassessment of Embedded Derivatives

**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**

	<b>The Group</b>	
	<b>Full year ended 30 September</b>	
	<b>2007</b>	<b>2006</b>
<hr/>		
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)	1.2	4.5
(ii) On a fully diluted basis (in cents)	1.2	4.5

**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 30/09/2007	As at 30/09/2006	As at 30/09/2007	As at 30/09/2006
Net asset value per ordinary share based on existing issued share capital at the end of the period reported on (in cents):	24.1	24.9	10.8	10.3

**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 period reported on.**

The Group's sales for the financial year ended 30 September 2007 declined 17% to \$320 million from \$383.4 million in FY2006. This was primarily due to the slow down in the FPC division sales especially the Personal Communications and Wireless Portables, Display and Imaging and Data Storage segments. FPC division sales declined from \$333.7 million in FY2006 to \$258.3 million in FY2007 due primarily to fewer high volume programs, reduced orders from major customers, price compression for volume models and the further weakening of the US\$ which had a negative impact on the US\$ denominated sales. However, the Group's diversification into two new segments, Automotive and IC packaging has shown results in FY2007. The FPC division, largely driven by the telecommunication sector, accounted for 81% of the Group's sales, while the balance came from the PCB division.

The FPC division posted lower gross profits in FY2007 arising from lower capacity utilisation of our FPC manufacturing facilities and rising prices of precious metals. The decline in gross margin was also partially impacted by selling price erosion as well as inventory provision made for certain programs due to slow-down in demand by a major customer.

The PCB division delivered encouraging results in FY2007; sales grew by 24% from \$49.7 million in FY2006 to \$61.6 million in FY2007 because of higher demand from existing customers and orders secured from new customers. Performance improved with a higher contribution from our niche in high layer count and thick copper PCB for application in the power supply industry. However, higher sales did not result in an increase in divisional gross profit for the full year because of an appreciable rise in raw material cost and outsourcing expenses from capacity constraints. To further streamline the PCB operations, the Group's two manufacturing PCB sites in Hunan, China will be consolidated in FY2008.

In line with lower sales, the Group's distribution expenses decreased by \$0.5 million from \$10.4 million in FY2006 to \$9.9 million in FY2007. Freight cost and provision for warranty declined \$1.6 million compared to previous year. However, it was offset by higher provision for doubtful debts and staff cost. The Group's administrative expenses increased \$1.1 million from \$11.9 million in FY2006 to \$13.0 million in FY2007. The increase was attributed mainly to higher staff cost by \$1.3 million as payments were made to employees in lieu of the historical employee share options that were not granted during the offer period. The continued weakening of the US\$ saw higher foreign exchange losses by \$0.5 million. These increases were offset by lower stock option expenses by \$0.6 million as the outstanding options were fully vested in May 2007.

Other operating income increased by \$1.7 million from \$5.7 million in FY2006 to \$7.4 million in FY2007 primarily due to the gain recognised from the sale of quoted investment in SIIX Corporation ("SIIX"). Interest income from fixed deposits also increased by \$0.5 million but was offset by lower rework expenses recovered from suppliers in the current year. Other operating

expenses decreased by \$1.3 million from \$4.2 million in FY2006 to \$2.9 million in FY2007 as higher charges were incurred for product returns in FY2006.

The Group's tax rate increased from 13.9% in FY2006 to 14.3% in FY2007 as tax-free contribution from our China FPC facility was lower in the current year. The Group's tax rate was also lower last year as its Singapore subsidiary enjoyed a concessionary tax rate on qualifying income above a certain tax base. Overall, the Group achieved a profit after tax attributable to shareholders of \$8.0 million for FY2007 compared to \$29.3 million for FY2006.

As a result of lower profits reported, the Group operating cash flow declined from \$44.7 million in FY2006 to \$18.0 million in FY2007. The Group invested in factory facilities and machinery equipment amounting to \$9.0 million to upgrade its production equipment and process technologies and to further improve manufacturing yield. Sale of quoted investment in SIIX netted \$4.9 million. Despite significant cash outflow for bank loan repayment and dividend to shareholders amounting to \$23.4 million, the Group's cash balance still remained at a healthy level of \$61.9 million.

**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 announcement for 3Q FY2007, the Directors stated that forecast announced by the Group's major customers who anticipated lower sales will continue to have a negative impact on the Group's FPC business in 4Q FY2007.

The Group's performance for the 4Q FY2007 was in line with that guidance as reduced orders from our major customers of our flexible printed circuits ("FPC") business resulted in the Group reporting a loss for the current quarter.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group expects the operating environment for FY2008 to be challenging. This is due partly to a loss of market share in our FPC business in FY2007 because of the uncertainties arising from the conditional voluntary offer from Multi-Fineline Electronix Inc. In particular, because of the unfavorable product mix and the lack of new volume production models for launch in 1Q FY2008, the Group expects the first quarter of 2008 to be difficult in our FPC business.

That notwithstanding, the Group believes that the market for the FPC and PCB business would continue to grow. The Group expects to ride on this growth by seizing available opportunities.

The Group is cultivating new customers who are leaders in their respective fields for the prototyping of several volume programs. This initiative is in line with our strategy for continually expanding our customer base and reducing reliance on a single customer and segment. We have also installed state-of-the-art technology to improve the production efficiency of our Malaysia plant. Our PCB production activities will be consolidated to a single site by April 2008 and would increase production capacity by approximately 30%. These changes together with the focus of the new customers are expected to contribute positively to the Group's performance in FY2008.

As at September 2007, the Group's backlog orders for FPC was S\$72 million, while our PCB was S\$12 million. Some of these orders are spread over a period of up to 12 months.

**11. Dividend**

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

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	One cent per ordinary share (tax exempt)
Par value of shares	S\$0.10
Tax Rate	Exempt 1-tier

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

None

**(c) Date payable**

14 February 2008

**(d) Books closure date**

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 30 January 2008, for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Lim Associates (Pte) Ltd, at 3 Church Street #08-01 Samsung Hub Singapore 049483 up to 5.00 p.m. on 29 January 2008, will be registered to determine shareholders' entitlements to both the final and special dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares at 5.00 p.m. on 29 January 2008 will be entitled to the proposed dividend.

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

Not applicable.

**13. The aggregate value of interested person transactions conducted pursuant to the general mandate in 4Q FY2007 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)
Subcontract services rendered by Wearnes Electronics (M) Sdn Bhd	Nil	836,609
Management fees charged by Wearne Brothers Services (Pte) Ltd	Nil	180,000
Commission charged by Wearnes Global Co Ltd	Nil	126,044
Interest charged by Wearnes Technology (Private) Limited	Nil	13,737

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issue's most recently audited financial statements, with comparative information for the immediately preceding year.**

**(a) By Activities**

	<b>Flexible printed circuits \$'000</b>	<b>Printed circuit boards \$'000</b>	<b>Group \$'000</b>
<b>Year ended 30 September 2007</b>			
Sales	258,338	61,659	319,997
Segment results	6,617	5,388	12,005
Management fees			(180)
Finance expenses			(255)
Profit before income tax			11,570
Income tax expense			(1,651)
<b>Total profit</b>			<b>9,919</b>
<b>Other segment items</b>			
Capital expenditure	7,092	505	7,597
Depreciation	7,142	3,064	10,206
<b>Segmental assets</b>	<b>171,258</b>	<b>63,718</b>	<b>234,976</b>
Unallocated assets			995
Consolidated total assets			<b>235,971</b>
<b>Segmental liabilities</b>	<b>34,478</b>	<b>19,583</b>	<b>54,061</b>
Unallocated liabilities			4,485
Consolidated total liabilities			<b>58,546</b>

	Flexible printed circuits \$'000	Printed circuit boards \$'000	Group \$'000
<b>Year ended 30 September 2006</b>			
Sales	333,716	49,676	383,392
Segment results	35,186	4,797	39,983
Management fees			(180)
Finance expenses			(1,542)
Profit before income tax			38,261
Income tax expense			(5,320)
<b>Total profit</b>			<b>32,941</b>
<b>Other segment items</b>			
Capital expenditure	3,356	1,268	4,624
Depreciation	7,189	3,336	10,525
<b>Segmental assets</b>	220,593	58,419	279,012
Unallocated assets			4,944
Consolidated total assets			<b>283,956</b>
<b>Segmental liabilities</b>	(59,950)	(17,621)	(77,571)
Unallocated liabilities			(23,903)
Consolidated total liabilities			<b>(101,474)</b>

**(b) By Geographical regions**

	Sales		Total Assets		Capital Expenditure	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
USA	8,030	10,703	-	-	-	-
Europe	20,997	19,535	-	-	-	-
Asia Pacific	13,743	29,240	-	-	-	-
Taiwan	10,571	47,358	-	-	-	-
Singapore	19,006	20,809	127,027	182,426	702	2,263
Malaysia	11,690	16,185	23,756	18,314	5,082	514
China	235,960	239,562	85,188	83,216	1,813	1,847
<b>Total</b>	<b>319,997</b>	<b>383,392</b>	<b>235,971</b>	<b>283,956</b>	<b>7,597</b>	<b>4,624</b>

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

The geographical breakdown of our sales revenue is based on the country in which the customers or its subcontractors are located. The trend in sales to China continued to dominate the majority of our sales. However, sales to Taiwan decreased significantly in FY2007 as a result of reduction in order due to EOL of one major program placed with our major customer whose subcontractor is located there.

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

		Group		
		2007	2006	Increase/ (Decrease)
		S\$'000	S\$'000	%
(a)	Sales reported for first half year	197,730	222,489	(11.1)
(b)	Operating profit after tax before deducting minority interests reported for first half year	17,021	27,021	(37.0)
(c)	Sales reported for second half year	122,267	160,903	(24.0)
(d)	Operating (loss)/profit after tax before deducting minority interests reported for second half year	(7,102)	5,920	(219.9)

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

Total Annual Dividend (less tax)	Latest Year (S\$'000)	Previous Year (S\$'000)
Ordinary	19,814	Nil
Special	Nil	Nil
Preference	Nil	Nil
Total:	19,814	Nil

**BY ORDER OF THE BOARD**

Submitted by Peter Tan, Company Secretary on 20/11/2007 to the SGX