

**Full Year Financial Statements for the Financial Year Ended 31 December 2006**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Financial Year Ended on 31 Dec		
	2006	2005	Change
	S\$'000	S\$'000	%
<b>Revenue</b>	<b>39,563</b>	<b>32,696</b>	21.0
Cost of sales	(31,036)	(24,802)	25.1
<b>Gross profit</b>	<b>8,527</b>	<b>7,894</b>	8.0
Other (expense) / income	(23)	54	n.m.
Selling expense	(2,869)	(3,045)	(5.8)
General and administrative expense	(2,233)	(2,477)	(9.9)
<b>Profit before foreign exchange differences, interest and tax ("PBFIT")</b>	<b>3,402</b>	<b>2,426</b>	40.2
Foreign exchange (loss) / gain, net	(223)	315	n.m.
Interest income	70	26	169.2
Interest expense	-	(4)	(100.0)
<b>Profit before income tax</b>	<b>3,249</b>	<b>2,763</b>	17.6
Income tax	(619)	(96)	n.m.
<b>Profit after income tax</b>	<b>2,630</b>	<b>2,667</b>	(1.4)
<b>Profit after income tax attributable to:</b>			
- Equity holders of the Company	2,665	2,744	(2.9)
- Minority interests	(35)	(77)	n.m.
	<b>2,630</b>	<b>2,667</b>	(1.4)
<b>Earnings before depreciation, interest, tax and amortisation ("EBDITA")</b>	<b>6,612</b>	<b>6,566</b>	0.7

**1(a)(ii) Additional information to the income statement**

	<b>Financial Year Ended on 31 Dec</b>	
	<b>2006</b>	<b>2005</b>
<b>(1) Financial Indicators / Ratios</b>		
Gross profit margin	21.6%	24.1%
EBDITA margin	16.7%	20.1%
Profit before forex, interest and tax margin	8.6%	7.4%
Profit before income tax margin	8.2%	8.5%
Profit after income tax margin	6.7%	8.4%
Return on equity	9.3%	10.5%
Return on assets	7.3%	8.4%
<b>(2) Profit before tax is stated after charging / (crediting) :-</b>		
Other income including interest income <sup>1</sup>	(114)	(64)
Interest on borrowings	-	4
Depreciation and amortisation	3,433	3,825
Allowance for doubtful debts and bad debts written off	-	17
(Write back) / Allowance for stock obsolescence and shrinkage	(378)	274
Loss / (Gain) on disposal of property, plant and equipment <sup>2</sup>	66	(16)
<i>1. The other income includes interest income and sales of scraps</i>		
<i>2. The loss on disposal arose from the disposals of company vehicles</i>		
<b>(3) Income Tax</b>		
Under / (over) provision of income tax in respect of prior financial years :-		
- Current income tax	(1)	(301)
- Deferred income tax	3	-

**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**

	<u>Group</u>		<u>Company</u>	
	<u>31-Dec-06</u>	<u>31-Dec-05</u>	<u>31-Dec-06</u>	<u>31-Dec-05</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Non-current assets</u></b>				
Property, plant and equipment	13,734	14,320	-	-
Investment in subsidiary companies	-	-	16,502	16,841
Loans to subsidiary companies	-	-	2,393	3,909
Deferred income tax assets	974	1,068	-	-
	<b>14,708</b>	<b>15,388</b>	<b>18,895</b>	<b>20,750</b>
<b><u>Current assets</u></b>				
Stocks	9,252	6,791	-	-
Debtors	7,714	7,041	-	13
Prepaid operating expenses	110	77	4	2
Tax recoverable	65	84	-	-
Due from subsidiary companies	-	-	1,244	1,434
Cash and cash equivalents	4,778	3,428	163	23
	<b>21,919</b>	<b>17,421</b>	<b>1,411</b>	<b>1,472</b>
<b><u>Current liabilities</u></b>				
Creditors	5,669	4,591	521	513
Due to a related party (trade)	572	1	-	-
Provision for income tax	766	779	4	-
	<b>7,007</b>	<b>5,371</b>	<b>525</b>	<b>513</b>
<b>Net current assets</b>	<b>14,912</b>	<b>12,050</b>	<b>886</b>	<b>959</b>
<b><u>Non-current liabilities</u></b>				
Deferred income tax liabilities	(786)	(1,038)	-	-
	<b>(786)</b>	<b>(1,038)</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>28,834</b>	<b>26,400</b>	<b>19,781</b>	<b>21,709</b>
<b><u>Equity</u></b>				
Share capital	21,310	20,915	21,310	20,915
Reserves	7,413	5,327	(1,529)	794
	28,723	26,242	19,781	21,709
Minority interests	111	158	-	-
<b>Total equity</b>	<b>28,834</b>	<b>26,400</b>	<b>19,781</b>	<b>21,709</b>

### **Analysis of balance sheet**

1. The decrease in property, plant and equipment by \$0.6 million (or 4%) was mainly due to depreciation expense for the financial year of \$3.4 million and disposals of motor vehicles of \$0.3 million, offset by additions of machinery and equipment of about \$3.2 million. The addition of machinery and equipment is to enable the Group to increase its production capacity so as to further improve its sales performance.
2. The decrease in investment in subsidiary companies and loans to subsidiary companies was due to provision for impairment made in accordance with FRS 36 Impairment of Assets.
3. The increase in stocks by \$2.5 million (or 36%) was in line with the increase in turnover.

The analysis of stocks balance is as follows :-

	<b>As at 31-Dec-06 S\$'000</b>	<b>As at 31-Dec-05 S\$'000</b>
Stocks	9,497	7,443
Less: Allowance for stock obsolescence and shrinkage	(245)	(652)
	9,252	6,791
Allowance as a percentage of stocks	2.6%	8.8%

4. The increase in debtors was in line with the increase in turnover.
5. The increase in creditors was mainly due to amounts payable for the purchase of machinery and equipment, which would become due in the first quarter of 2007.
6. The increase in amount due to a related party was related to balances resulting from arms length purchase transactions made with the related party.
7. The increase in share capital was due to the transfer of share premium reserves, the details are shown in item 1(d)(i) below.

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

	<b><u>As at 31-Dec-06</u></b>		<b><u>As at 31-Dec-05</u></b>	
	<b><u>Secured</u></b>	<b><u>Unsecured</u></b>	<b><u>Secured</u></b>	<b><u>Unsecured</u></b>
	S\$'000	S\$'000	S\$'000	S\$'000
Borrowings and debt securities				
- Amount repayable in one year or less, or on demand	-	-	-	-
- Amount repayable after one year	-	-	-	-

### ***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>Financial Year Ended on 31 Dec</b>	
	<b>2006</b>	<b>2005</b>
	S\$'000	S\$'000
<b>Cash flows from operating activities :</b>		
Profit before income tax	3,249	2,763
Adjustments for:		
Interest income	(70)	(26)
Interest expense	-	4
Depreciation of property, plant and equipment	3,433	3,825
Loss / (Gain) on disposal of property, plant and equipment	66	(16)
Net exchange adjustment	161	(64)
Cost of share-based payments	2	77
	<u>3,592</u>	<u>3,800</u>
<b>Operating income before reinvestment in working capital</b>	<b>6,841</b>	<b>6,563</b>
Increase in stocks	(2,460)	(593)
(Increase) / Decrease in debtors	(706)	2,140
Increase / (Decrease) in creditors	154	(535)
Increase / (Decrease) in amount due to related party	571	(12)
	<u>4,400</u>	<u>7,563</u>
<b>Cash generated from operations</b>	<b>4,400</b>	<b>7,563</b>
Interest income	70	26
Interest expense	-	(4)
Income taxes paid, net of refund	(793)	(1,192)
	<u>3,677</u>	<u>6,393</u>
<b>Net cash provided by operating activities</b>	<b>3,677</b>	<b>6,393</b>
<b>Cash flows from investing activities :</b>		
Purchase of property, plant and equipment	(2,341)	(1,279)
Proceeds from disposal of property, plant and equipment	199	88
	<u>(2,142)</u>	<u>(1,191)</u>
<b>Net cash used in investing activities</b>	<b>(2,142)</b>	<b>(1,191)</b>
<b>Cash flows from financing activities :</b>		
Net proceeds from the issue of ordinary shares	-	130
Dividends paid on ordinary shares	-	(6,972)
	<u>-</u>	<u>(6,842)</u>
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(6,842)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,535</b>	<b>(1,640)</b>
Cash and cash equivalents at beginning of financial year	3,428	5,021
Effects of exchange rate changes on opening cash and cash equivalents	(185)	47
Cash and cash equivalents at end of financial year	4,778	3,428

**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**

<b>GROUP</b>	<b>Share Capital</b>	<b>Share Premium Reserve</b>	<b>Share Option Reserve</b>	<b>Foreign Currency Translation Reserve</b>	<b>Revenue Reserve</b>	<b>Total Reserve</b>	<b>Minority Interest</b>	<b>Total Equity</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2005, previously reported</b>	<b>20,862</b>	<b>318</b>	<b>-</b>	<b>(814)</b>	<b>9,657</b>	<b>9,161</b>	<b>231</b>	<b>30,254</b>
Effects of adopting FRS 102	-	-	113	-	(113)	-	-	-
<b>Balance at 1 January 2005, restated</b>	<b>20,862</b>	<b>318</b>	<b>113</b>	<b>(814)</b>	<b>9,544</b>	<b>9,161</b>	<b>231</b>	<b>30,254</b>
Net profit for the year	-	-	-	-	2,744	2,744	(77)	2,667
Net effect of exchange differences	-	-	-	240	-	240	4	244
Total recognised income and expenses for the year	-	-	-	240	2,744	2,984	(73)	2,911
Cost of share-based payments	-	-	77	-	-	77	-	77
Dividend for FY 2004 paid	-	-	-	-	(6,972)	(6,972)	-	(6,972)
Issue of ordinary shares by exercise of executives' share option	53	77	-	-	-	77	-	130
<b>Balance at 31 December 2005</b>	<b>20,915</b>	<b>395</b>	<b>190</b>	<b>(574)</b>	<b>5,316</b>	<b>5,327</b>	<b>158</b>	<b>26,400</b>
<b>Balance at 1 January 2006</b>	<b>20,915</b>	<b>395</b>	<b>190</b>	<b>(574)</b>	<b>5,316</b>	<b>5,327</b>	<b>158</b>	<b>26,400</b>
Net profit for the year	-	-	-	-	2,665	2,665	(35)	2,630
Net effect of exchange differences	-	-	-	(186)	-	(186)	(12)	(198)
Total recognised income and expenses for the year	-	-	-	(186)	2,665	2,479	(47)	2,432
Cost of share-based payments	-	-	2	-	-	2	-	2
Transfer of share premium to share capital account	395	(395)	-	-	-	(395)	-	-
<b>Balance at 31 December 2006</b>	<b>21,310</b>	<b>-</b>	<b>192</b>	<b>(760)</b>	<b>7,981</b>	<b>7,413</b>	<b>111</b>	<b>28,834</b>

  

<b>COMPANY</b>	<b>Share Capital</b>	<b>Share Premium Reserve</b>	<b>Share Option Reserve</b>	<b>Revenue Reserve</b>	<b>Total Reserve</b>	<b>Total Equity</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2005, previously reported</b>	<b>20,862</b>	<b>318</b>	<b>-</b>	<b>709</b>	<b>1,027</b>	<b>21,889</b>
Effects of adopting FRS 102	-	-	113	(113)	-	-
<b>Balance at 1 January 2005, restated</b>	<b>20,862</b>	<b>318</b>	<b>113</b>	<b>596</b>	<b>1,027</b>	<b>21,889</b>
Net profit for the year	-	-	-	6,585	6,585	6,585
Cost of share-based payments	-	-	77	-	77	77
Dividend for FY 2004 paid	-	-	-	(6,972)	(6,972)	(6,972)
Issue of ordinary shares by exercise of executives' share option	53	77	-	-	77	130
<b>Balance at 31 December 2005</b>	<b>20,915</b>	<b>395</b>	<b>190</b>	<b>209</b>	<b>794</b>	<b>21,709</b>
<b>Balance at 1 January 2006</b>	<b>20,915</b>	<b>395</b>	<b>190</b>	<b>209</b>	<b>794</b>	<b>21,709</b>
Net profit for the year	-	-	-	(1,930)	(1,930)	(1,930)
Cost of share-based payments	-	-	2	-	2	2
Transfer of share premium to share capital account	395	(395)	-	-	(395)	-
<b>Balance at 31 December 2006</b>	<b>21,310</b>	<b>-</b>	<b>192</b>	<b>(1,721)</b>	<b>(1,529)</b>	<b>19,781</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**

The Company did not issue any shares during the financial year under review.

As at the end of FY2006, the options granted under the Executive's Share Option Scheme (after adjusting for staff resignation) which have yet to be exercised are 802,000 (FY2005: 1,522,000).

**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 Company's 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**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the most recent audited financial statements as at 31 December 2005, except for the adoption of FRS 21(revised) The Effects of Changes in Foreign Exchange Rates as disclosed below.

**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 Group adopted FRS 21(revised) The Effects of Changes in Foreign Exchange Rates, which is mandatory for annual financial periods beginning on or after 1 January 2006. Under the FRS 21 (revised), exchange differences arising from a monetary item that forms part of the reporting entity's net investment in a foreign operation, which is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation are reclassified to the separate component of equity in the consolidated financial statements. Previously, these exchange differences remain recognised in the profit and loss account.

The adoption of FRS 21 (revised) did not result in any significant impact to the Group.

**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**

	<u>Financial Year Ended on 31 Dec</u>	
	<u>2006</u>	<u>2005</u>
<b>Net profit attributable to equity holders (S\$'000)</b>	2,665	2,744
<b><u>Number of shares (in thousands)</u></b>		
Shares outstanding at beginning of the year	174,288	173,850
Weighted average number of ordinary shares issued during the year under Executives' Share Option Scheme	-	389
Weighted average number of ordinary shares for the calculation of basic earnings per share	174,288	174,239
Effect of dilutive securities:		
Share options	-	40
Weighted average number of ordinary shares for the calculation of dilutive earnings per share	174,288	174,279
<b><u>Earnings per share (cents)</u></b>		
Basic	1.53	1.57
Diluted	1.53	1.57

**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>Group</u>		<u>Company</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	16.48	15.06	11.35	12.46

Net assets backing per share as at 31 December 2006 is computed based on 174,288,402 shares (FY2005: 174,288,402 shares).

- 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***

During the financial year ended on 31 December 2006 ("**FY2006**"), the Group revenue increased by 21% to \$39.6 million as compared to \$32.7 million recorded in the last financial year ("**FY2005**"). The turnover contribution ratio of the revenue from the manufacturing and sale of resistors ("**Manufacturing**") to distribution of related electronic components ("**Distribution**") for FY2006 was maintained at 93:7 (FY2005: 92:8).

The Group's turnover from Manufacturing activities improved mainly due to the increase in shipment volume by about 48%, which was substantially due to increased sales volume to China market and recapturing of our market share in Europe market that was lost in the last financial year. However, the increase was offset by the continuing erosion in average selling price ("**ASP**") of resistors, which is inherent in the resistor manufacturing industry.

During the financial year, the Group had analyzed its product, customer and geographical market mix and had taken expedient measures to ensure that its returns are maximized with the optimal mix. This had resulted in the ASP eroded only by about 5% in the second half of the financial year, notwithstanding that the ASP had eroded by about 18% from FY2005 to FY2006.

Distribution business remains a supporting activity undertaken by the Group and its turnover is largely dependent on the Group's ability to source for third party components that may contribute meaningful profit margins.

The increase in gross profit by 8% to \$8.5 million in FY2006 was mainly due to higher turnover achieved during the financial year under review, as well as the fruition of the Group having taken steps to re-align its market and product focus, which saw an improvement in the gross profit performance in the second half of FY2006.

The selling expenses and general and administrative expenses had reduced by 6% and 10% respectively, which was a result of its conscientious effort to contain its operating costs.

As a result, the Group has improved its profit before foreign exchange, interest and tax by 40% of about \$1.0 million.

However, the Group had suffered foreign exchange loss as compared to a foreign exchange gain in FY2005, which was mainly due to the weakening of US dollars, especially during the beginning of the financial year when the exchange rates dropped from an average of S\$1.66 to S\$1.59 for every US\$1.00.

In FY2005, the Group had recognized benefits from previously unrecognized tax assets and write back of prior year tax provision amounting to about \$674,000. But in the current financial year under review, the amount of benefits from previously unrecognized tax assets amounted to about \$154,000, whilst there was no write-back of prior year tax provision. As such, the tax expense increased from \$0.1 million to \$0.6 million in FY2006.

Thus, the profit after income tax attributable to the equity holders of the Company in FY2006 amounted to \$2.6 million, which was about the same level as in FY2005.

### **Cash Flows**

The Group's operations continue to generate positive cash flows of \$4.4 million in FY2006. After the payment for capital expenditure of \$2.1 million and taxes of \$0.8 million, the Group's net cash & cash equivalents stood at \$4.8 million as at 31 December 2006.

### **Working Capital, Assets or Liabilities**

Please refer to comments made in item 1(b)(i) above.

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

The financial results of the current financial year have been consistent with the commentaries made in the "Half Year Financial Statements and Dividend Announcement" that was made on 1 August 2006.

**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*

Based on existing customer's activities and market sentiments, the Group expects its shipment volume of chip resistors to grow in China, whilst shipment to Europe remain at the same level as in FY2006.

The Group has also embarked on an expansion plan to increase its existing production capacity by about 30%, which would include extension of existing manufacturing facilities in one of its subsidiaries and purchase of additional machinery and equipment.

**11** *Dividend*

**(a)** *Dividend Declared (Recommended) For The Current Financial Period Reported On (i.e. for the Financial Year 2006)*

None.

**(b)** *Dividend Declared For The Corresponding Period Of The Immediately Preceding Financial Year (i.e. for the Financial Year 2005)*

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 has been declared or proposed to be declared for the financial year under review.

**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) Segmental Results By Activity**

	<u>Manufacturing</u>	<u>Distribution</u>	<u>Corporate &amp; Others</u>	<u>Consolidated</u>
<u>2006</u>	S\$'000	S\$'000	S\$'000	S\$'000
Sales of goods to external customers	36,755	2,786	-	39,541
Commission income	-	22	-	22
<b>Revenue</b>	<b>36,755</b>	<b>2,808</b>	<b>-</b>	<b>39,563</b>
<b>Profit before foreign exchange differences, interest and tax ("PBFIT")</b>	<b>3,210</b>	<b>260</b>	<b>(68)</b>	<b>3,402</b>
Foreign exchange loss				(223)
Interest income				70
Interest expense				-
<b>Profit before income tax</b>				<b>3,249</b>
Income tax				(619)
<b>Profit after tax</b>				<b>2,630</b>
Minority interests				35
<b>Net profit attributable to equity holders</b>				<b>2,665</b>

	<u>Manufacturing</u>	<u>Distribution</u>	<u>Corporate &amp; Others</u>	<u>Consolidated</u>
<u>2005</u>	S\$'000	S\$'000	S\$'000	S\$'000
Sales of goods to external customers	29,958	2,732	-	32,690
Commission income	-	6	-	6
<b>Revenue</b>	<b>29,958</b>	<b>2,738</b>	<b>-</b>	<b>32,696</b>
<b>Profit before foreign exchange differences, interest and tax ("PBFIT")</b>	<b>2,671</b>	<b>85</b>	<b>(330)</b>	<b>2,426</b>
Foreign exchange gain				315
Interest income				26
Interest expense				(4)
<b>Profit before income tax</b>				<b>2,763</b>
Income tax				(96)
<b>Profit after tax</b>				<b>2,667</b>
Minority interests				77
<b>Net profit attributable to equity holders</b>				<b>2,744</b>

**(b) Revenue By Geographical Area**

	<u>2006</u>		<u>2005</u>		<u>Change</u>
	S\$'000	% of Total	S\$'000	% of Total	%
Singapore	7,904	20%	7,357	23%	7%
Malaysia	3,349	9%	2,820	8%	19%
Korea	703	2%	1,573	5%	-55%
China / Hong Kong	9,486	24%	4,733	14%	100%
USA	2,524	6%	4,116	13%	-39%
Europe	14,806	37%	11,492	35%	29%
Rest of World	791	2%	605	2%	31%
	<u>39,563</u>	<u>100%</u>	<u>32,696</u>	<u>100%</u>	<u>21%</u>

The revenue by geographical area is based on geographical location of customers billed to.

**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***

Reasons for the change in the contributions to turnover by:

- Korea. There is still potential growth in Korea market and the Group expects the growth of turnover to continue in FY2007.
- China/Hong Kong: Following the Group's conscientious effort to grow its turnover in this region, the turnover had doubled during the financial year under review.
- USA: The decrease in turnover was mainly attributed to a customer's relocation of their manufacturing activities elsewhere in Asia Pacific region.
- Europe: The increase was mainly due to the Group's recapturing of market share that was lost in the previous financial year.

The Group is constantly taking steps to assess its market and product focus, so as to maximize its returns from this turnover. Please also refer to comments made in item 8 above for further information.

**15 A breakdown of revenue as follows:-**

	<b>Financial Year Ended on 31 Dec</b>		
	<b>2006</b>	<b>2005</b>	<b>Change</b>
	S\$'000	S\$'000	%
Revenue reported for first half year	19,514	16,880	16%
Operating profit after tax before deducting minority interests reported for first half year	1,322	2,012	-34%
Revenue reported for second half year	20,049	15,816	27%
Operating profit after tax before deducting minority interests reported for second half year	1,308	655	100%

The decrease in profitability between first half of FY2006 and FY2005 was mainly due to the changes in product, customer and geographical market mix for the Manufacturing activities. In addition, there was erosion in ASP of resistors by about 20%.

The decrease in profitability between first half and second half of FY2006 was mainly due to changes in customer and geographical market mix for the Manufacturing activities. The erosion in ASP was about 5%.

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

	<b>2006</b>	<b>2005</b>
	S\$'000	S\$'000
Ordinary	-	6,972

**BY ORDER OF THE BOARD**

Tan Swee Gek  
Joint Company Secretary

28 February 2007