

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

Group Income Statement for FY 2006 and FY 2005. These figures have not been audited.

	Group		%
	\$'000		
	FY2006	FY2005	Increase/ (Decrease)
Revenue	27,030	23,889	13.1%
Other income	29	1,163	(97.5%)
Annual accretion of income on bills receivables	426	526	(19.0%)
Changes in stocks and contract work-in-progress	4,898	381	1185.6%
Equipment and consumables used	(22,418)	(15,379)	45.8%
Freight costs	(876)	(425)	106.1%
Commission and consultancy expenses	(922)	(500)	84.4%
Staff costs	(3,199)	(3,963)	(19.3%)
Depreciation of plant and equipment	(217)	(197)	10.2%
Foreign exchange translation (loss)/gain, net	(633)	27	2,444.4%
Finance Costs	(235)	(199)	18.1%
Other operating expenses	(1,890)	(1,102)	71.5%
	<u>(25,037)</u>	<u>(19,667)</u>	27.3%
Profit before income tax	1,993	4,222	(52.8%)
Income tax	(304)	(758)	(59.9%)
Net profit for the financial year	<u>1,689</u>	<u>3,464</u>	(51.2%)
Attributable to:			
Shareholders of the Company	1,737	3,459	
Minority interests	(48)	5	
Net profit for the financial year	<u>1,689</u>	<u>3,464</u>	(51.2%)
Earning per share (cents)			
- Basic	2.1	6.3	
- Diluted	2.1	6.3	

Note: The company's subsidiary in Singapore has been granted the development and expansion incentive ("DEI") under the Regional Headquarters Award by the Economic Development Board ("EDB") for a period of three years from 1 April 2005. Under the DEI, the subsidiary's qualifying income is taxed at a concessionary rate of 15%.

Any discrepancies in the tables included in this announcement between the total sums of amounts listed and the totals shown are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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	
	FY2006	FY2005
	\$'000	\$'000
Non-current assets		
Plant and equipment	503	510
Intangible assets	802	78
Deferred tax assets	42	42
Cash and cash equivalents	-	559
Trade receivables	6,975	6,575
	8,322	7,765
Current assets		
Stocks	2,626	937
Contract work-in-progress	3,802	154
Trade receivables	16,471	14,592
Other receivables	748	768
Cash and cash equivalents	1,532	3,437
	25,179	19,888
Current liabilities		
Contract work-in-progress	515	75
Trade payables	15,422	11,087
Other payables	419	467
Deferred revenue	149	77
Finance lease liabilities	4	4
Interest bearing loans and borrowings	1,024	221
Income tax payable	364	770
	17,897	12,701
Net current assets	7,282	7,185
Non-current liabilities		
Finance lease liabilities	24	28
Deferred tax liabilities	59	59
	83	87
Net assets	15,521	14,864
Equity		
Issued share capital	9,379	8,009
Share premium	-	1,370
Employee share option reserve	41	-
Foreign currency translation reserve	(26)	(24)
Retained profits	5,846	5,311
	15,240	14,666
Minority interests	281	198
Total equity and minority interest	15,521	14,864

	Company	
	FY2006	FY2005
	\$'000	\$'000
Non-current assets		
Investments in subsidiaries	6,000	4,350
Current assets		
Other receivables	3,704	3,421
Loan to a subsidiary	2,510	2,498
Cash and cash equivalents	11	2,196
	6,225	8,115
Current liabilities		
Other payables	278	359
	278	359
Net current assets	5,947	7,756
Net assets	11,947	12,106
Equity		
Issued share capital	9,379	8,009
Share premium	-	1,370
Share option reserve	41	-
Retained profits	2,527	2,727
Total equity	11,947	12,106

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

As at 31 December 2006, our outstanding loan amounted to \$1.0 million as compared to S\$0.2 million in FY2005. The unsecured loan bears average interest of 5.5 to 6 per cent per annum and is repayable within the next 12 months.

As at 31 December 2006, our outstanding unsecured finance lease liabilities amounted to S\$28,000.

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 \$'000	
	FY2006	FY2005
Cash flow from operating activities:		
Profit before income tax	1,993	4,222
Adjustments for:		
Depreciation of plant and equipment	217	196
Loss on disposals of plant and equipment	-	22
Plant and equipment written off	17	-
Share option expenses	41	67
Interest expense	235	199
Interest income	(37)	(50)
Foreign currency translation differences	(6)	(12)
	2,460	4,644
Increase in stocks and net contract work-in-progress	(4,813)	(382)
Increase in trade and other receivables	(2,259)	(8,502)
Increase in trade and other payables	4,359	370
Cash generated used in operations	(253)	(3,870)
Interest received	37	50
Interest paid	(235)	(199)
Income tax paid	(711)	(830)
Net cash flows used in operating activities	(1,162)	(4,848)
Cash flow from investing activities:		
Purchase of plant and equipment	(310)	(397)
Payment for Intangible assets	(723)	(78)
Proceeds from disposal of plant and equipment	-	17
Net cash flows used in investing activities	(1,033)	(459)
Cash flow from financing activities:		
(Repayment of)/proceeds from loan from financial institution	(115)	11
Repayment of finance leases	(4)	(5)
Proceeds from issuance of share capital by the Company	-	6,208
Payments for deferred expenditure	-	(984)
Decrease in fixed deposits pledged with financial institutions	559	405
Contribution of capital by shareholder in a subsidiary	133	87
Dividend paid	(1,201)	(1,200)
Net cash flows (used in)/from financing activities	(628)	4,521
Net decrease in cash and cash equivalents	(2,823)	(786)
Cash and cash equivalents at beginning of financial year	3,361	4,147
Cash and cash equivalents at end of financial year *	538	3,361

Note to Cash & cash equivalent at end of financial year

*Unpledged fixed deposit
Cash and bank balance

Less : Bank overdraft
Cash and cash equivalents at end of financial year

Group \$'000	
FY2006	FY2005
42	2,393
1,489	1,044
1,531	3,437
(993)	(76)
538	3,361

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	Issued share capital	Share premium	Employee Share Options Reserve	Foreign currency translation reserve	Retained profits	Equity attributable to shareholders of the Company	Minority interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2005	2,408	2,029	-	(25)	3,999	8,411	104	8,515
Adoption of FRS39	-	-	-	-	(921)	(921)	-	(921)
Cumulative effect of adopting of FRS 102	-	-	26	-	(26)	-	-	-
As restated	2,408	2,029	26	(25)	3,052	7,490	104	7,594
Foreign currencies translation adjustment	-	-	-	1	-	1	1	2
Issuance of new shares upon conversion of employee share options	591	994	-	-	-	1,585	-	1,585
Bonus Issue	2,999	(2,999)	-	-	-	-	-	-
Issuance of new shares during IPO	2,010	2,613	-	-	-	4,623	-	4,623
IPO expenses	-	(1,359)	-	-	-	(1,359)	-	(1,359)
Contribution of share capital in a subsidiary	-	-	-	-	-	-	87	87
Share option expense	-	-	67	-	-	67	-	67
Exercise of Share option	-	92	(92)	-	-	-	-	-
Dividend on ordinary shares	-	-	-	-	(1,200)	(1,200)	-	(1,200)
Net profit for the financial year	-	-	-	-	3,458	3,458	5	3,464
Balance as at 31 December 2005 and 1 January 2006	8,008	1,370	-	(24)	5,311	14,665	197	14,863
Adoption of Companies (Amendment) Act 2005	1,370	(1,370)	-	-	-	-	-	-
Share Option Reserve	-	-	41	-	-	41	-	41
Dividend paid	-	-	-	-	(1,201)	(1,201)	-	(1,201)
Net Profit for the financial year	-	-	-	(2)	1,737	1,735	83	1,818
Balance as at 31 December 2006	9,378	-	41	(26)	5,847	15,240	280	15,521

Company	Issued share capital	Share premium	Employee share option reserve	Retained profits	Equity attributable to shareholders of the Company
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2005	2,408	2,029	26	(105)	4,358
Issuance of shares under share options scheme	591	994	-	-	1,585
Bonus issue by way of capitalizing share premium	2,999	(2999)	-	-	-
Issuance of shares pursuant to initial public offering	2,010	2,613	-	-	4,623
Initial public offering expenses	-	(1,359)	-	-	(1,359)
Share option expenses	-	-	67	-	67
Exercise of share option	-	92	(92)	-	-
Dividend on ordinary shares	-	-	-	(1,200)	(1,200)
Net profit for the financial year	-	-	-	4,032	4,032
Balance as at 31 December 2005 and 1 January 2006	8,008	1,370	-	2,727	12,106
Adoption of Companies (Amendment) Act 2005	1,370	(1,370)	-	-	-
Share Option Expenses	-	-	41	-	41
Dividend paid	-	-	-	(1,201)	(1,201)
Net profit for the financial year	-	-	-	1,001	1,001
Balance as at 31 December 2006	9,378	-	41	2,527	11,947

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.

Details of changes in issued and paid-up capital since 31 December 2005 are as follows:-

	Number of Shares	\$	Note
Issued and fully paid as at 31 December 2005	80,088,586	8,008,858.60	
Adoption of Companies (Amendment) Act 2005	-	1,370,027.22	(a)
Issued and fully paid as at 31 December 2006	80,088,586	9,378,885.82	

Note:

(a) The concept of Share Premium was removed with the adoption of the Companies (Amendment) Act 2005 on 30 January 2006 and, arising from which, all amounts standing to the credit of the Company's Share Premium Account became part of the Company's Share Capital.

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

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 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 as in the Group's most recently audited financial statements for the financial year ended 31 December 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.

Not Applicable

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.**

	Group	
	FY2006	FY2005
Earnings per ordinary share		
Based on weighted average number of ordinary shares on issue (cents)	2.1	6.3
Weighted average number of ordinary shares	82,149,692	55,213,875

There were no diluted EPS.

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.

	Group	
	31 December 2006	31 December 2005
Net asset value per ordinary share (cents) based on issued share capital at the end of:	18.89	18.31
No. of shares used in computation of net assets per share	82,149,692	80,088,586

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.

Group Revenue	\$'000	\$'000	%
	FY 2006	FY 2005	Increase/ (Decrease)
Network Infrastructure Projects	19,108	12,959	47.4%
Voice Communications Systems	5,794	9,188	(36.9%)
Project Management and Maintenance Services	2,128	1,742	22.2%
Total Group	27,030	23,889	13.1%

Gross Profit	\$'000	\$'000	%
	FY 2006	FY 2005	Increase/ (Decrease)
Network Infrastructure Projects	4,569	6,092	(25.0%)
Voice Communications Systems	1,783	2,018	(11.6%)
Project Management and Maintenance Services	1,360	889	53.0%
Total Group	7,712	8,999	(14.3%)

a. Overview

Group Revenue for FY 2006 was \$27.0 million, an increase of 13.1% or \$3.1 million over that of the previous year. Group Net Profit After Tax decreased by 51.2% or \$1.8 million as compared to the previous year mainly due to higher competition in the market, increase in operating costs and foreign exchange loss on the strengthening of S\$ against US\$.

b. Revenue

Network Infrastructure Projects recorded an increase of 47.4% or \$6.1 million to \$19.1 million mainly due to the completion of major projects.

The performance in Voice Communication Systems recorded a decrease of 36.9% or \$3.4 million to \$5.8 million as our key focus for the year was on developing and marketing our in-house brand of IP PBX. The emphasis was to complete development of the products, and subsequently build up a network of channels and partners to market our products in the region.

Project Management and Maintenance services continue to improve with growth of 22.2% or \$0.4 million to \$2.1 million. The improvement shows a confidence level from our existing maintenance customers and additional income from new customers for maintenance income.

c. Profitability

Gross profit for Network Infrastructure Projects decreased by 25.0% or \$1.5 million to \$4.6 million due mainly to competition in the market as well as the adoption of FRS 39. As the company secured more higher value projects, margin for such projects is expected to be lower as the dollar value associated to the margin will also need to be taken into consideration in the face of competition. Under the FRS 39, we have provided \$0.7 million as finance cost. These are for project where progressive payments are received when they are due. This finance cost will be recognized as an annual income on the progressive receipts for period of the bills receivables.

Gross Profit for Voice Communication Systems decreased by 11.6% or \$0.2 million to \$1.8 million due mainly to the focus on our Research & Development of our own products and the restructuring of the Voice Communication Division to meet the challenge.

Gross profit for Project Management and Maintenance Services increase by 53.0% or \$0.5 million to \$1.4 million due to the expansion of the customers' base.

Overall, Gross profit for the Group decreased by 14.3% or \$1.3 million to \$7.7 million. At Group level, performance from our subsidiaries in Philippines and Malaysia dropped significantly. Philippines continue to register losses. As the Malaysia operation focus was on R&D during the year, sales was also significantly impacted resulting in a loss. Thailand operation turned profitable in FY 2006.

The operation costs of the Company had increase by 13.6% or \$0.7 million to \$6.1 million due to the increase of operation cost in the followings:-

- Holding Company increased by approximately \$0.2 million mainly for the printing of annual report, marketing expenses and share option expenses.
- Singapore subsidiary increased by \$0.3 million due to marketing expenses, entertainment, legal and professional fee.
- Thailand subsidiary increased by \$0.2 million mainly due to survey and engineering fee incurred for projects.

The increased in the operation costs are partly due to the weakening of US\$ vs S\$ in 2006 resulting in a significant foreign currency loss of \$0.6 million.

Overall, our net profit decreased by 51.2% or \$1.8 million to \$1.7 million as a result of the above factors.

d. Balance Sheet

The increase of the Intangible assets is mainly due to the development of our own products to be launch in FY 2007. The decrease in non-current cash & cash equivalents was mainly due to the release of pledged fixed deposits by our bankers. Trade receivables increased due to the completion of major projects. The amounts due from these projects are receivable under irrevocable letter of credit.

Interest bearing loans and borrowings decreased due to repayments in 2006.

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

The results are in line with the profit guidance statement issued on 24 January 07.

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.

Business conditions are expected to remain positive, though challenging, in the current financial year. The Group has taken steps to face this challenge. The priority for us will be to continue our focus on the key markets we are in. Growth in these key markets is expected to remain steady in FY2007.

The outstanding order book as at 31 December 2006 stood at \$44.2 million, the majority of which is expected to be completed in FY 2007.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	Interim	Final
Dividend Type	-	Cash
Dividend Amount per Share (in cents)	-	1.0 cents
Optional: Dividend Rate (in %)	-	-
Tax Rate	-	Tax exempt (One tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	2 cents	1.5 cents
Optional: Dividend Rate (in %)	-	-
Par value of shares	10 cents	10 cents
Tax Rate	Tax exempt (One tier)	Tax exempt (One tier)

(c) Date payable

To be advised later.

(d) Books closure date

To be advised later.

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

Not applicable

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.

Group Revenue	\$'000	\$'000	%
	FY 2006	FY 2005	Increase/ (Decrease)
Singapore	11,191	13,432	(16.7%)
Myanmar	6,914	4,944	39.8%
Vietnam	7,215	2,470	192.1%
Others	1,710	3,043	(43.8%)
Total Group	27,030	23,889	13.1%

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 Paragraph 8 for explanation on business segmentation.

15. A breakdown of sales.

Please refer to Paragraph 8 for explanation on business segmentation.

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 (FY2006)	Previous Full Year (FY2005)
Ordinary	800,885	2,401,100
Preference	0	0
Total:	800,885	2,401,100

17. Interest Persons Transactions

Not applicable

BY ORDER OF THE BOARD

Jimmy Chang Joo Whut
 Managing Director
 27 February 2007