

**ECS HOLDINGS LIMITED**  
**Fourth Quarter Financial Statement 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.**

**1(a)(i) Income Statement for the 12 months / fourth quarter ended 31 December 2003.**

Group	Three months ended 31 Dec		%	Twelve months ended 31 Dec		%
	2003 \$'000	2002 \$'000		2003 \$'000	2002 \$'000	
Revenue	411,316	330,921	Increase/ (Decrease) 24.3	1,422,792	1,185,315	Increase/ (Decrease) 20.0
Cost of sales	(390,883)	(310,549)	25.9	(1,354,182)	(1,109,086)	22.1
Gross profit	20,433	20,372	0.3	68,610	76,229	(10.0)
Other income including interest income	251	293	(14.3)	1,438	1,698	(15.3)
Selling and distribution expenses	(7,156)	(7,528)	(4.9)	(28,318)	(26,656)	6.2
General and administrative expenses	(6,641)	(5,711)	16.3	(25,388)	(21,629)	17.4
Profit from operations	6,887	7,426	(7.3)	16,342	29,642	(44.9)
Finance costs	(1,449)	(2,222)	(34.8)	(6,686)	(8,317)	(19.6)
Profit before tax	5,438	5,204	4.5	9,656	21,325	(54.7)
Taxation	(1,123)	(600)	87.2	(2,780)	(2,992)	(7.1)
Profit after tax (note 1)	4,315	4,604	(6.3)	6,876	18,333	(62.5)
Minority interests (note 2)	(199)	(191)	4.2	(581)	(4,168)	(86.1)
Net profit	4,116	4,413	(6.7)	6,295	14,165	(55.6)

Nm denotes as “not meaningful”

The comparative figures have been adjusted to conform with the current period's presentation.

## Breakdown and explanatory Notes to Income Statement

1. The following items have been included in arriving at net profit after taxation:-

Group	Three months ended 31 Dec			Twelve months ended 31 Dec		
	2003 \$'000	2002 \$'000	% Increase/ (Decrease)	2003 \$'000	2002 \$'000	% Increase/ (Decrease)
Depreciation and amortisation	(1,561)	(1,295)	20.5	(5,810)	(4,790)	21.29
Allowance for doubtful debts and bad debts written off nett of bad debts recovered	(409)	(706)	(42.1)	(2,075)	(1,565)	32.6
Allowance for stock obsolescence and stocks written off	(187)	(233)	(19.7)	(1,929)	(1,156)	66.9
Foreign exchange gain / (loss)	(34)	140	Nm	275	395	(30.4)
Profit / (Loss) on sale of property, plant and equipment	(67)	17	Nm	(168)	(25)	Nm
Adjustment of over / (under) provision for prior years :						
- current taxation	301	(23)	Nm	301	(23)	Nm
- deferred taxation	(340)	0	100.0	(340)	0	100.0

2. On 29<sup>th</sup> August 2002, the Group acquired the remaining 25% & 49% interests in the equity of our Thailand and China subsidiaries. Hence for the year ended 31 Dec 2002, Minority Interests (MI) shares 25% and 49% of our Thailand and China subsidiaries' profits respectively up to Aug 2002 and 40% of the profits of our Malaysian subsidiary. For the year ended 31 Dec 2003, MI only shares 40% of the profits of our Malaysian subsidiary.

**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		Company	
	31 December 2003 \$'000	31 December 2002 \$'000	31 December 2003 \$'000	31 December 2002 \$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	12,274	14,138	202	229
Investment in subsidiaries	0	0	86,408	86,408
Other Assets	643	329	140	140
Goodwill on consolidation	35,352	36,687	0	0
Deferred tax assets	835	302	0	0
	49,104	51,456	86,750	86,777
<b>Current Assets</b>				
Inventory	199,775	212,196	0	0
Trade and other receivables	158,788	136,811	111,740	17,149
Cash and bank balances	56,181	36,575	474	10,768
	414,744	385,582	112,214	27,917
<b>Current Liabilities</b>				
Bank overdrafts	193	1,305	0	0
Trade and other payables	158,689	121,845	1,204	2,189
Bank borrowings	142,268	155,210	85,000	0
Finance lease	0	830	0	0
Loans due to shareholders	6,800	6,960	0	0
Provision for taxation	1,601	1,614	0	0
	309,551	287,764	86,204	2,189
<b>Net Current Assets</b>	105,193	97,818	26,010	25,728
<b>Non-Current Liabilities</b>				
Bank borrowings	146	191	0	0
Deferred tax liabilities	675	155	23	17
Deferred income	371	585	0	0
	1,192	931	23	17
<b>Minority interests</b>	4,678	4,160	0	0
<b>Net Assets</b>	148,427	144,183	112,737	112,488
<i>Represented by :</i>				
<b>Capital and Reserves</b>				
Share capital	34,634	34,634	34,634	34,634
Reserves	113,793	109,549	78,103	77,854
	148,427	144,183	112,737	112,488

**Notes to Balance Sheet**

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

**Amount repayable in one year or less, or on demand**

As at 31/12/2003		As at 31/12/2002	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
59	142,402	60	156,455

**Amount repayable after one year**

As at 31/12/2003		As at 31/12/2002	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
146	0	191	0

**Details of any collateral**

A fixed charge over the freehold office blocks of a subsidiary.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Twelve months ended 31 Dec	
	2003	2002
	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>		
Profit / (Loss) from ordinary activities before taxation	9,656	21,325
Adjustments for :		
Amortisation of goodwill	2,746	2,468
Depreciation of property, plant and equipment	3,063	2,322
Loss on disposal of property, plant and equipment	168	25
Interest expense	6,686	8,317
Interest income	(517)	(759)
Operating profit / (loss) before working capital changes	21,802	33,698
Changes in working capital :		
Inventories	8,282	(15,939)
Trade and other receivables	(23,440)	7,647
Trade and other payables	37,034	(13,862)
Cash generated from operations	43,678	11,544
Income taxes paid	(2,869)	(6,436)
<b>Net cash flow from operating activities</b>	<b>40,809</b>	<b>5,108</b>
<b>Cash Flows from Investing Activities</b>		
Interest received	517	759
Additional investment in subsidiary	0	(11,846)
Purchase of property, plant and equipment	(1,709)	(4,002)
Proceeds from disposal of property, plant and equipment	173	383
Purchase of other assets	(314)	0
<b>Net cash flow from investing activities</b>	<b>(1,333)</b>	<b>(14,706)</b>
<b>Cash Flows from Financing Activities</b>		
Interest paid	(5,795)	(8,317)
Dividends paid	(1,621)	(1,460)
Proceeds from issue of shares	0	501
Proceeds from bank loans	106,589	32,063
Repayment of bank loans	(116,615)	(25,735)
Payment of finance lease instalments	(830)	(1,081)
<b>Net cash flow from financing activities</b>	<b>(18,272)</b>	<b>(4,029)</b>
Net increase / (decrease) in cash and cash equivalents	21,204	(13,627)
Cash and cash equivalents at beginning of the year	35,270	51,198
Effects of exchange rate changes on balances held in foreign currencies	(486)	(2,301)
Cash and cash equivalents at end of year	55,988	35,270

**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.**

Statement of Changes in Equity

**(i) Consolidated statement of changes in equity for the twelve months ended 31 December 2003**

	Share Capital \$'000	Dividend Reserve \$'000	Share Premium \$'000	Accumulated Profits / (Losses) \$'000	Currency Translation Reserve \$'000	Total \$'000
<b>Bal as at 1 Jan 2003</b>	34,634	0	75,656	36,344	(2,451)	144,183
Net profit for the period	0	0	0	925	0	925
Exchange gain / (loss) on translation of net assets of foreign subsidiaries	0	0	0	0	772	772
<b>Bal as at 31 Mar 2003</b>	34,634	0	75,656	37,269	(1,678)	145,881
Net profit for the period	0	0	0	2,179	0	2,179
Exchange gain / (loss) on translation of net assets of foreign subsidiaries	0	0	0	0	(583)	(583)
Final dividends paid of 6% less tax at 22% in respect of year 2002	0	0	0	(1,621)	0	(1,621)
<b>Bal as at 30 Jun 2003</b>	34,634	0	75,656	37,827	(2,261)	145,856
Net loss for the period	0	0	0	(925)	0	(925)
Exchange gain / (loss) on translation of net assets of foreign subsidiaries	0	0	0	0	(248)	(248)
<b>Bal as at 30 Sep 2003</b>	34,634	0	75,656	36,902	(2,509)	144,683
Net profit for the period	0	0	0	4,116	0	4,116
Exchange gain / (loss) on translation of net assets of foreign subsidiaries	0	0	0	0	(372)	(372)
Proposed dividends of 4% less tax at 22% in respect of year 2003	0	1,167	0	(1,167)	0	0
<b>Bal as at 31 Dec 2003</b>	<u>34,634</u>	<u>1,167</u>	<u>75,656</u>	<u>39,851</u>	<u>(2,881)</u>	<u>148,427</u>

(ii) Consolidated statement of changes in equity for the twelve months ended 31 December 2002

	Share Capital \$'000	Shares to be Issued \$'000	Share Premium \$'000	Capital Reserve \$'000	Accumulated Profits / (Losses) \$'000	Currency Translation Reserve \$'000	Total \$'000
<b>Bal as at 1 Jan 2002 restated</b>	29,297	6,370	55,911	1,045	23,639	77	116,339
Issue of shares	1,734	(6,370)	4,970	0	0	0	334
Net profit for the period	0	0	0	0	616	0	616
Exchange gain / (loss) on translation of net assets of foreign subsidiaries	0	0	0	0	0	(3)	(3)
<b>Bal as at 31 Mar 2002</b>	<u>31,031</u>	<u>0</u>	<u>60,881</u>	<u>1,045</u>	<u>24,255</u>	<u>74</u>	<u>117,286</u>
Issue of shares	167	0	0	0	0	0	167
Net profit for the period	0	0	0	0	5,590	0	5,590
Exchange gain / (loss) on translation of net assets of foreign subsidiaries	0	0	0	0	0	(180)	(180)
Final dividend paid of 6% less tax at 22% in respect of year 2001	0	0	0	0	(1,460)	0	(1,460)
<b>Bal as at 30 Jun 2002</b>	<u>31,198</u>	<u>0</u>	<u>60,881</u>	<u>1,045</u>	<u>28,385</u>	<u>(106)</u>	<u>121,403</u>
Issue of shares	3,436	0	14,775	0	0	0	18,211
Net profit for the period	0	0	0	0	3,546	0	3,546
Exchange gain / (loss) on translation of net assets of foreign subsidiaries	0	0	0	0	0	(1,560)	(1,560)
<b>Bal as at 30 Sep 2002</b>	<u>34,634</u>	<u>0</u>	<u>75,656</u>	<u>1,045</u>	<u>31,931</u>	<u>(1,666)</u>	<u>141,600</u>
Net profit for the period	0	0	0	0	4,413	0	4,413
Exchange gain / (loss) on translation of net assets of foreign subsidiaries	0	0	0	0	0	(785)	(785)
Re-presentation with goodwill arising on acquisition during the year	0	0	0	(1,045)	0	0	(1,045)
<b>Bal as at 31 Dec 2002</b>	<u><u>34,634</u></u>	<u><u>0</u></u>	<u><u>75,656</u></u>	<u><u>0</u></u>	<u><u>36,344</u></u>	<u><u>(2,451)</u></u>	<u><u>144,183</u></u>

(iii) Statement of changes in equity of the company for the twelve months ended 31 December 2003

	Share Capital \$'000	Dividend Reserve \$'000	Share Premium \$'000	Accumulated Profits / (Losses) \$'000	Total \$'000
<b>Bal as at 1 Jan 2003</b>	34,634	0	75,656	2,198	112,488
Net loss for the period	0	0	0	(100)	(100)
<b>Bal as at 31 Mar 2003</b>	34,634	0	75,656	2,098	112,388
Net loss for the period	0	0	0	(49)	(49)
Final dividend paid of 6% less tax at 22% in respect of year 2002	0	0	0	(1,621)	(1,621)
<b>Bal as at 30 Jun 2003</b>	34,634	0	75,656	428	110,718
Net loss for the period	0	0	0	(117)	(117)
<b>Bal as at 30 Sep 2003</b>	34,634	0	75,656	311	110,601
Net profit for the period	0	0	0	2,136	2,136
Proposed dividend of 4% less tax at 22% in respect of year 2003	0	1,167	0	(1,167)	0
<b>Bal as at 31 Dec 2003</b>	<u>34,634</u>	<u>1,167</u>	<u>75,656</u>	<u>1,280</u>	<u>112,737</u>

(iv) Statement of changes in equity of the company for the twelve months ended 31 December 2002

	Share Capital \$'000	Shares to be Issued \$'000	Share Premium \$'000	Accumulated Profits / (Losses) \$'000	Total \$'000
<b>Bal as at 1 Jan 2002</b>	29,297	6,370	55,911	592	92,170
Issue of shares	1,734	(6,370)	4,970	0	334
Net profit for the period	0	0	0	22	22
<b>Bal as at 31 Mar 2002</b>	31,031	0	60,881	614	92,526
Issue of shares	167	0	0	0	167
Net profit for the period	0	0	0	44	44
Final dividend paid of 6% less tax at 22% in respect of year 2001	0	0	0	(1,460)	(1,460)
<b>Bal as at 30 Jun 2002</b>	31,198	0	60,881	(802)	91,277
Issue of shares	3,436	0	14,775	0	18,211
Net loss for the period	0	0	0	(18)	(18)
<b>Bal as at 30 Sep 2002</b>	34,634	0	75,656	(820)	109,470
Net loss for the period	0	0	0	3,018	3,018
<b>Bal as at 31 Dec 2002</b>	<u>34,634</u>	<u>0</u>	<u>75,656</u>	<u>2,198</u>	<u>112,488</u>



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or 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.**

During the quarter ended 31 December 2003, the Company did not issue any shares. As at 30 September 2003 and 31 December 2003, the issued and paid up share capital of the Company was \$34,634,217.

As at 31 December 2003, the Company has outstanding share options of 45,726,000 unissued ordinary shares. The outstanding share options as at 31 December 2002 amounted to 38,715,000 unissued ordinary shares.

**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).**

N.A

**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 financial statements for the current reporting period compared with the audited financial statements as at 31 December 2002.

**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.**

With effect from 1 January 2003, the Group adopted Singapore Financial Reporting Standards (FRS) including related interpretations issued by the Council on Corporate Disclosure and Governance. As a result of the implementation of Section 37 of the Companies (Amendments) Act 2002, Singapore Statements of Accounting Standard (SAS) ceased to be used. The adoption of FRS had no significant impact on the Group.

**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.**

	3 months ended 31 Dec 2003	3 months ended 31 Dec 2002	12 months ended 31 Dec 2003	12 months ended 31 Dec 2002
Earnings / (Loss) per ordinary share for the year based on net profit attributable to shareholders:-				
(i) Based on weighted average number of ordinary shares in issue	1.19 cents	1.27 cents	1.82 cents	4.39 cents
Weighted average number of shares ('000)	346,342	346,342	346,342	322,690
(ii) On a fully diluted basis	1.15 cents	1.23 cents	1.75 cents	4.22 cents
Weighted average number of shares ('000)	359,117	359,441	359,117	335,789

In arriving at the fully diluted earnings per share, only those potential ordinary shares arising from the exercise of options which would dilute the basic earnings per share of the Group are included in the computation.

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.**

	<b>GROUP</b>	
	<b>31 December 2003</b>	<b>31 December 2002</b>
Net tangible asset backing per ordinary share based on issued share capital as at the end of the financial period	32.65 cents	31.04 cents

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.**

### **Review of Group Performance**

#### 4<sup>th</sup> Quarter 2003 vs 4<sup>th</sup> Quarter 2002

##### (a) Revenue

The Group's revenue grew by 24.3% from \$330.9m in Q4 2002 to \$411.3m in Q4 2003. The E-enabling Infrastructure and the IT Distribution business segments registered significant positive growth of 19.4% and 30.5% respectively in Q4 2003 as compared to Q4 2002. Revenue for the IT Services business segment however declined by 32.3% as compared to the corresponding quarter due to decline in demand for professional services, training and post sales maintenance.

In terms of revenue by country, all countries recorded double digit growth as compared to the corresponding quarter except for Singapore where revenue remained flat at \$64m for the current quarter. Demand for our products and services increased during the quarter in China, Thailand and Malaysia as business sentiments improved and for Thailand, it was also assisted by the stimulus packages put in place by the government to drive economic expansion.

##### (b) Profitability

Net Profit after tax was \$4.1m in Q4 2003 as compared to \$4.4m in the corresponding quarter.

Gross Margin for the quarter was 4.97% as compared to 6.16% for the corresponding quarter due to intense competition and market consolidation. The IT Distribution segment's gross margin appears to have stabilised but stiff competition in China has led overall gross margins of the E-enabling business segment to decline during the quarter as compared to Q4 2002. Due to the expanded range of services provided by the Group during the quarter, IT Services' gross margins for the quarter improved over that achieved in Q4 2002.

The Group's efforts to implement cost control measures and improve operating efficiencies continued into the current quarter and have yielded positive results. Selling, distribution, general & administrative expenses increased by only 4.2% from \$13.2m in Q4 2002 to \$13.8m in Q4 2003 although revenue increased by 24.3% during the same period.

The Group's conscientious efforts to better manage its working capital has led to the reduction in bank borrowings during the quarter. And coupled with the availability of lower cost funding, the Group was able to reduce its interest expenses from \$2.2m in Q4 2002 to \$1.4m in Q4 2003.

During the quarter, the Group's tax expense was \$1.1m as compared to \$0.6m in the corresponding quarter. Higher taxes were provided as more profits were generated in the higher tax jurisdictions during the quarter.

## FY 2003 vs FY 2002

### (a) Revenue

Revenue increased by 20% to \$1.4billion in FY2003 from \$1.2billion achieved in FY2002. Strong growth were registered in the E-enabling Infrastructure and IT Products Distribution segments which grew by 20.2% and 21.9% respectively. IT Services which was affected most significantly by the onset of SARS in the region saw revenue falling 27.6% during the year to \$20.1m as compared to \$27.7m in FY2002.

Geographically, revenues from all four countries comprising China, Malaysia, Singapore and Thailand posted healthy growth with Malaysia posting a 23.4% increase in revenue from \$108.6m in FY2002 to \$134.1m in FY2003. This is followed by Thailand, China and Singapore reporting revenue growth rates of 19.8%, 19.8% and 19.3% respectively.

### (b) Profitability

FY2003 has been an exceptionally challenging year for the Group. The uncertain economic conditions at the start of the year had been further strained by the onset of SARS in the region in the second quarter which severely impacted the Group's profitability, especially in Singapore and China. During the period, the Group took steps to aggressively reduce inventory and reduce credit exposure by tightening controls over accounts receivable collections as it was uncertain then as to when SARS would be brought under control. This coupled with the increased competition in the countries we operate had lowered our profit margins. Our profitability was also affected by the exceptional \$2.6m loss incurred by China during the 3<sup>rd</sup> quarter as a result of the disposal and write down of inventories as well as other related expenses arising from the expiry of a distribution agreement. Gross profit for the year was \$68.6m as compared to \$76.2m in FY2002.

Selling, distribution, general and administrative expenses increased to \$53.7m during the year from \$48.3m incurred in FY2002. The higher expenses were mainly due to :

- a) higher amortisation expenses were charged in FY2003 as the balance 25% and 49% equity interests in the Thailand and China subsidiaries were completed only in August 2002. Our Thailand and China subsidiaries are now fully owned by the Group;
- b) higher depreciation expenses due to China's ERP system;
- c) increased provisions made for doubtful debts; and
- d) increased payroll costs arising from additional headcount.

Improved working capital management and the availability of lower cost borrowings has assisted the Group to lower its full year's interest costs by 19.6% from \$8.3m in FY2002 to \$6.7m in FY2003.

Despite the tough circumstances, the Group remained profitable in FY2003. Net profit after tax for the year was \$6.3m as compared to \$14.2m in FY2002.

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

In our Q3 2003 financial announcement dated 28<sup>th</sup> November 2003, the Directors were of the opinion that the Group's 2<sup>nd</sup> half performance may not be better than the 1<sup>st</sup> half if the exceptional loss incurred in Q3 was included. The Directors are pleased to announce that the Group achieved profit, including the exceptional loss, for the 2<sup>nd</sup> half of \$3.5m. This exceeded the operating profits of \$3.3m achieved in the 1<sup>st</sup> half.

**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.**

Overall, general economic and business conditions appear to be stronger this year and business confidence appears to have returned. From the end of FY2003, there were signs of increased Corporate IT expenditure and this is expected to flow through FY2004.

ECS, being in the mainstream of the IT Industry, distributing world renowned products and services will benefit from these improved sentiments and higher IT expenditure. With our latest joint venture with PT Harrisma, Indonesia, ECS has further enhanced its partnership with major IT Principals and is now in a superior position to provide its Principals with wider market coverage. The Group has a network of more than 12,000 resellers spreading across 5 countries, namely, Singapore, Malaysia, Thailand, China and Indonesia.

With such extensive network coverage and a large range of products and services, the Group surpasses some of its competitors and is fast becoming a leading IT distribution group in the region. The Group will continue to secure more product lines and scout for opportunities in India and Vietnam to expand its footprint in the region.

While the Group will continue with its efforts to improve efficiency and manage its costs to enhance profitability, we will also be investing resources to train and develop our staff as well as to strengthen our IT system in line with our growth. The Group remains conscious of the continued competition and consolidation in the industry but is well positioned to take on such challenges and will emerge even stronger.

Overall, FY2004 will be a better year and the Group is confident to deliver better profits.

**11. Dividend**

The Board of Directors is recommending the payment of a first and final dividend as follows:-

**(a) Present Period**

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Rate	0.4 cents per ordinary share less tax
Par value of shares	S\$0.10
Tax Rate	22.0%

**(b) Previous Corresponding Period**

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Rate	0.6 cents per ordinary share less tax
Par value of shares	S\$0.10
Tax Rate	22.0%

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

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

N.A

**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.

Business Segment Information

	Revenue			Profit / (Loss) before Interest & Taxation		
	3 months ended 31.12.2003 \$'000	3 months ended 31.12.2002 \$'000	% Change	3 months ended 31.12.2003 \$'000	3 months ended 31.12.2002 \$'000	% Change
E-enabling Infrastructure	162,531	136,171	19.4	3,135	4,655	-32.7
IT Services	5,726	8,455	-32.3	978	101	868.3
IT Products Distribution	243,059	186,295	30.5	2,774	2,670	3.9
Total	411,316	330,921	24.3	6,887	7,426	-7.3

	Revenue			Profit before Interest & Taxation		
	12 months ended 31.12.2003 \$'000	12 months ended 31.12.2002 \$'000	% Change	12 months ended 31.12.2003 \$'000	12 months ended 31.12.2002 \$'000	% Change
E-enabling Infrastructure	569,772	474,084	20.2	6,699	18,047	-62.9
IT Services	20,060	27,704	-27.6	2,098	2,462	-14.8
IT Products Distribution	832,960	683,527	21.9	7,545	9,133	-17.4
Total	1,422,792	1,185,315	20.0	16,342	29,642	-44.9

Geographical Segment Information

	Revenue			Profit / (Loss) before Interest & Taxation		
	3 months ended 31.12.2003 \$'000	3 months ended 31.12.2002 \$'000	% Change	3 months ended 31.12.2003 \$'000	3 months ended 31.12.2002 \$'000	% Change
Singapore	63,638	64,272	-1.0	1,425	622	129.1
Thailand	61,099	45,283	34.9	1,452	920	57.8
Malaysia	41,145	30,440	35.2	1,052	793	32.7
China	245,434	190,926	28.5	2,958	5,091	-41.9
Total	411,316	330,921	24.3	6,887	7,426	-7.3

	Revenue			Profit before Interest & Taxation		
	12 months ended 31.12.2003 \$'000	12 months ended 31.12.2002 \$'000	% Change	12 months ended 31.12.2003 \$'000	12 months ended 31.12.2002 \$'000	% Change
Singapore	253,922	212,762	19.3	3,164	5,123	-38.2
Thailand	217,345	181,415	19.8	4,733	4,755	-0.5
Malaysia	134,076	108,652	23.4	2,615	2,166	20.7
China	817,449	682,486	19.8	5,830	17,598	-66.9
Total	1,422,792	1,185,315	20.0	16,342	29,642	-44.9

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.

Refer to Note 8.

**15. A breakdown of sales as follows:-**

	Group			Company		
	Year ended 31 Dec 2003 S\$'000	Year ended 31 Dec 2002 S\$'000	Increase/ (Decrease) %	Year ended 31 Dec 2003 S\$'000	Year ended 31 Dec 2002 S\$'000	Increase/ (Decrease) %
(a) Sales reported for first half year	634,887	548,223	15.8	2,289	6,640	(65.5)
(b) Operating profit / (loss) after tax before deducting minority interests reported for first half year	3,332	9,993	(66.7)	(149)	66	Nm
(c) Sales reported for second half year	787,905	637,092	23.7	4,714	11,510	(59.0)
(d) Operating profit / (loss) after tax before deducting minority interests reported for second half year	3,544	8,340	(57.5)	2,019	3,000	(32.7)

**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:-**

**Total Annual Dividend**

Summary of gross dividend proposed per share:-

	2003 S\$'000	2002 S\$'000
Ordinary	1,454	2,078
Preference	0	0
Total:	1,454	2,078

The above represents a total gross dividend proposed of 0.4 cents per ordinary share for the financial year 2003. No interim dividend was paid during the year.

**17. Interested Person Transactions Under General Mandate.**

	<b>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</b>
<b>Name of Interested Person</b>	<b>12 months ended 31 December 2003 \$'000</b>	<b>12 months ended 31 December 2003 \$'000</b>
<b>Transaction for sale of goods and services</b>		
Solelectron Technology Singapore Pte Ltd	0	926,081
Netband Consulting Co., Ltd	0	396,856
Vintcom Technology Co., Ltd	0	3,159,123
Guangzhou Jia Dou Information Systems Integration Company Limited	0	4,044,838
Guangdong Jiadu Information Technology Co., Ltd	716,700	0
<b>Total</b>	<b>716,700</b>	<b>8,526,898</b>

**BY ORDER OF THE BOARD**

**Yeo Siew Kwan**

**Company Secretary**

**27<sup>th</sup> February 2004**