

PART I - UNAUDITED RESULTS FOR THE 6 MONTHS ENDED 30 JUNE 2005

1(a)(i) STATEMENT OF PROFIT AND LOSS FOR THE 2ND QUARTER AND 6 MONTHS ENDED 30 JUNE 2005

| In S\$'000s | 2005 | 2004 | +/- % | 2005 | 2004 | +/- % |
|--|--------------|--------------|---------------|---------------|---------------|--------------|
| | 2Q | | | 1H | | |
| Revenue | 139,974 | 136,794 | 2.3% | 265,238 | 257,327 | 3.1% |
| Cost of sales | (130,106) | (126,851) | 2.6% | (245,292) | (236,900) | 3.5% |
| Gross profit | 9,868 | 9,943 | -0.8% | 19,946 | 20,427 | -2.4% |
| <i>Gross Margin %</i> | 7.0% | 7.3% | -0.3% | 7.5% | 7.9% | -0.4% |
| Other operating income | 218 | 108 | 101.9% | 332 | 196 | 69.4% |
| Selling and marketing expenses | (1,979) | (2,493) | -20.6% | (4,000) | (4,671) | -14.4% |
| Administrative expenses | (3,598) | (2,469) | 45.7% | (6,786) | (5,310) | 27.8% |
| Other operating income/ (expenses), net | (77) | (38) | 102.6% | 67 | (70) | -195.7% |
| Profit from operations | 4,432 | 5,051 | -12.3% | 9,559 | 10,572 | -9.6% |
| Finance costs | 0 | (24) | -100.0% | 0 | (48) | -100.0% |
| Share of profit of jointly-controlled entity | 23 | 0 | 100.0% | 121 | 0 | 100.0% |
| Profit from ordinary activities before taxation | 4,455 | 5,027 | -11.4% | 9,680 | 10,524 | -8.0% |
| <i>% of revenue</i> | 3.2% | 3.7% | -0.5% | 3.6% | 4.1% | -0.5% |
| Income tax expenses | (973) | (967) | 0.6% | (2,009) | (2,141) | -6.2% |
| Net profit for the year after taxation | 3,482 | 4,060 | -14.2% | 7,671 | 8,383 | -8.5% |
| Attributable to: | | | | | | |
| Shareholders of the Company | 3,518 | 3,952 | -11.0% | 7,730 | 8,258 | -6.4% |
| <i>% of revenue</i> | 2.5% | 2.9% | -0.4% | 2.9% | 3.2% | -0.3% |
| Minority interest | (36) | 108 | -133.3% | (59) | 125 | -147.2% |
| | 3,482 | 4,060 | -14.2% | 7,671 | 8,383 | -8.5% |
| No of shares | 442,094 | 402,769 | | 442,047 | 401,385 | |
| Earnings per share (in cents) | | | | | | |
| Basic | 0.80 | 0.98 | | 1.75 | 2.06 | |
| Diluted | 0.79 | 0.98 | | 1.73 | 2.06 | |

1(a)(ii) PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION HAS BEEN ARRIVED AT AFTER CHARGING / (CREDITING):

| In S\$'000s | 2005 | 2004 | +/- % | 2005 | 2004 | +/- % |
|---|------------|------------|---------------|------------|------------|--------------|
| | 2Q | | | 1H | | |
| Staff costs (1) | 4,399 | 3,246 | 35.5% | 8,283 | 6,474 | 27.9% |
| Contributions to defined contribution plans included in staff costs | 293 | 236 | 24.2% | 591 | 494 | 19.6% |
| Directors' remuneration included in staff costs | 131 | 293 | -55.3% | 350 | 379 | -7.7% |
| Depreciation of property, plant and equipment | 299 | 198 | 51.0% | 580 | 407 | 42.5% |
| Amortisation of intangible assets | 16 | 18 | -11.1% | 48 | 34 | 41.2% |
| Impairment losses recognised on property, plant and equipment | 0 | 173 | -100.0% | 0 | 173 | -100.0% |
| Provision made/(reversed) for warranty costs | 110 | (12) | 1016.7% | 197 | 167 | 18.0% |
| Rental expenses | 264 | 283 | -6.7% | 509 | 533 | -4.5% |
| Loss/(gain) on disposal of property, plant and equipment | 4 | 0 | 100% | 4 | (1) | 500.0% |
| Exchange loss/(gain) | 74 | 219 | -66.2% | (70) | 187 | -137.4% |
| Other operating income comprises: | | | | | | |
| Service income | 45 | 59 | -23.7% | 82 | 108 | -24.1% |
| Interest income | | | | | | |
| -banks | 150 | 24 | 525.0% | 227 | 36 | 530.6% |
| -related corporations | 0 | 0 | 0 | 0 | 22 | -100.0% |
| Others | 23 | 25 | -8.0% | 23 | 30 | -23.3% |
| | 218 | 108 | 101.9% | 332 | 196 | 69.4% |

- (1) Increase in staff costs contributed mainly to the increase in administrative expenses. Staff cost increase is from the increase in headcount both in Singapore and Indonesia to support the engineering business. In addition, with the adoption of FRS 102 effective Jan 2005, employee share options were also expensed in 2005

1(b)(i) BALANCE SHEET

| In S\$'000s | GROUP | | COMPANY | |
|---|--------------------|---------------------|--------------------|---------------------|
| | AS AT 30/6/2005 | AS AT 31/12/2004 | AS AT 30/6/2005 | AS AT 31/12/2004 |
| Non-current assets | | | | |
| Investments in subsidiaries | 0 | 0 | 20,305 | 20,460 |
| Investment in jointly-controlled entities | 1,445 | 1,038 | 0 | 0 |
| Property, plant and equipment | 2,025 | 1,959 | 269 | 264 |
| Intangible assets | 187 | 145 | 0 | 0 |
| Deferred tax assets | 347 | 263 | 188 | 191 |
| | 4,004 | 3,405 | 20,762 | 20,915 |
| <u>Current Assets</u> | | | | |
| Inventories | 20,783 | 24,492 | 10,854 | 12,113 |
| Work-in-progress | 2,778 | 1,759 | 0 | 0 |
| Trade receivables | 9,876 | 20,526 | 3,537 | 4,479 |
| Other receivables, deposits and prepayments | 12,189 | 13,926 | 7,123 | 7,129 |
| Amounts due from:- | | | | |
| - related corporations | 15,320 | 20,215 | 11,625 | 13,159 |
| - subsidiaries | 0 | 0 | 2,607 | 7,703 |
| - holding companies | 8 | 69 | 8 | 12 |
| - related corporation of minority shareholder of a subsidiary | 15,087 | 9,951 | 0 | 0 |
| Cash and cash equivalent | 44,426 | 29,300 | 17,608 | 5,687 |
| Total Current Assets | 120,467 | 120,238 | 53,362 | 50,282 |
| <u>Current Liabilities</u> | | | | |
| Trade payables | 48,229 | 57,723 | 13,687 | 20,021 |
| Other payables and accruals | 16,482 | 14,298 | 5,417 | 4,837 |
| Amounts due to:- | | | | |
| - related corporations | 696 | 611 | 270 | 143 |
| - subsidiaries | 0 | 0 | 0 | 31 |
| - holding companies | 75 | 538 | 75 | 538 |
| Current tax payable | 3,964 | 3,566 | 2,209 | 1,884 |
| Deferred income | 1,185 | 1,390 | 0 | 0 |
| Total current liabilities | 70,631 | 78,126 | 21,658 | 27,454 |
| Net Current Assets | 49,836 | 42,112 | 31,704 | 22,828 |
| Less: Non current liabilities | | | | |
| Deferred tax liabilities | 108 | 118 | 0 | 0 |
| Total Net Assets | 53,732 | 45,399 | 52,466 | 43,743 |
| | | | | |

| In S\$'000s | GROUP | | COMPANY | |
|-----------------------------|--------------------|---------------------|---------------|--------------------|
| | AS AT 30/6/2005 | AS AT 31/12/2004 | In S\$'000s | AS AT 30/6/2005 |
| Share Capital | 8,859 | 8,840 | 8,859 | 8,840 |
| Reserves | 44,617 | 36,242 | 43,607 | 34,903 |
| | 53,476 | 45,082 | 52,466 | 43,743 |
| Minority Interest | 256 | 317 | 0 | 0 |
| Shareholders' Equity | 53,732 | 45,399 | 52,466 | 43,743 |

Compared to 31 December 2004, the increase in net current assets as at 30 June 2005 was mainly attributable to the decrease in trade payables.

1(b)(ii) GROUP BORROWING

Amount repayable in one year or less, or on demand

NIL

Amount repayable after one year

NIL

Details of any collateral

NIL

1(c) CASH FLOW STATEMENT FOR THE 2ND QUARTER AND 6 MONTHS ENDED 30 JUNE 2005

| In S\$'000s | 2005 | 2004 | 2005 | 2004 |
|--|---------------|---------------|---------------|---------------|
| | 2Q | | 1H | |
| Cash Flows From Operating Activities | | | | |
| Profit before taxation | 4,455 | 5,027 | 9,680 | 10,524 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 299 | 198 | 580 | 407 |
| Amortisation of intangible assets | 16 | 18 | 48 | 34 |
| (Gain)/Loss on disposal of property, plant and equipment | 4 | 0 | 4 | (1) |
| Impairment of property, plant and equipment | 0 | 173 | 0 | 173 |
| Share of profit of jointly-controlled entity | (23) | 0 | (121) | 0 |
| Share-base payment expenses | 185 | 0 | 349 | 0 |
| Interest income | (150) | (24) | (227) | (58) |
| Interest expense | 0 | 24 | 0 | 48 |
| Deferred Income | (73) | 14 | (1,390) | 174 |
| Cash from operations before working capital changes | 4,713 | 5,430 | 8,923 | 11,301 |
| Changes in working capital | 12,642 | 8,645 | 6,834 | 9,264 |
| Cash generated from operations | 17,355 | 14,075 | 15,757 | 20,565 |
| Income tax paid | (1,613) | (1,682) | (1,646) | (1,759) |
| Interest received | 150 | 23 | 227 | 57 |
| Net cash inflow from operating activities | 15,892 | 12,416 | 14,338 | 18,863 |

| In S\$'000s | 2005 | 2004 | 2005 | 2004 |
|--|---------------|---------------|----------------|---------------|
| | 2Q | | 1H | |
| Cash Flows From Investing Activities | | | | |
| Purchase of property, plant and equipment | (200) | (245) | (761) | (298) |
| Purchase of intangible assets | (78) | (13) | (95) | (13) |
| Proceeds from disposal of property, plant and equipment | 5 | 0 | 5 | 18 |
| Acquisition of remaining interest in subsidiary | 0 | (340) | 0 | (340) |
| Net cash outflow from acquisition of interest in jointly controlled entity | 0 | (300) | 0 | (300) |
| Non-interest bearing loan to jointly controlled entity | (217) | 0 | (217) | 0 |
| Net cash outflow from investing activities | (490) | (898) | (1,068) | (933) |
| Cash Flows From Financing Activities | | | | |
| Balances with related corporations (non trade) | (67) | (194) | 1,686 | 7,452 |
| Proceeds from Initial Public Offering | 0 | 10,680 | 0 | 10,680 |
| Proceeds from issues of shares under Employee Share Option scheme | 197 | 0 | 197 | 0 |
| Net cash inflow from financing activities | 130 | 10,486 | 1,883 | 18,132 |
| Net Increase In cash and cash equivalents | 15,532 | 22,004 | 15,153 | 36,062 |
| Cash And cash equivalents at beginning of year | 28,915 | 30,351 | 29,300 | 16,453 |
| Effect of exchange rate differences on balance | (21) | (119) | (27) | (279) |
| Cash And Cash Equivalents at end of year | 44,426 | 52,236 | 44,426 | 52,236 |

Net cash flow from operating activities

Net cash inflow from operating activities increased from \$12.4M in 2Q04 to \$15.9M in 2Q05 due to operating profit and positive changes in working capital.

The changes in working capital for 2Q2005 and 1H2005 were mainly from decrease in trade receivables and inventories. In 1H2005, there was also prepayment to suppliers to enjoy early payment discount(s).

Net cash flow from investing activities

The lower net cash outflow in 2Q2005 compared to 2Q2004 was due to investment in the remaining interest in NexWave Technologies Pte Ltd in 2Q2004. In 2Q2005, there were non-interest bearing loan granted to a jointly controlled entity.

The higher net cash outflow in 1H2005 compared to 1H2004 was mainly due to higher capital expenditure on plant and equipment in 1Q2005.

Net cash flow from financing activities

In 2Q2005, the proceeds from shares issued from exercise of Employee Share options was \$0.2 M. Compared to 2Q2004, the proceeds from the company's Initial Public Offering in June 2004 was \$10.7 M.

There was a cash inflow of \$1.9 M and \$18.1M in 1H2005 and 1H2004 respectively, mainly due to reduced short term fixed deposits placed with a related corporation. In 1H2004, there were also proceeds from IPO.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

1d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 2ND QUARTER ENDED 30 JUNE 2005

| The Group (in S\$'000) | Share capital | Share premium | Accumulated profits | Merger reserve | Goodwill written off | Equity compensation reserve | Exchange translation reserve | Total | Minority interest | Total equity |
|--|---------------|---------------|---------------------|----------------|----------------------|-----------------------------|------------------------------|---------------|-------------------|---------------|
| At 1 April 2004 | 8,000 | 0 | 6,689 | 17,591 | (2,105) | 0 | 128 | 30,303 | 568 | 30,871 |
| Translation differences relating to financial statements of foreign subsidiaries | 0 | 0 | 0 | 0 | 0 | 0 | (189) | (189) | 5 | (184) |
| Issues of 42,000,000 ordinary shares of \$0.02 each at premium of \$0.27 per share in initial public offering | 840 | 11,340 | 0 | 0 | 0 | 0 | 0 | 12,180 | 0 | 12,180 |
| Share issues expense written off | 0 | (1,500) | 0 | 0 | 0 | 0 | 0 | (1,500) | 0 | (1,500) |
| Net profit for the period | 0 | 0 | 3,952 | 0 | 0 | 0 | 0 | 3,952 | 108 | 4,060 |
| Acquisition of subsidiary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 598 | 598 |
| Acquisition of additional interest in subsidiary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (355) | (355) |
| At 30 June 2004 | 8,840 | 9,840 | 10,641 | 17,591 | (2,105) | 0 | (61) | 44,746 | 924 | 45,670 |
| At 1 April 2005 | 8,840 | 9,905 | 14,294 | 17,591 | (2,105) | 1,041 | (44) | 49,522 | 292 | 49,814 |
| Translation differences relating to financial statements of foreign subsidiaries | 0 | 0 | 0 | 0 | 0 | 0 | 54 | 54 | 0 | 54 |
| Issues of 950,000 ordinary shares of \$0.02 each at premium of \$0.1879 per share under Employee Share Option scheme | 19 | 178 | 0 | 0 | 0 | 0 | 0 | 197 | 0 | 197 |
| Cost of share based payment | 0 | 0 | 0 | 0 | 0 | 185 | 0 | 185 | 0 | 185 |
| Net profit for the period | 0 | 0 | 3,518 | 0 | 0 | 0 | 0 | 3,518 | (36) | 3,482 |
| At 30 June 2005 | 8,859 | 10,083 | 17,812 | 17,591 | (2,105) | 1,226 | 10 | 53,476 | 256 | 53,732 |



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

1d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 2ND QUARTER ENDED 30 JUNE 2005

| The Company (in S\$'000) | Share capital | Share premium | Accumulated profits | Merger reserve | Equity compensation reserve | Total equity |
|--|---------------|---------------|---------------------|----------------|-----------------------------|---------------|
| At 1 April 2004 | 8,000 | 0 | 10,734 | 13,300 | 0 | 32,034 |
| Issues of 42,000,000 ordinary shares of \$0.02 each at a premium of \$0.27 per share in initial public offering | 840 | 11,340 | 0 | 0 | 0 | 12,180 |
| Share issues expense written off | 0 | (1,500) | 0 | 0 | 0 | (1,500) |
| Net profit for the period | 0 | 0 | 3,127 | 0 | 0 | 3,127 |
| At 30 June 2004 | 8,840 | 9,840 | 13,861 | 13,300 | 0 | 45,841 |
| At 1 April 2005 | 8,840 | 9,905 | 14,013 | 13,300 | 343 | 46,401 |
| Issues of 950,000 ordinary shares of \$0.02 each at premium of \$0.1879 per share under Employee Share Option scheme | 19 | 178 | 0 | 0 | 0 | 197 |
| Cost of share based payment | 0 | 0 | 0 | 0 | 71 | 71 |
| Net profit for the period | 0 | 0 | 5,797 | 0 | 0 | 5,797 |
| At 30 June 2005 | 8,859 | 10,083 | 19,810 | 13,300 | 414 | 52,466 |



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

1d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 JUNE 2005

| The Group (in S\$'000) | Share capital | Share premium | Accumulated profits | Merger reserve | Goodwill written off | Equity compensation reserve | Exchange translation reserve | Total | Minority Interest | Total equity |
|---|---------------|---------------|---------------------|----------------|----------------------|-----------------------------|------------------------------|---------------|-------------------|---------------|
| At 1 January 2004 | 8,000 | 0 | 2,383 | 17,591 | (2,105) | 0 | 225 | 26,094 | 553 | 26,647 |
| Translation differences relating to financial statements of foreign subsidiaries | 0 | 0 | 0 | 0 | 0 | 0 | (286) | (286) | 3 | (283) |
| Issues of 42,000,000 ordinary shares of \$0.02 each at a premium of \$0.27 per share in initial public offering | 840 | 11,340 | 0 | 0 | 0 | 0 | 0 | 12,180 | 0 | 12,180 |
| Share issues expense written off | 0 | (1,500) | 0 | 0 | 0 | 0 | 0 | (1,500) | 0 | (1,500) |
| Net profit for the period | 0 | 0 | 8,258 | 0 | 0 | 0 | 0 | 8,258 | 125 | 8,383 |
| Acquisition of subsidiary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 598 | 598 |
| Acquisition of additional interest in subsidiary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (355) | (355) |
| At 30 June 2004 | 8,840 | 9,840 | 10,641 | 17,591 | (2,105) | 0 | (61) | 44,746 | 924 | 45,670 |



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

1d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 JUNE 2005

| The Group (in S\$'000) | Share capital | Share premium | Accumulated profits | Merger reserve | Goodwill written off | Equity compensation reserve | Exchange translation reserve | Total | Minority Interest | Total equity |
|--|---------------|---------------|---------------------|----------------|----------------------|-----------------------------|------------------------------|---------------|-------------------|---------------|
| At 1 January 2005 | 8,840 | 9,905 | 10,862 | 17,591 | (2,105) | 0 | (11) | 45,082 | 317 | 45,399 |
| Effect of adopting FRS102- cost of share based payment | 0 | 0 | (877) | 0 | 0 | 877 | 0 | 0 | 0 | 0 |
| Effect of adopting FRS103- Business Combination | 0 | 0 | 97 | 0 | 0 | 0 | 0 | 97 | 0 | 97 |
| At 1 January 2005, restated | 8,840 | 9,905 | 10,082 | 17,591 | (2,105) | 877 | (11) | 45,179 | 317 | 45,496 |
| Translation differences relating to financial statements of foreign subsidiaries | 0 | 0 | 0 | 0 | 0 | 0 | 21 | 21 | (2) | 19 |
| Issues of 950,000 ordinary shares of \$0.02 each at a premium of \$0.1879 per share under Employee Share Option scheme | 19 | 178 | 0 | 0 | 0 | 0 | 0 | 197 | 0 | 197 |
| Cost of share based payment | 0 | 0 | 0 | 0 | 0 | 349 | 0 | 349 | 0 | 349 |
| Net profit for the period | 0 | 0 | 7,730 | 0 | 0 | 0 | 0 | 7,730 | (59) | 7,671 |
| At 30 June 2005 | 8,859 | 10,083 | 17,812 | 17,591 | (2,105) | 1,226 | 10 | 53,476 | 256 | 53,732 |



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

1d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 JUNE 2005

| The Company (in S\$'000) | Share capital | Share premium | Accumulated profits | Merger reserve | Equity compensation reserve | Total equity |
|--|---------------|---------------|---------------------|----------------|-----------------------------|---------------|
| At 1 January 2004 | 8,000 | 0 | 8,270 | 13,300 | 0 | 29,570 |
| Issues of 42,000,000 ordinary shares of \$0.02 each at a premium of \$0.27 per share in initial public offering | 840 | 11,340 | 0 | 0 | 0 | 12,180 |
| Share issues expense written off | 0 | (1,500) | 0 | 0 | 0 | (1,500) |
| Net profit for the period | 0 | 0 | 5,591 | 0 | 0 | 5,591 |
| At 30 June 2004 | 8,840 | 9,840 | 13,861 | 13,300 | 0 | 45,841 |
| At 1 January 2005 | 8,840 | 9,905 | 11,698 | 13,300 | 0 | 43,743 |
| Effect of adopting FRS102 - cost of share based payment | 0 | 0 | (272) | 0 | 272 | 0 |
| At 1 January 2005, restated | 8,840 | 9,905 | 11,426 | 13,300 | 272 | 43,743 |
| Issues of 950,000 ordinary shares of \$0.02 each at a premium of \$0.1879 per share under Employee Share Option scheme | 19 | 178 | 0 | 0 | 0 | 197 |
| Cost of share based payment | 0 | 0 | 0 | 0 | 142 | 142 |
| Net profit for the period | 0 | 0 | 8,384 | 0 | 0 | 8,384 |
| At 30 June 2005 | 8,859 | 10,083 | 19,810 | 13,300 | 414 | 52,466 |



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL

A) Movements in Issued and Paid up Capital

| | No of shares | Issued and paid up Capital |
|---|--------------|----------------------------|
| | | \$'000 |
| Balance as at 1 April 2005, ordinary shares of \$0.02 each | 442,000,000 | 8,840 |
| Issues of ordinary shares of \$0.02 each under Employee Share Option Scheme | 950,000 | 19 |
| Balance as at 30 June 2005, ordinary shares of \$0.02 each | 442,950,000 | 8,859 |

B) Employee Share Options

As at 30 June 2005, there were unexercised options over 18,150,000 (30 June 2004:20,000,000) un-issued ordinary shares of \$0.2079 each under the TeleChoice Pre-IPO Share Option Scheme.

2. AUDIT

The figures have not been audited or reviewed by the company's auditor.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

The Group has applied the same accounting policies and method of computation in the preparation of the current period financial statements compared to those used in the annual report for the financial year ended 31 December 2004, except for the following new Financial Reporting Standards ("FRS") that are mandatory for financial years beginning on or after 1 January 2005:

FRS 102 Share-based Payment
FRS 103 Business Combination

The impact of the changes in accounting policies are as follows:

FRS 102 Share-based Payment

As a result of adopting FRS102, the Group and the Company made a negative adjustment to the opening retained earnings as at 1 January 2005 by \$0.9 M and \$0.3 M respectively. Likewise, a positive adjustment was made to the opening equity compensation reserve of the Group and the Company by the same amount.

FRS 103 Business Combination

As a result of adopting FRS103, the Group's negative goodwill of \$0.1 M as at 1 January 2005 was adjusted to opening retained earnings as at that date.

5. CHANGES IN ACCOUNTING POLICIES

Refer to paragraph 4

6. EARNINGS PER ORDINARY SHARE (EPS)

| Group | 2Q2005 | 2Q2004 | 1H2005 | 1H2004 | FY2004 |
|-------|--------|--------|--------|--------|--------|
|-------|--------|--------|--------|--------|--------|

EPS based on net profits attributable to shareholders:

Based on weighted average number of ordinary shares on issue (in cents)

| | | | | | |
|---------|------|------|------|------|------|
| Basic | 0.80 | 0.98 | 1.75 | 2.06 | 4.11 |
| Diluted | 0.79 | 0.98 | 1.73 | 2.06 | 4.09 |

7. NET ASSET VALUE

| | GROUP | | |
|---|-----------|-----------|------------|
| | 30.6.2005 | 30.6.2004 | 31.12.2004 |
| Net assets value per ordinary share based on issued share capital at the end of the financial period/year (in cents): | 12.07 | 10.12 | 10.20 |

| | COMPANY | | |
|---|-----------|-----------|------------|
| | 30.6.2005 | 30.6.2004 | 31.12.2004 |
| Net assets value per ordinary share based on issued share capital at the end of the financial period/year (in cents): | 11.84 | 10.37 | 9.90 |

8. REVIEW OF GROUP PERFORMANCE

A) Revenue

i) 2Q2005 vs 2Q2004

| S\$ M s | 2Q2005 | 2Q2004 | Growth | |
|---|--------|--------|--------|-------|
| | | | \$ | % |
| Distribution Services | 125.9 | 121.5 | 4.4 | 4% |
| Telecommunications Services | 7.1 | 8.4 | (1.3) | (15%) |
| Mobile Network and Engineering Services | 7.0 | 6.9 | 0.1 | 1% |
| Total | 140.0 | 136.8 | 3.2 | 2% |

- Group revenue of \$140.0 M for 2Q2005 was 2% or \$3.2 M higher than 2Q2004.
- The increase in revenue from Distribution Services of 4% or \$4.4 M was mainly from Singapore, Indonesia and Thailand, offset by declines in Australia and Malaysia.
- Telecommunications Services revenue decreased by 15% or \$1.3 M mainly due to lower iDD usage.
- Projects in Indonesia contributed mainly to the net increase of 1% or \$0.1 M in revenue for Mobile Network and Engineering Services. The increase was offset by reduction in usage of mobile data services from a major customer.

ii) 1H2005 vs 1H2004

| S\$ M s | 1H2005 | 1H2004 | Growth | |
|---|--------|--------|--------|-------|
| | | | \$ | % |
| Distribution Services | 238.8 | 231.9 | 6.9 | 3% |
| Telecommunications Services | 13.7 | 15.3 | (1.6) | (10%) |
| Mobile Network and Engineering Services | 12.7 | 10.1 | 2.6 | 26% |
| Total | 265.2 | 257.3 | 7.9 | 3% |

- Group revenue of \$265.2 M for 1H2005 was 3% or \$7.9 M higher than 1H2004.
- The net increase in revenue in Distribution Services by 3% or \$6.9 M was contributed by Singapore and Indonesia operations, offset by declines in Australia and Malaysia.
- Telecommunications Services revenue decreased by 10% or \$1.6 M mainly due to lower iDD usage.
- New projects from major telecommunications operators and vendors in Singapore and Indonesia contributed to the net increase in revenue for Mobile Network and Engineering Services by 26% or \$2.6 M. The increase was offset by reduction in usage of mobile data services from a major customer.

B) PBT

i) 2Q2005 vs 2Q2004

| S\$ M s | 2Q2005 | 2Q2004 | Growth | |
|---|------------|------------|--------------|--------------|
| | | | \$ | % |
| Distribution Services | 2.0 | 2.2 | (0.2) | (9%) |
| Telecommunications Services | 2.1 | 1.5 | 0.6 | 40% |
| Mobile Network and Engineering Services | 0.4 | 1.3 | (0.9) | (69%) |
| Total | 4.5 | 5.0 | (0.5) | (10%) |

- Group's PBT of \$4.5 M for 2Q2005 was 10% or \$0.5 M lower compared to 2Q2004.
- PBT for Distribution Services decreased by 9% or \$0.2 M. The higher PBT from Singapore operation was offset by poor performance from Indonesia and Australia operations.
- The 40% or \$0.6 M increase in PBT for Telecommunications Services was mainly due to better gross margins and lower operating expenses.
- The decrease in PBT for Mobile Network and Engineering Services by 69% or \$0.9M was mainly due to increase in operating expenses as a result of new projects secured in Singapore and Indonesia as well as loss of gross profits from lower mobile data services usage from a major customer.

ii) 1H2005 vs 1H2004

| S\$ M s | 1H2005 | 1H2004 | Growth | |
|---|------------|-------------|--------------|-------------|
| | | | \$ | % |
| Distribution Services | 4.6 | 5.9 | (1.3) | (22%) |
| Telecommunications Services | 3.4 | 2.5 | 0.9 | 36% |
| Mobile Network and Engineering Services | 1.7 | 2.1 | (0.4) | (19%) |
| Total | 9.7 | 10.5 | (0.8) | (8%) |

- Group's PBT of \$9.7 M for 1H2005 was 8% or \$0.8 M lower, as compared to 1H2004.
- 1H2005 PBT for Distribution Services decreased by 22% or \$1.3 M. The increase in PBT from Singapore was offset by poor performance from Indonesia and Australia operations.
- The 36% or \$0.9 M increase in PBT for Telecommunications Services was mainly due to better gross margins and lower operating expenses in 1H2005.
- The decrease in PBT for Mobile Network and Engineering Services by 19% or \$0.4 M was mainly due to increase in operating expenses as a result of new projects secured in Singapore and Indonesia as well as loss of gross profits from lower mobile data services usage from a major customer.

9. VARIANCE FROM PROSPECT STATEMENT

In its previous 1Q05 results announcement dated 9 May 2005, the Group disclosed the following prospects statement:-

Based on the current outlook and assuming there are no material adverse changes in economic conditions, business environment or any unforeseen circumstances, the Group expects to maintain its operating performance for FY2005.

There was a decline in Group PBT (\$0.8M or 8%) for 1H05, as compared to 1H04, due to lower contributions from regional Distribution Services operations.

10. PROSPECTS

Barring any unforeseen circumstances, the Group outlook for 2H05 is expected to remain positive particularly for Telecommunications Services and Mobile & Network Engineering Services. We expect Distribution Services to continue to be profitable, although we expect the regional Distribution Services markets to be more challenging and competitive for 2H05. Overall, we anticipate Group PBT to be lower for 2H05, as compared to 1H05.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

11. DIVIDEND

(a) Any dividend declared for the current financial period reported on.

The Directors are pleased to announce a proposed interim gross dividend for the period ending 30 June 2005 of 2.5 cents per share less Singapore income tax of 20%, or 2 cents per share net of Singapore income tax of 20%:-

| | |
|---------------------|--------------------------------|
| Name of Dividend | Interim |
| Dividend Type | Cash |
| Dividend Rate | 2 cents per share (net of tax) |
| Par value of shares | 2 cents per share |
| Tax Rate | 20% |

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year.
No

(c) Date payable

12 September 2005

(d) Books closure date

31 August 2005

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

N/A

13. Interested Person Transactions - DISCLOSURE PURSUANT TO RULE 920(1)(a)(ii)

| S\$ M s | Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX listing manual | | | |
|--|--|-------------|-------------|-------------|
| | 2Q2005 | 2Q2004 | 1H2005 | 1H2004 |
| <u>Transactions for the sales of goods and services</u> | 39.3 | 33.6 | 73.3 | 67.8 |
| Temasek Holdings (Private) Limited and its Associates | 39.2 | 32.7 | 72.6 | 66.6 |
| Singapore Telecommunications Limited and its Associates | 0.1 | 0.9 | 0.7 | 1.2 |
| <u>Transactions for the purchases of goods and services</u> | 2.6 | 1.9 | 4.2 | 3.7 |
| Temasek Holdings (Private) Limited and its Associates | 1.7 | 1.0 | 2.3 | 1.8 |
| Singapore Telecommunications Limited and its Associates | 0.9 | 0.9 | 1.9 | 1.9 |
| <u>Treasury Transactions</u> | 0 | 0 | 0 | 21.1 |
| Temasek Holdings (Private) Limited and its Associates | 0 | 0 | 0 | 21.1 |
| Total Interested Person Transactions | 41.9 | 35.5 | 77.5 | 92.6 |

Note: All transactions are conducted under the shareholders' mandate pursuant to Rule 920.

BY ORDER OF THE BOARD

Clive Lim Chai Hock
President & Executive Director

Date: 12 August 2005