

DATACRAFT ASIA LTD
(Registration no: 199301842Z)
Full Year 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)	Group			Group		
	Q4 2004 US\$'000	Q4 2003 US\$'000	Change %	12 months to 30/09/04 US\$'000	12 months to 30/09/03 US\$'000	Change %
Revenue	95,590	86,182	10.9	362,280	328,725	10.2
Cost of sales	(79,432)	(71,892)	10.5	(303,761)	(277,073)	9.6
Gross profit	16,158	14,290	13.1	58,519	51,652	13.3
Add : Other operating income (Note 1(a)(ii))	548	1,171	(53.2)	2,574	2,934	(12.3)
Less: Other expenses						
Distribution and sales	(8,585)	(6,480)	32.5	(33,460)	(30,290)	10.5
Administrative	(5,061)	(6,188)	(18.2)	(18,547)	(20,625)	(10.1)
Profit from operating activities	3,060	2,793	9.6	9,086	3,671	147.5
Finance costs	(11)	(28)	(60.7)	(107)	(190)	(43.7)
Profit before amortisation of goodwill (net), exceptional items and income tax	3,049	2,765	10.3	8,979	3,481	157.9
Amortisation of goodwill (net)	(882)	(728)	21.2	(3,667)	(3,768)	(2.7)
Exceptional items (Note 1(a)(iii))	(13,447)	(242)	n.m.	(13,447)	(11,945)	12.6
(Loss) / profit before income tax (Note 1(a)(iv))	(11,280)	1,795	n.m.	(8,135)	(12,232)	(33.5)
Income tax	(1,414)	(2,248)	(37.1)	(4,205)	(3,694)	13.8
Loss after income tax	(12,694)	(453)	n.m.	(12,340)	(15,926)	(22.5)
Minority interests	211	(252)	n.m.	449	(188)	n.m.
Loss attributable to the shareholders of the Company	(12,483)	(705)	n.m.	(11,891)	(16,114)	(26.2)

n.m. = not meaningful

Additional Information

Analysis of the Group's on-going operations excluding amortisation of goodwill and exceptional items for the respective period/year.

	Group			Group		
	Q4 2004 US\$'000	Q4 2003 US\$'000	Change %	12 months to 2004 US\$'000	12 months to 2003 US\$'000	Change %
Profit before income tax (on-going operations)	3,049	2,765	10.3	8,979	3,481	157.9
Income tax	(1,414)	(2,248)	(37.1)	(4,205)	(4,215)	(0.2)
Profit / (loss) after income tax	1,635	517	216.2	4,774	(734)	n.m.
Minority interests	211	(252)	n.m.	449	(256)	n.m.
Profit / (loss) attributable to the shareholders of the Company	1,846	265	596.6	5,223	(990)	n.m.

n.m. = not meaningful

	Group		Group	
	Q4 2004	Q4 2003	12 months to 2004	12 months to 2003
Weighted average number of ordinary shares in issue	466,155,683	464,706,683	465,702,626	464,706,683
Earnings / (loss) per ordinary share for the period on weighted average number of ordinary shares in issue	0.40 US cents	0.06 US cents	1.12 US cents	(0.21) US cents

1(a)(ii) Other operating income comprise of :

	Group		Group	
	Q4 2004 US\$'000	Q4 2003 US\$'000	12 months to 30/09/04 US\$'000	12 months to 30/09/03 US\$'000
Interest income	329	194	1,022	872
Investment income / others	151	292	892	696
Gain on sale of investments	-	-	275	-
Foreign exchange gain	68	685	385	1,366
	548	1,171	2,574	2,934

1(a)(iii) Exceptional items

	Group		Group	
	Q4 2004 US\$'000	Q4 2003 US\$'000	12 months to 30/09/04 US\$'000	12 months to 30/09/03 US\$'000
Exceptional items consist of the following in the period/year :				
Goodwill write-off / asset impairment	(13,447)	(64)	(13,447)	(7,832)
Staff retrenchment	-	(7)	-	(3,293)
Write off of plant and equipment	-	(171)	-	(820)
	(13,447)	(242)	(13,447)	(11,945)

1(a)(iv) Notes to the Income Statement

	Group		Group	
	Q4 2004 US\$'000	Q4 2003 US\$'000	12 months to 30/09/04 US\$'000	12 months to 30/09/03 US\$'000
(Loss) / profit before income tax is arrived at after charging :				
Interest expense	(11)	(28)	(107)	(190)
Depreciation of plant and equipment and other amortisation	(1,768)	(2,256)	(7,663)	(9,458)
Amortisation of goodwill (net)	(882)	(728)	(3,667)	(3,768)
Allowance for doubtful debts	(894)	(596)	(3,226)	(3,862)
Allowance for stock obsolescence	(489)	(280)	(2,075)	(1,887)
Loss on sale of plant and equipment	(88)	(212)	(133)	(486)

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		
	<u>30/09/04</u> (US\$ million)	Note 1 <u>30/06/04</u> (US\$ million)	Note 2 <u>30/09/03</u> (US\$ million)
<u>Current assets</u>			
Cash and short term investments	112.31	106.05	83.89
Other investments	-	-	0.15
Receivables from external customers	81.55	83.95	99.83
Inventories	16.25	11.37	13.99
Other current assets	34.96	36.35	38.55
Total current assets	<u>245.07</u> =====	<u>237.72</u> =====	<u>236.41</u> =====
<u>Non-current assets</u>			
Plant and equipment	16.14	14.95	17.24
Intangibles	0.08	13.61	17.50
Deferred tax assets	3.71	4.07	4.12
Long term investments	1.10	1.14	1.09
Total non-current assets	<u>21.03</u> =====	<u>33.77</u> =====	<u>39.95</u> =====
<u>Current liabilities</u>			
Bank loans and finance leases	0.01	1.12	3.66
Trade creditors	49.46	46.53	44.36
Other current liabilities	40.78	35.34	40.21
Total current liabilities	<u>90.25</u> =====	<u>82.99</u> =====	<u>88.23</u> =====
<u>Non-current liabilities</u>			
Long-term finance leases	0.02	0.02	0.02
Deferred tax liabilities	1.48	1.71	1.64
Total non-current liabilities	<u>1.50</u> =====	<u>1.73</u> =====	<u>1.66</u> =====
Net assets	<u>174.35</u> =====	<u>186.77</u> =====	<u>186.47</u> =====
Shareholders' funds	173.47	185.71	184.88
Minority interests	0.88	1.06	1.59
	<u>174.35</u> =====	<u>186.77</u> =====	<u>186.47</u> =====

Note 1 : Balance sheet as at 30 June 2004 is used for meaningful comparison.

Note 2 : Balance sheet as at 30 September 2003 is included being the latest audited balance sheet.

Note 3 : Comparatives amounts have been reclassified in order to achieve a consistent presentation.

1(b)(i) Balance sheet (Cont'd)

Holding Company

	<u>30/09/04</u> (US\$ million)	<u>30/09/03</u> (US\$ million)
<u>Current assets</u>		
Cash and bank balances	4.40	14.07
Receivables from subsidiaries	33.45	63.02
Other current assets	0.20	0.41
	<hr/>	<hr/>
Total current assets	38.05	77.50
	=====	=====
<u>Non-current assets</u>		
Subsidiaries	209.33	190.03
Plant and equipment	2.55	3.29
	<hr/>	<hr/>
Total non-current assets	211.88	193.32
	=====	=====
<u>Current liabilities</u>		
Other creditors	16.08	17.49
Other current liabilities	2.50	4.65
	<hr/>	<hr/>
Total current liabilities	18.58	22.14
	=====	=====
<u>Non-current liability</u>		
Deferred tax liabilities	0.89	1.22
	<hr/>	<hr/>
Net assets	230.46	247.46
	=====	=====
Shareholders' funds	230.46	247.46
	=====	=====

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

Amount repayable in one year or less, or on demand

As at 30/09/2004		As at 30/09/2003	
Secured	Unsecured	Secured	Unsecured
US\$7,000	-	US\$28,000	US\$3,655,000

Amount repayable after one year

As at 30/09/2004		As at 30/09/2003	
Secured	Unsecured	Secured	Unsecured
US\$15,000	-	US\$23,000	-

Details of any collateral

Secured borrowings refer to finance lease payable and are secured on the leased assets.

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

	12 months to 30/09/04 US\$'000	12 months to 30/09/03 US\$'000
Cashflows from operating activities :		
Loss before income tax	(8,135)	(12,232)
Adjustments for		
Depreciation of plant and equipment	7,578	9,224
Amortisation of deferred expenditure	85	234
Amortisation of goodwill (net)	3,667	3,768
Adjustment of goodwill	(154)	-
Goodwill write-off / asset impairment	13,447	6,904
Allowance for doubtful trade receivables	3,226	3,862
Allowance for inventory obsolescence	2,075	1,887
Provision for employees' benefits & restructuring	991	3,941
Gain on sale of investments	(275)	-
Loss on disposal of plant and equipment	133	486
Interest income	(1,022)	(872)
Interest expense	107	190
Write off of plant and equipment	-	671
Net loss on disposal of subsidiaries	-	745
Operating profit before working capital changes	<u>21,723</u>	<u>18,808</u>
Inventories	(5,283)	272
Trade and other debtors	18,581	31,839
Trade and other creditors	7,218	1,053
Cash generated from operations	<u>42,239</u>	<u>51,972</u>
Interest paid	(107)	(190)
Interest received	1,022	872
Income tax paid	(4,097)	(4,759)
Restructuring expenses paid	(86)	(4,614)
Net cash from operating activities	<u>38,971</u>	<u>43,281</u>
Cashflows from investing activities :		
Purchase of plant and equipment	(6,792)	(5,434)
Payment for deferred purchase consideration	(960)	(2,609)
Proceeds from sale of investments	438	-
Proceeds from sale of plant and equipment	59	-
Acquisition of additional interest in subsidiaries	-	(3,718)
Refund of deferred purchase consideration	-	3,905
Purchase of long term investments	-	(236)
Acquisition of interest in an associate	-	(4)
Proceeds from sale of subsidiaries net of cash disposed (Note a)	-	(138)
Net cash used in investing activities	<u>(7,255)</u>	<u>(8,234)</u>
Cashflows from financing activities :		
Net proceeds from issue of shares	1,045	-
Repayment of bank loans	(3,655)	(6,936)
Repayment of finance leases	(7)	(3)
Net cash used in financing activities	<u>(2,617)</u>	<u>(6,939)</u>
Net effect of exchange rate changes in consolidating subsidiaries	(677)	2,690
Net increase in cash and short term investments	28,422	30,798
Cash and short term investments at beginning of year	83,889	53,091
Cash and short term investments at end of year	<u>112,311</u>	<u>83,889</u>

Note (a) – Disposal of subsidiaries

The fair values of assets and liabilities disposed were as follows :

	12 months to 30/09/04 US\$'000	12 months to 30/09/03 US\$'000
Cash	-	753
Inventories	-	727
Trade and other receivables	-	2,943
Plant and equipment	-	198
Trade and other payables	-	(2,305)
Deferred purchase consideration	-	(811)
Income tax	-	(70)
Deferred tax	-	(28)
Borrowings	-	(47)
	_____	_____
Group share of net assets disposed	-	1,360
Loss on disposal of subsidiaries	-	(745)
	_____	_____
Proceeds from disposal of subsidiaries	-	615
	=====	=====

Consideration net of cash disposed :		
Proceeds from disposal of subsidiaries	-	615
Cash outflow on disposal of subsidiaries	-	(753)
	_____	_____
Net cash acquired	-	(138)
	=====	=====

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 (US\$'000)	Share capital	Share premium	Statutory reserve	Special reserve	Exchange difference reserve	Goodwill on consolidation	Accumulated profits	Total
2004 movement								
Balance at 1 October 2003	27,898	247,539	271	-	(8,756)	(151,746)	69,677	184,883
Exchange differences arising during the year	-	-	32	-	(597)	-	-	(565)
Net loss for the year	-	-	-	-	-	-	(11,891)	(11,891)
Transfer from share premium to special reserve and accumulated profits	-	(43,634)	-	17,301	-	-	26,333	-
Transfer from special reserve to accumulated profits	-	-	-	(17,301)	-	-	17,301	-
Issue of shares	85	960	-	-	-	-	-	1,045
Balance at 30 September 2004	27,983	204,865	303	-	(9,353)	(151,746)	101,420	173,472
2003 movement								
Balance at 1 October 2002	27,898	247,539	283	-	(11,555)	(164,087)	91,320	191,398
Adjustments to purchase consideration	-	-	-	-	-	6,812	-	6,812
Exchange differences arising during the year	-	-	(12)	-	2,799	-	-	2,787
Transfer from goodwill on consolidation to accumulated profits for the disposal of subsidiaries	-	-	-	-	-	5,529	(5,529)	-
Net loss for the year	-	-	-	-	-	-	(16,114)	(16,114)
Balance at 30 September 2003	27,898	247,539	271	-	(8,756)	(151,746)	69,677	184,883

1(d)(i) A statement of equity changes (Cont'd)

Holding Company (US\$'000)	Share capital	Share premium	Special reserve	Exchange difference reserve	Accumulated (losses)/ profits	Total
2004 movement						
Balance at 1 October 2003	27,898	247,539	-	(1,646)	(26,333)	247,458
Exchange differences arising during the year	-	-	-	189	-	189
Net loss for the year	-	-	-	-	(18,227)	(18,227)
Transfer from share premium to special reserve and accumulated profits	-	(43,634)	17,301	-	26,333	-
Transfer from special reserve to accumulated profits	-	-	(17,301)	-	17,301	-
Issue of shares	85	960	-	-	-	1,045
Balance at 30 September 2004	27,983	204,865	-	(1,457)	(926)	230,465
2003 movement						
Balance at 1 October 2002	27,898	247,539	-	(3,883)	2,599	274,153
Exchange differences arising during the year	-	-	-	2,237	-	2,237
Net loss for the year	-	-	-	-	(28,932)	(28,932)
Balance at 30 September 2003	27,898	247,539	-	(1,646)	(26,333)	247,458

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.

During the year ended 30 September 2004, the issued share capital of the Company was increased to 466,155,683 (S\$46,615,568.30) by the issue of 1,449,000 new ordinary shares of S\$0.10 each fully paid at US\$0.725 for cash under the Datacraft Asia Share Option Scheme.

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

These 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 in the financial statements for the current reporting period compared with the audited financial statements for the year ended 30 September 2003.

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 Figures		Group Figures	
	Q4 2004	Q4 2003	12 months to 30/09/04	12 months to 30/09/03
Loss per ordinary share for the period:				
(i) Based on the weighted average number of ordinary shares in issue	(2.68) US cents	(0.15) US cents	(2.55) US cents	(3.47) US cents
(ii) On a fully diluted basis	(2.68) US cents	(0.15) US cents	(2.55) US cents	(3.47) US cents

Note to item 6(i) :

The weighted average number of ordinary shares in issue for Q4 2004 and 12 months 2004 is 466,155,683 and 465,702,626 respectively (Q4 2003 and 12 months 2003: 464,706,683).

Note to item 6(ii):

The loss per share on a fully diluted basis is calculated on the adjusted weighted average number of ordinary shares in issue during the period reported on (Q4 2004: 467,068,941 and 12 months 2004: 468,625,747; Q4 2003: 468,454,850 and 12 months 2003: 465,464,197). For both periods/years, the options were anti-dilutive as they had effects of decreasing the loss per share. Therefore, basic and diluted loss per share were the same.

**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		Holding Company	
	30/09/04	30/09/03	30/09/04	30/09/03
Net asset value per ordinary share based on issued share capital	37.20 US cents	36.02 US cents	49.44 US cents	53.25 US cents

The net asset value per ordinary share is computed based on 466,155,683 (30 September 2003: 464,706,683) ordinary shares.

Note: Net asset value herein refers to net tangible assets.

**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.**

FY2004 closed on a high note with Q4 2004 providing the best operational performance in two years. The sequential improvement in quarterly revenue and gross margin since the start of FY2004, continued and gained further momentum in Q4 2004. Results in Q4 2004 reported the highest revenue, gross margin and operating profit in eight quarters. Consequently results for the full year FY2004 showed a 10% increase in revenue to US\$362.3 million and a 158% growth in on-going pretax operating profit to US\$9.0 million. On-going after tax operating profit attributable to shareholders recovered from a US\$1.0 million loss last year to a profit of US\$5.2 million. The Group's balance sheet and cash flow continued to improve over FY2003.

Following the review of goodwill relating to a previous acquisition in Korea and as reported in the Q3 FY2004 results announcement, the Group decided to write off the remaining goodwill balance. This has largely contributed to an exceptional charge of US\$13.4 million which has no impact on the Group's cash or operations. All goodwill has now been fully written off and has a nil carrying value in the balance sheet. After exceptional charges as well as goodwill amortisation of US\$3.7 million, the Group reported a loss of US\$11.9 million compared to a loss of US\$16.1 million last year.

Review of results for the fourth quarter – 3 months ended 30 September 2004

Revenue in Q4 2004 grew 11% from the same quarter last year to US\$95.6 million, the highest level for the Group in the past eight quarters. Revenue benefited from continuing healthy demand from enterprise customers and good reception for the Group's expanded portfolio of solutions.

Gross margin, which has been trending up each quarter in FY2004, finished at 16.9% in Q4 2004, the best result in eight quarters. The increase was largely driven by higher services margin due to improved operational efficiency.

On the back of higher revenue and gross margin, the Group's on-going operating profit before tax increased 10% from the same quarter last year to US\$3.0 million, the highest in eight quarters.

Distribution, selling and administrative expenses (SG&A) increased 8% in Q4 2004 over Q4 2003 to US\$13.6 million. This was due to a combination of the 11% revenue growth, US\$ depreciation, increased investments in solutions sales and upskilling of sales force in select countries.

On a sequential basis, on-going operating profit before tax for Q4 2004 increased by 54% over Q3 2004 to US\$3.0 million. The improvement is attributed to a 7% growth in revenue, higher gross margin (from 16.3% to 16.9%) and stable SG&A.

Review of results for the 12 months ended 30 September 2004

Group revenue for FY2004 increased 10% year-over-year to US\$362.3 million while on-going operating profit before tax climbed to US\$9.0 million, representing a 158% increase over US\$3.5 million last year.

The gain in revenue was broad-based, with growth from most geographies. The hardware to services revenue mix was maintained at the prior year's ratio of 62:38. By geographic regions, India, Singapore, Hong Kong and Thailand reported strong performances. The other Asean countries such as Malaysia, Indonesia and the Philippines, as well as New Zealand, also put in good performances. Overall business benefited from a recovery in enterprise demand and a restructured organisation with a sharpened focus on selling solutions and services.

Strong market reception for the Group's suite of value-enhancing solutions is another contributory factor to the revenue growth. The investments in broadening and deepening the Group's solutions portfolio comprising the core practices in Security, IPC, Storage, iBoss, CIS and the newly launched Microsoft solutions have generated positive results. Solutions revenue reported strong year-over-year growth to account for 19% of revenue, up from 12% last year.

Gross margin for the Group improved to 16.2% compared to 15.7% last year. Gross margin has been improving sequentially in each quarter since the start of FY2004. Hardware margin reported a moderate increase due to a higher proportion of solutions and advanced technology revenues, and more stringent criteria in selecting contracts. Services reported a more substantial improvement in margin despite pricing pressure, driven primarily by improved efficiency in Managed and Training Services. For the Professional Services unit, more work is still needed to improve margins but its revenue has achieved double-digit growth year-over-year.

Overheads continued to be managed carefully. The Group's SG&A expenses amounted to \$52.0 million, representing a year-over-year increase of 2%, lower than the 10% revenue growth. While distribution and sales expenses increased as a reflection of the higher revenue base and continuing investments in solution sales, this was partially offset by lower depreciation expense and administration expenses due to a more streamlined organisation.

China, led by the new management team since April 2004, has seen steady progress on its recovery programme. In Korea, management is making headway in its efforts to realign the team to the Group's solutions and services focus, and to diversify its revenue stream. While still tentative, Q4 results and current indications suggest that business prospects in Korea are improving.

However, in view of the volatility of the business in Korea, and consistent with the practice of Dimension Data plc (parent company of Datacraft Asia), the Group has written off the goodwill in relation to the acquisition of Dasan in Korea. This has largely contributed to an exceptional charge of US\$13.4 million. All goodwill has now been fully written off and has a nil carrying value in the balance sheet. The write-off has no impact on the Group's operations and cash flow.

Income tax expense was US\$4.2 million compared to US\$3.7 million last year. The high effective tax rate of the Group is because losses in one jurisdiction cannot be offset against the profits in other tax jurisdictions. Compared to FY2003, the Group's effective tax rate has been reduced due to improved performance in certain regions.

The Group's financial strength and cash flow continued to improve in FY2004. For the year, the Group generated a positive operating cash flow of US\$39 million. Net cash and investments increased to US\$112.3 million, representing a 40% increase over FY2003. Receivables were well managed with Days Sales Outstanding declining to 79 days, a record low in the Group's history.

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

No forecast was made previously.

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.

Internally Datacraft Asia is in much better shape with both customer satisfaction and employee satisfaction surveys showing significant improvements over FY2003. The strong finish to the year coupled with an order backlog of US\$97.8 million, the highest in 8 quarters, give management reasons to be positive about the future.

Going forward, management will remain focused on generating profitable growth and cash flow, and improving execution, particularly on the turnarounds in Korea and China. The Group will continue to invest in enhancing its portfolio of solutions and services, thus differentiating itself from the competition.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared or recommended for the 12 months ended 30 September 2004.

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 2004 (US\$'000)	Asean	Greater China	East Asia	India and New Zealand	Eliminations	Consolidated
REVENUE						
External sales	104,980	81,991	96,971	78,338	-	362,280
Inter-segment sales	10,723	152	-	-	(10,875)	-
Total revenue	115,703	82,143	96,971	78,338	(10,875)	362,280
RESULT						
Segment result	5,120	(282)	(4,005)	7,231	-	8,064
Interest income						1,022
Profit from operating activities						9,086
Finance costs						(107)
Amortisation of goodwill (net)						(3,667)
Exceptional items						(13,447)
Loss before income tax						(8,135)
Income tax						(4,205)
Loss after income tax						(12,340)
Minority interests						449
Loss attributable to the shareholders of the Company						(11,891)

13. Segmented revenue and results (Cont'd)

GROUP 2003 (US\$000)	Asean	Greater China	East Asia	India and New Zealand	Eliminations	Consolidated
REVENUE						
External sales	86,637	86,744	96,969	58,375	-	328,725
Inter-segment sales	11,941	43	-	-	(11,984)	-
Total revenue	98,578	86,787	96,969	58,375	(11,984)	328,725
RESULT						
Segment result	3,693	(5,957)	(991)	6,054	-	2,799
Interest income						872
Profit from operating activities						3,671
Finance costs						(190)
Amortisation of goodwill (net)						(3,768)
Exceptional items						(11,945)
Loss before income tax						(12,232)
Income tax						(3,694)
Loss after income tax						(15,926)
Minority interests						(188)
Loss attributable to the shareholders of the Company						(16,114)

b) By business segments

	Group		
	12 months to 30/09/04 US\$'000	12 months to 30/09/03 US\$'000	Change %
Hardware product sales	225,166	202,268	11.3
Software product sales & services	137,114	126,457	8.4
	-----	-----	
	362,280	328,725	10.2
	=====	=====	

Notes:

- i) The above segmental information has been compiled in a consistent manner. Sales revenue is based on the country in which the assets are located. It would not be materially different if based on the country in which the customer is located. Inter-segment sales were carried out in the normal course of business on terms agreed between the parties.
- ii) Composition of each geographical segment are as follows:
Asean - Singapore, Malaysia, Thailand, Indonesia, Philippines, Vietnam
Greater China - The People's Republic of China, Hong Kong, Taiwan
East Asia - Japan, Korea

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.

The Asean region reported a 21% increase in revenue and 39% increase in operating profit before interest and tax. The strong results were driven by a broad-based recovery in all countries on the back of robust demand and benefits from a restructured organisation.

Revenue from Greater China declined by 5% while its operating loss reduced from last year. The improvement in profitability was due to a combination of stronger performance from Hong Kong and reduced losses from China.

The East Asia region reported flat revenue while losses widened compared to last year. This was primarily due to increased losses from Korea whose performance was impacted by reduced business from the service provider customers as well as increased provision for inventory obsolescence. However, Q4 results have shown encouraging improvement over Q3.

India and New Zealand together reported a 34% increase in revenue and 19% increase in operating profit before interest and tax, driven by strong demand from the enterprise sector.

15. A breakdown of sales.

	Group					
	2004 H2 US\$'000	2003 H2 US\$'000	Change %	2004 H1 US\$'000	2003 H1 US\$'000	Change %
(a) Revenue	185,333	161,917	14.5	176,947	166,808	6.1
(b) Operating (loss)/profit after tax before minority interests (after exceptional items and goodwill amortisation)	(12,526)	(664)	n.m	186	(15,262)	n.m

n.m. = not meaningful

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 (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year ()	Previous Full Year ()
Ordinary	0	0
Preference	0	0
Total:	0	0

BY ORDER OF THE BOARD

Patrick Quarmby
Chairman
17 November 2004