
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.

	Group			Group		
	Q4 2006 US\$'000	Q4 2005 US\$'000	Change %	12 months to 30/09/06 US\$'000	12 months to 30/09/05 US\$'000	Change %
Revenue	130,946	123,036	6.4	482,157	455,977	5.7
Cost of sales	(106,485)	(101,883)	4.5	(391,722)	(378,183)	3.6
Gross margin	24,461	21,153	15.6	90,435	77,794	16.2
Gross margin %	18.7%	17.2%		18.8%	17.1%	
Add: Other operating income (Note 1(a)(i))	1,127	862	30.7	9,544	3,944	142.0
Less: Other expenses						
Distribution and sales	(10,481)	(10,994)	(4.7)	(40,832)	(41,039)	(0.5)
Administrative	(5,807)	(5,227)	11.1	(22,235)	(20,661)	7.6
Share options expense	(320)	(487) #	(34.3)	(1,537)	(1,950) #	(21.2)
Finance costs	(26)	(71)	(63.4)	(104)	(102)	2.0
Profit before tax (Note 1(a)(ii))	8,954	5,236	71.0	35,271	17,986	96.1
Profit before tax %	6.8%	4.3%		7.3%	3.9%	
Income tax expense	(2,552)	(2,162)	18.0	(9,012)	(7,838)	15.0
Effective tax rate %	28.5%	41.3%		25.6%	43.6%	
Profit after tax	6,402	3,074	108.3	26,259	10,148	158.8
Profit after tax margin %	4.9%	2.5%		5.4%	2.2%	
Attributable to:						
Shareholders of the Company	6,450	3,084	109.1	26,314	10,216	157.6
Minority interests	(48)	(10)	380.0	(55)	(68)	(19.1)
	6,402	3,074	108.3	26,259	10,148	158.8

For comparison purposes, Q4 and 12 months FY2005 have been adjusted to include the impact of share options expense.

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

	Group		Group	
	Q4 2006 US\$'000	Q4 2005 US\$'000	12 months to 30/09/06 US\$'000	12 months to 30/09/05 US\$'000
Insurance settlement *	-	-	5,150	-
Interest income	1,176	571	3,549	1,891
Investment income / others	107	341	497	761
Foreign exchange gain / (loss)	(156)	(50)	348	1,292
	1,127	862	9,544	3,944

* During the 12 months ended 30 September 2006, the Company received full and final settlement of US\$5.2 million from its insurers for loss previously suffered in relation to the China accounts receivables provided for in full in FY2002/2003.

1(a)(ii) Profit before tax includes :

	Group		Group	
	Q4 2006 US\$'000	Q4 2005 US\$'000	12 months to 30/09/06 US\$'000	12 months to 30/09/05 US\$'000
Disclosure of expenses included in the Profit before tax :				
Interest expense	(26)	(71)	(104)	(102)
Depreciation of plant and equipment and other amortisation	(1,944)	(2,012)	(7,915)	(7,612)
Allowance for doubtful trade receivables	(51)	(522)	(199)	(2,301)
Allowance for inventory obsolescence	(100)	(390)	(422)	(1,717)
(Loss)/gain on disposal of plant and equipment	(208)	(83)	(208)	11

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>30/09/06</u> (US\$ million)	Note 1 <u>30/06/06</u> (US\$ million)	Note 2 <u>30/09/05</u> (US\$ million)
<u>Current assets</u>			
Cash and short term investments	151.48	145.95	113.71
Receivables from external clients	95.76	93.93	92.48
Advanced billings receivables	16.38	13.13	10.59
Inventories	9.52	10.31	15.69
Other current assets	29.85	33.23	35.26
Total current assets	<u>302.99</u> =====	<u>296.55</u> =====	<u>267.73</u> =====
<u>Non-current assets</u>			
Plant and equipment	12.93	12.82	14.71
Intangibles	0.65	0.65	0.65
Deferred tax assets	2.59	2.20	2.37
Long term investments	1.05	1.05	1.08
Total non-current assets	<u>17.22</u> =====	<u>16.72</u> =====	<u>18.81</u> =====
<u>Current liabilities</u>			
Trade creditors	61.93	62.83	53.18
Other current liabilities	65.83	60.60	55.33
Total current liabilities	<u>127.76</u> =====	<u>123.43</u> =====	<u>108.51</u> =====
<u>Non-current liabilities</u>			
Deferred tax liabilities	0.80	0.86	1.16
Net assets	<u>191.65</u> =====	<u>188.98</u> =====	<u>176.87</u> =====
Shareholders' funds	190.82	188.14	175.91
Minority interests	0.83	0.84	0.96
	<u>191.65</u> =====	<u>188.98</u> =====	<u>176.87</u> =====

Note 1 : Balance sheet as at 30 June 2006 is used for comparison.

Note 2 : Balance sheet as at 30 September 2005 is included being the latest audited balance sheet and the comparatives amounts have been adjusted to include the impact of share options expense.

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

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

Holding Company

	<u>30/09/06</u> (US\$ million)	<u>30/09/05 #</u> (US\$ million)
<u>Current assets</u>		
Cash and bank balances	8.27	2.30
Receivables from subsidiaries	73.15	50.33
Other current assets	1.92	2.99
	<u>83.34</u>	<u>55.62</u>
	=====	=====
<u>Non-current assets</u>		
Subsidiaries	102.12	106.62
Plant and equipment	2.31	2.01
	<u>104.43</u>	<u>108.63</u>
	=====	=====
<u>Current liabilities</u>		
Other creditors	32.13	17.12
Other current liabilities	3.29	3.09
	<u>35.42</u>	<u>20.21</u>
	=====	=====
<u>Non-current liability</u>		
Deferred tax liabilities	0.34	0.45
	<u>152.01</u>	<u>143.59</u>
	=====	=====
Net assets	152.01	143.59
	<u>152.01</u>	<u>143.59</u>
	=====	=====
Shareholders' funds	152.01	143.59
	<u>152.01</u>	<u>143.59</u>
	=====	=====

For comparison purposes, 30 September 2005 has been adjusted to include the impact of share options expense.

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

Amount repayable in one year or less, or on demand

<u>As at 30/09/2006</u>		<u>As at 30/09/2005</u>	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

<u>As at 30/09/2006</u>		<u>As at 30/09/2005</u>	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Not applicable.

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

	Q4 2006 US\$'000	Q4 2005 US\$'000	12 month to 30/09/06 US\$'000	12 months to 30/09/05 US\$'000
Cashflows from operating activities :				
Profit before tax	8,954	5,236	35,271	17,986
Adjustments for				
Depreciation of plant and equipment	1,944	1,990	7,915	7,524
Amortisation of deferred expenditure	-	22	-	88
Allowance for doubtful trade receivables	51	522	199	2,301
Allowance for inventory obsolescence	100	390	422	1,717
Share options expense	320	487 #	1,537	1,950 #
Provision for employees' benefits	128	178	128	178
Write-off of investment in associates	-	-	-	7
Loss/(gain) on disposal of plant and equipment	208	83	208	(11)
Interest income	(1,176)	(571)	(3,549)	(1,891)
Interest expense	26	71	104	102
Operating cash flows before movements in working capital	10,555	8,408	42,235	29,951
Inventories	810	2,559	6,258	(761)
Trade and other receivables	(202)	3,136	649	(19,196)
Trade and other creditors	4,397	(3,548)	16,768	12,186
Cash generated from operations	15,560	10,555	65,910	22,180
Interest paid	(26)	(71)	(104)	(102)
Interest received	1,176	571	3,549	1,891
Income tax paid	(3,723)	(1,244)	(8,726)	(4,785)
Employees' benefits utilised	(316)	(160)	(316)	(160)
Net cash from operating activities	12,671	9,651	60,313	19,024
Investing activities :				
Purchase of plant and equipment	(2,072)	(2,270)	(6,223)	(5,854)
Proceeds from disposal of plant and equipment	37	2	37	11
Cashflow on acquisition of new business	-	(255)	-	(786)
Increase in long term investments	-	(4)	-	(4)
Net cash used in investing activities	(2,035)	(2,527)	(6,186)	(6,633)
Financing activities :				
Net proceeds from issue of shares	-	12	667	859
Cash distribution to shareholders	-	(13,975)	-	(13,975)
Cash settlement of share options exercised by employees	(10)	-	(120)	-
Purchase of treasury shares	(5,608)	-	(17,689)	-
Repayment of finance leases	(5)	(9)	(2)	(14)
Net cash used in financing activities	(5,623)	(13,972)	(17,144)	(13,130)
Net effect of exchange rate changes in consolidating subsidiaries	514	(920)	778	2,142
Net increase/(decrease) in cash and short term investments	5,527	(7,768)	37,761	1,403
Cash and short term investments at beginning of period	145,948	121,482	113,714	112,311
Cash and short term investments at end of period	151,475	113,714	151,475	113,714

For comparison purposes, Q4 and 12 months FY2005 have been adjusted to include the impact of share options expense.

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

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)	Attributable to shareholders of the Company										Minority interests	Total equity
	Share capital	Share premium	Treasury shares	Share options via cash and treasury shares settlement reserve @	Share options reserve	Statutory reserve	Exchange difference reserve	Goodwill on consolidation	Accumulated profits	Total		
2006 movement												
Balance at 1 October 2005 :												
As previously reported	14,080	205,652	-	-	-	309	(5,975)	(151,746)	113,586	175,906	965	176,871
Change in accounting standard :												
FRS 102 : Accounting for share options	-	-	-	-	3,085	-	-	-	(3,085)	-	-	-
As restated	14,080	205,652	-	-	3,085	309	(5,975)	(151,746)	110,501	175,906	965	176,871
Arising from the exercise of share options via issue of new shares	216	496	-	-	(196)	-	-	-	-	516	-	516
Transfer of share premium account to share capital account ^	206,148	(206,148)	-	-	-	-	-	-	-	-	-	-
Exchange differences arising during the year	-	-	-	-	-	3	4,199	-	-	4,202	(77)	4,125
Cost of share-based payment	-	-	-	-	1,537	-	-	-	-	1,537	-	1,537
Net profit for the year	-	-	-	-	-	-	-	-	26,314	26,314	(55)	26,259
Transfer from accumulated profits to statutory reserve	-	-	-	-	-	93	-	-	(93)	-	-	-
Repurchase of shares and held as treasury shares	-	-	(17,689)	-	-	-	-	-	-	(17,689)	-	(17,689)
Re-issue of treasury shares upon options exercise	-	-	227	(17)	(59)	-	-	-	-	151	-	151
Arising from the exercise of share options via cash settlement	-	-	-	(11)	(109)	-	-	-	-	(120)	-	(120)
Transfer to accumulated profits due to closing down of a subsidiary	-	-	-	-	-	-	-	1,995	(1,995)	-	-	-
Capital reduction to facilitate dividend payout	(80,445)	-	-	-	-	-	-	-	80,445	-	-	-
Balance at 30 September 2006	139,999	-	(17,462)	(28)	4,258	405	(1,776)	(149,751)	215,172	190,817	833	191,650

@ Share options via cash and treasury shares settlement reserve relates to adjustments arising from the exercise of share options via cash settlement and/or transfer from treasury shares.

^ Following the amendments to the Companies Act, Chapter 50 which took effect on 30 January 2006, any amount standing to the credit of a company's share premium account shall become part of the company's share capital. Accordingly, the amount standing to the credit of Datacraft Asia Ltd's ("DAL") share premium account has been combined into DAL's share capital.

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

Group (Cont'd) (US\$'000)	Attributable to shareholders of the Company							Minority <u>interests</u>	Total <u>equity</u>	
	<u>Share capital</u>	<u>Share premium</u>	<u>Share options reserve</u>	<u>Statutory reserve</u>	<u>Exchange difference reserve</u>	<u>Goodwill on consolidation</u>	<u>Accumulated profits</u>			<u>Total</u>
2005 movement										
Balance at 1 October 2004 :										
As previously reported	27,983	204,865	-	303	(9,353)	(151,746)	101,420	173,472	882	174,354
Change in accounting standard :										
FRS 102 : Accounting for share options	-	-	1,135	-	-	-	(1,135)	-	-	-
As restated	27,983	204,865	1,135	303	(9,353)	(151,746)	100,285	173,472	882	174,354
Exchange differences arising during the year	-	-	-	6	3,378	-	-	3,384	151	3,535
Net profit/(loss) for the year, as previously reported	-	-	-	-	-	-	12,166	12,166	(68)	12,098
Change in accounting standard :										
FRS 102 : Accounting for share options	-	-	1,950	-	-	-	(1,950)	-	-	-
Net profit for the year, restated	-	-	1,950	-	-	-	10,216	12,166	(68)	12,098
Arising from the exercise of share options via issue of new shares	72	787	-	-	-	-	-	859	-	859
Cash return to shareholders : change in par value	(13,975)	-	-	-	-	-	-	(13,975)	-	(13,975)
Balance at 30 September 2005, as restated	14,080	205,652	3,085	309	(5,975)	(151,746)	110,501	175,906	965	176,871

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

Holding Company

(US\$'000)

	Share <u>capital</u>	Share <u>premium</u>	Treasury <u>shares</u>	Share options via cash and treasury shares settlement <u>reserve @</u>	Share options <u>reserve</u>	Exchange difference <u>reserve</u>	Accumulated (losses)/ <u>profits</u>	<u>Total</u>
2006 movement								
Balance at 1 October 2005 :								
As previously reported	14,080	205,652	-	-	-	(175)	(77,742)	141,815
Change in accounting standard :								
FRS 21 : Recognition of exchange differences from translation of long term loans to subsidiaries	-	-	-	-	-	175	(175)	-
FRS 102 : Accounting for share options	-	-	-	-	3,085	-	(1,313)	1,772
As restated	14,080	205,652	-	-	3,085	-	(79,230)	143,587
Arising from the exercise of share options via issue of new shares	216	496	-	-	(196)	-	-	516
Transfer of share premium account to share capital account ^	206,148	(206,148)	-	-	-	-	-	-
Cost of share-based payment	-	-	-	-	1,537	-	-	1,537
Net profit for the period	-	-	-	-	-	-	24,026	24,026
Repurchase of shares and held as treasury shares	-	-	(17,689)	-	-	-	-	(17,689)
Re-issue of treasury shares upon options exercise	-	-	227	(17)	(59)	-	-	151
Arising from the exercise of share options via cash settlement	-	-	-	(11)	(109)	-	-	(120)
Capital reduction to facilitate dividend payout process	(80,445)	-	-	-	-	-	80,445	-
Balance at 30 September 2006	139,999	-	(17,462)	(28)	4,258	-	25,241	152,008

@ Share options via cash and treasury shares settlement reserve relates to adjustments arising from the exercise of share options via cash settlement and/or transfer from treasury shares.

^ Following the amendments to the Companies Act, Chapter 50 which took effect on 30 January 2006, any amount standing to the credit of a company's share premium account shall become part of the company's share capital. Accordingly, the amount standing to the credit of Datacraft Asia Ltd's ("DAL") share premium account has been combined into DAL's share capital.

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

Holding Company (Cont'd)

(US\$'000)

	<u>Share capital</u>	<u>Share premium</u>	<u>Share options reserve</u>	<u>Exchange difference reserve</u>	<u>Accumulated (losses)/ profits</u>	<u>Total</u>
2005 movement						
Balance at 1 October 2004 :						
As previously reported	27,983	204,865	-	(1,457)	(926)	230,465
Change in accounting standard :						
FRS 21 : Recognition of exchange differences from translation of long term loans to subsidiaries	-	-	-	1,457	(1,457)	-
FRS 102 : Accounting for share options	-	-	1,135	-	(548)	587
As restated	27,983	204,865	1,135	-	(2,931)	231,052
Net loss for the year, as previously reported	-	-	-	-	(76,816)	(76,816)
Change in accounting standard :						
FRS 21 : Recognition of exchange differences from translation of long term loans to subsidiaries	-	-	-	-	1,281	1,281
FRS 102 : Accounting for share options	-	-	1,950	-	(764)	1,186
Net profit/(loss) for the year, restated	-	-	1,950	-	(76,299)	(74,349)
Arising from the exercise of share options via issue of new shares	72	787	-	-	-	859
Cash return to shareholders : change in par value	(13,975)	-	-	-	-	(13,975)
Balance at 30 September 2005, as restated	14,080	205,652	3,085	-	(79,230)	143,587

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 2006, the issued share capital of the Company was increased to 468,012,683 shares (S\$23,400,634.15) by the issue of the following new ordinary shares of S\$0.05 each fully paid:

- a) 414,000 shares at US\$0.725 each for cash under the Datacraft Asia Share Option Scheme; and
- b) 259,000 shares at US\$0.835 each for cash under the Datacraft Asia Share Option Scheme 2003.

Following the amendments to the Companies Act, Chapter 50 which took effect on 30 January 2006, any amount standing to the credit of a company's share premium account shall become part of the company's share capital. Accordingly, the amount standing to the credit of Datacraft Asia Ltd's ("DAL") share premium account has been combined into DAL's share capital during the financial year.

During the financial year, the Company acquired 17,121,000 of its own shares through on-market purchases on the Singapore Exchange Securities Trading Limited. Such shares are held as treasury shares. The total amount paid to acquire the shares was US\$17.7 million and this was deducted against shareholder's equity.

The Company transferred 200,000 shares from treasury shares to employees who exercised their share options during the year ended 30 September 2006:

- a) 134,000 shares at US\$0.725 each for cash under the Datacraft Asia Share Option Scheme; and
- b) 66,000 shares at US\$0.835 each for cash under the Datacraft Asia Share Option Scheme 2003.

On 10 July 2006, shareholders approved the proposed capital reduction to reduce the issued and paid up share capital of the Company amounting to S\$132,821,967 (US\$80,445,000). This is to facilitate the dividend payout process of the Company.

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 2005 except for the adoption of the following Financial Reporting Standards ("FRSs"):-

- (i) FRS 102 on Share-based Payment relating to the expensing of share options;
- (ii) FRS 21 on The Effects of Changes in Foreign Exchange Rates whereby exchange differences arising from long term loans to subsidiaries are recognized in the profit and loss statement of the reporting entity; and
- (iii) FRS 39 on Financial Instruments: Recognition and Measurement.

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.

Share-based Payment

FRS 102 Share-based Payment requires the recognition of equity-settled share-based payments at fair value at the date of grant. Prior to the adoption of FRS 102, the Group did not recognise the financial effect of share-based payments until such payments were settled.

In accordance with the transitional provisions of FRS 102, the accounting standard has been applied retrospectively to all grants of equity instruments after 22 November 2002 that were unvested as of 1 October 2005.

For FY2005, the change in accounting policy has resulted in a net decrease in profit for the year of US\$1,950,000. The balance sheet at 30 September 2005 has been adjusted to reflect the recognition of a share options reserve of US\$3,085,000.

For FY2006, the impact of share-based payments is a net charge to income of US\$1,537,000. At 30 September 2006, the share options reserve amounted to US\$4,258,000.

Effect of Changes in Foreign Exchange Rates

In accordance with FRS 21 (revised), the exchange differences arising on a monetary item that form part of a reporting entity's net investment in a foreign operation shall be recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g. consolidated financial statements when the foreign operation is a subsidiary), such exchange differences shall be recognised initially in a separate component of equity and recognised in profit or loss on disposal of the net investment.

For FY2005, the change in accounting policy has resulted in a net decrease in loss for the year of US\$1,281,000. The currency translation difference of US\$175,000 which was previously recognised in the Company's foreign currency translation reserve has now been recognised as part of accumulated losses as at 1 October 2005.

The adoption of FRS 21 (revised) does not have any financial impact to the financial statements of the Group.

Financial Instruments: Recognition and Measurement

The adoption of the revised accounting policy has no significant financial impact on the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	Q4 2006	Q4 2005 #	12 months to 30/09/06	12 months to 30/09/05 #
Earnings per ordinary share for the period:				
(i) Based on the weighted average number of ordinary shares in issue	1.42 US cents	0.66 US cents	5.69 US cents	2.19 US cents
(ii) On a fully diluted basis	1.41 US cents	0.65 US cents	5.66 US cents	2.17 US cents

Note to item 6(i):

The weighted average number of ordinary shares in issue for Q4 2006 and 12 months 2006 is 454,906,357 and 462,897,456 respectively (Q4 2005: 467,327,455 and 12 months 2005: 466,950,850).

Note to item 6(ii):

The earnings per share on a fully diluted basis is calculated on the adjusted weighted average number of ordinary shares of 457,277,841 (Q4 2006) and 465,326,396 (12 months 2006) in issue during the period reported on. (Q4 2005: 470,389,145 and 12 months 2005: 469,725,970)

There are no preference shares in the Company.

For comparison purposes, Q4 and 12 months FY2005 have been adjusted to include the impact of share options expense.

**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	
	30/09/06	30/09/05 #	30/09/06	30/09/05 #
Net asset value per ordinary share based on issued share capital	42.16 US cents	37.50 US cents	33.70 US cents	30.72 US cents

The net asset value per ordinary share is computed based on 451,091,683 (30 September 2005: 467,339,683) ordinary shares.

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

For comparison purposes, 30 September 2005 has been adjusted to include the impact of share options expense

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.**

Datacraft doubled its profit again in FY2006 with full year profit after-tax rising 107% to US\$21.2 million, excluding the one-time gain of US\$5.2m insurance settlement. Continuing the strong sequential growth trend, Q4 reported the best results in 16 quarters with a 109% increase in profit after-tax to US\$6.5 million.

The Group generated record operating cash flow of US\$60.3 million for the year, including the insurance settlement of US\$5.2 million, and balance sheet remains strong with US\$151.5 million net cash.

In line with its commitment to enhance shareholder value, the Group purchased approximately 17.1 million of its shares at the average price of US\$1.03 per share during the year. In addition, the Board is proposing a total after-tax dividend of 4.71 US cents per share (comprising a final dividend of 2.96 US cents and a special dividend of 1.75 US cents) resulting in a total payout of approximately US\$21.2 million.

Review of results for the fourth quarter – 3 months ended 30 September 2006

For Q4 FY2006, the Group achieved the highest revenue and profit after-tax in 16 quarters. Revenue grew 6% year-over-year to US\$130.9 million while after-tax operating profit increased 109% to US\$6.5 million. On a sequential basis, both revenue and after-tax profit improved over the prior quarter, by 15% and 21% respectively.

The good performance reflects strong margin improvements, financial discipline and the benefits of a lower effective tax rate.

Gross margin for Q4 FY2006 was 18.7%, representing a significant improvement over the 17.2% registered in the fourth quarter last year, driven by stronger margins from both services and hardware sales. On a sequential basis, gross margin in Q4 declined from Q3's 19.5% mainly due to a higher proportion of business from hardware sales which have lower margins compared to services.

Distribution, selling and administrative expenses (SG&A) totalled US\$16.3 million, or 12.4% of revenue, down from 13.2% in the same quarter last year, and 13.8% in the prior quarter. In dollar terms, SG&A increased by 0.4% year-over-year and 3.9% sequentially.

Reflecting the strong operating performance and well managed SG&A, operating profit before tax increased 71% year-over-year to US\$9.0 million while pre-tax profit margin expanded to 6.8%, compared with 4.3% for the Q4 last year. On a sequential basis, pre-tax operating profit increased 17.8% from the prior quarter while margin also improved compared with 6.7% previously.

Performance at the after-tax level was further boosted by a lower effective tax rate. The effective tax rate declined from 41.3% in Q4 last year to 28.5% for this quarter attributed mainly to the turnaround in China's operations. Consequently, after-tax profit increased 109% to US\$6.5 million.

Review of results for the 12 months to 30 September 2006

The group benefited from an insurance settlement in Q2 FY2006 amounting to US\$5.2 million. The following commentary illustrates the Group's performance excluding the effect of this one-time gain.

Reflecting the Group's focus on services and margins, services revenue grew by 8% year-over-year to US\$172.1 million, outpacing hardware revenue growth which increased 5% to US\$310.0 million. Consequently overall Group revenue grew 6% over last year to US\$482.2 million.

On a geographic basis, good performance was registered in Greater China, Asean, India and New Zealand. China achieved a turnaround in the second half of FY2006 mainly due to the continued focus on margins and service business from the multinational clients. East Asia, comprising Korea and Japan, reported lower revenue compared to last year. Korea's performance was impacted by the decision to forego lower margin business from some clients. The business performance in Japan was not satisfactory.

For the year, gross margin was 18.8%, representing a significant increase of 1.7 percentage points over last year's 17.1%. This was achieved by consistent improvement in the margins of all 3 service business units as well as hardware sales. The results demonstrate the benefits of the Group's focus on more profitable, high value business and continued emphasis on productivity.

The Group's operating profit before tax rose 67% to US\$30.1 million, driven by higher gross margin and contained SG&A. At the after tax and minority interests level, profit rose by 107%, to US\$21.2 million aided by the lower effective tax rate.

SG&A increased by US\$1.4 million year-over-year to US\$63.1 million. This modest increase is due to judicious expense management and strong working capital management which resulted in lower provisions for doubtful trade receivables and inventory obsolescence, amounting to a total cost saving of US\$3.4 million year-over-year.

The Group's taxation charge of US\$9.0 million represents an effective tax rate of 29.9%, down from 43.6% last year. The reduction is mainly due to the return to profitability in China.

The Group generated record levels of cash for the year. Cash flow from operations amounted to US\$60.3 million including the insurance settlement of US\$5.2 million, an increase of US\$41.3 million from last year. The strong performance was driven by growth in profitability and continued focus on working capital management. Consequently, the Group's ending net cash balance increased 33% year-over-year to US\$151.5 million, after factoring in US\$17.7 million utilised on share buyback during the year.

In view of the Group's strong cash balance and reflecting confidence in the long-term growth opportunities and financial strength of the Group, the Directors are recommending a total after-tax dividend of 4.71 US cents per share (comprising a final dividend of 2.96 US cents and a special dividend of 1.75 US cents). With the proposed dividend payout of approximately US\$21.2 million, the Group anticipates it will maintain adequate resources for working capital and the ability to pursue future growth opportunities.

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.

Looking ahead, the Group remains optimistic. Datacraft starts the new year with a healthy backlog valued at approximately US\$143 million, a well-defined strategy and an organisation that is aligned with some of the strongest and fastest growing market opportunities. The convergence of networks and client devices based around the Internet Protocol, and the emerging trend of multisourcing present new services opportunities. Having further strengthened the foundation of the business in FY2006, the Group's priority in FY2007 is to build on this solid foundation, focus on revenue growth while continuing to drive margin improvement.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final (Regular)	Special	Special	Total
Dividend Type	Cash	Cash	Cash	Cash
Gross Dividend amount per share (US cents)	3.7 US cents per share	0.5 US cents per share	1.35 US cents per share	5.55 US cents per share
Tax Rate	20%	20%	Tax-exempt	-
Net Dividend amount per share (US cents)	2.96 US cents per share	0.4 US cents per share	1.35 US cents per share	4.71 US cents per share

The Board of Directors is pleased to propose a total after-tax dividend of 4.71 US cents per share. This comprises a final dividend of 3.7 US cents less 20% tax (representing a payout of approximately 51% of the Group's earnings); and a special dividend made up of 0.5 US cents less 20% tax and tax-exempt 1.35 US cents (representing approximately a further 30% of the Group's earnings).

The regular dividends are proposed to be paid out of Singapore Section 44A tax franking credit balance. The special dividends are proposed to be paid out from both the Section 44A tax balance as well as tax-exempt balance. The Section 44A franked tax dividends allow Singapore tax residents whose marginal tax rate is below that of the Singapore corporate rate to claim the difference from the tax authorities. Following from this dividend payment, the Group would have largely utilised the Section 44A tax franking credit balance.

The dividends are subject to approval by shareholders at the Annual General Meeting and have not been included as a liability for the current financial year.

(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

To be advised after Annual General Meeting

(d) Books closure date

To be advised after Annual General Meeting

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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 2006 (US\$'000)	Asean	Greater China	East Asia	India and New Zealand	Eliminations	Consolidated
REVENUE						
External sales	163,191	99,233	89,733	130,000	-	482,157
Inter-segment sales	18,709	255	-	-	(18,964)	-
Total revenue	181,900	99,488	89,733	130,000	(18,964)	482,157
RESULT						
Segment result	13,444	8,528 *	(2,289)	12,143	-	31,826
Interest income						3,549
Profit from operating activities						35,375
Finance costs						(104)
Profit before income tax						35,271
Income tax						(9,012)
Profit after income tax						26,259
Minority interests						55
Profit attributable to the shareholders of the Company						26,314

* The segment result of Greater China in FY2006 included the insurance settlement of US\$5.2 million from the Company's insurers for loss previously suffered in relation to the China accounts receivables provided for in full in FY2002/2003.

13. **Segmented revenue and results (Cont'd)**

GROUP 2005 (US\$'000)	Asean	Greater China	East Asia	India and New Zealand	Eliminations	Consolidated
REVENUE						
External sales	143,861	88,170	109,433	114,513	-	455,977
Inter-segment sales	15,629	162	-	-	(15,791)	-
Total revenue	159,490	88,332	109,433	114,513	(15,791)	455,977
RESULT						
Segment result #	8,391	1,167	(2,268)	8,907	-	16,197
Interest income						1,891
Profit from operating activities						18,088
Finance costs						(102)
Profit before income tax						17,986
Income tax						(7,838)
Profit after income tax						10,148
Minority interests						68
Profit attributable to the shareholders of the Company						10,216

For comparison purposes, 12 months FY2005 has been adjusted to include the impact of share options expense.

b) By business segments

	Group		Change %
	12 months to 30/09/06 US\$'000	12 months to 30/09/05 US\$'000	
Hardware product sales	310,018	296,406	4.6
Software product sales & services	172,139	159,571	7.9
	-----	-----	
	482,157	455,977	5.7
	=====	=====	

Notes:

- i) The above segmental information has been compiled in a consistent manner. 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 is as follows:
 Asean - Singapore, Malaysia, Thailand, Indonesia, Philippines and Vietnam
 Greater China - The People's Republic of China, Hong Kong and Taiwan
 East Asia - Japan and 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.

Asean went from strength to strength, delivering a 60% year-over-year increase in profit before interest and tax (PBIT) to US\$13.4 million on the back of a 13% rise in revenue to US\$163.2 million. The strong performance was led by Singapore, Thailand, Indonesia and Malaysia.

Greater China, comprising the People's Republic of China, Hong Kong and Taiwan, also reported a strong set of results, notably with China turning profitable in the second half of FY2006. Greater China achieved a 189% growth in PBIT to US\$3.4 million while revenue grew 13% year-over-year to US\$99.2 million. Including the positive impact of the one-time gain of US\$5.2 million insurance settlement received, the region's PBIT increased seven-fold to US\$8.5 million.

For East Asia, Korea's performance was impacted by the decision to forego lower margin business from some clients while the business performance in Japan was not satisfactory. Consequently, East Asia suffered an 18% decline in revenue to US\$89.7 million and an operating loss similar to last year of US\$2.3 million.

India and New Zealand continued to do well, with overall revenue growth of 14% to US\$130.0 million accompanied by a 36% increase in PBIT to US\$12.1 million. New Zealand's performance was underpinned by its success in winning multi-year annuity service contracts, while India continued to enjoy good demand from the enterprise clients and also gained traction in the service provider market.

15. A breakdown of sales.

	Group					
	2006 H2 US\$'000	2005 H2 US\$'000	Change %	2006 H1 US\$'000	2005 H1 US\$'000	Change %
(a) Revenue	244,455	243,460	0.4	237,702	212,517	11.9
(b) Operating profit after tax before minority interests #	11,733	5,945	97.4	14,526 *	4,203	245.6

For comparison purposes, H1 and H2 FY2005 have been adjusted to include the impact of share options expense.

* 1H FY2006 operating profit after tax before minority interests included the insurance settlement of US\$5.2 million from the Company's insurers for loss previously suffered in relation to the China accounts receivables provided for in full in FY2002/2003.

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

17. Interested Person Transactions (“IPTs”)

In US\$'000

Name of interested person	FY2006	
	Aggregate value of all IPTs during FY2006 (excluding transactions less than S\$100,000 and excluding transactions conducted under the shareholders' mandate on 20 January 2006)	Aggregate value of all IPTs during FY2006 conducted under the shareholders' mandate on 20 January 2006 (excluding transactions less than S\$100,000)
Transactions > S\$100,000	Yes	Yes
Defined by shareholders' mandate on 20 January 2006 +	Not applicable	Yes
Dimension Data Commerce Centre Ltd	955	3,747
Dimension Data Management Services (Pty) Ltd	496	-
Dimension Data Belgium SA	71	-

+ Shareholders approval was obtained on 20 January 2006 for purchases from Dimension Data Commerce Centre for servicing certain global clients, mainly HSBC.

BY ORDER OF THE BOARD

Patrick Quarmby
Chairman
15 November 2006