

DATA CRAFT 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.

	Group			Group		
	Q4 2007 US\$'000	Q4 2006 US\$'000	Change %	12 months to 30/09/07 US\$'000	12 months to 30/09/06 US\$'000	Change %
Revenue	160,980	130,946	22.9	580,829	482,157	20.5
Cost of sales	(129,448)	(106,485)	21.6	(470,009)	(391,722)	20.0
Gross margin	31,532	24,461	28.9	110,820	90,435	22.5
<i>Gross margin %</i>	<i>19.6%</i>	<i>18.7%</i>		<i>19.1%</i>	<i>18.8%</i>	
Add: Other operating income (Note 1(a)(i))	1,072	1,127	(4.9)	4,226	4,394 *	(3.8)
Less: Other expenses						
Distribution and sales	(13,140)	(10,481)	25.4	(46,757)	(40,832)	14.5
Administrative	(7,099)	(5,807)	22.2	(25,711)	(22,235)	15.6
Share options expense	(312)	(320)	(2.5)	(1,352)	(1,537)	(12.0)
Finance costs	-	(26)	(100.0)	(50)	(104)	(51.9)
Profit before tax (Note 1(a)(ii))	12,053	8,954	34.6	41,176	30,121	36.7
<i>Profit before tax %</i>	<i>7.5%</i>	<i>6.8%</i>		<i>7.1%</i>	<i>6.2%</i>	
Income tax expense	(2,915)	(2,552)	14.2	(10,872)	(9,012)	20.6
<i>Effective tax rate %</i>	<i>24.2%</i>	<i>28.5%</i>		<i>26.4%</i>	<i>29.9%</i>	
Profit after tax before one-time insurance gain in Q2 2006	9,138	6,402	42.7	30,304	21,109 *	43.6
<i>Profit after tax margin %</i>	<i>5.7%</i>	<i>4.9%</i>		<i>5.2%</i>	<i>4.4%</i>	
Add: One-time insurance gain in Q2 2006					5,150	
Profit after tax including one-time insurance gain in Q2 2006					26,259 **	

Attributable to:

 Shareholders of the Company
 Minority interests

9,144 (6)	6,450 (48)		30,316 (12)	26,314 ** (55)	
9,138	6,402		30,304	26,259 **	

* 12 months ended 30 September 2006 excluding the one-time insurance settlement gain of US\$5.15 million.

** 12 months ended 30 September 2006 including the one-time insurance settlement gain of US\$5.15 million.

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

	Group		Group	
	Q4 2007 US\$'000	Q4 2006 US\$'000	12 months to 30/09/07 US\$'000	12 months to 30/09/06 US\$'000
Interest income	1,043	1,176	4,143	3,549
Investment income	162	107	627	497
Foreign exchange (loss)/gain	(133)	(156)	(544)	348
	1,072	1,127	4,226	4,394

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

	Group		Group	
	Q4 2007 US\$'000	Q4 2006 US\$'000	12 months to 30/09/07 US\$'000	12 months to 30/09/06 US\$'000
Disclosure of expenses included in Profit before tax :				
Interest expense	-	(26)	(50)	(104)
Depreciation of plant and equipment	(1,965)	(1,944)	(7,772)	(7,915)
Allowance for doubtful trade receivables	(51)	(51)	(250)	(199)
Allowance for inventory obsolescence	(108)	(100)	(317)	(422)
Loss on disposal of plant and equipment	(26)	(208)	(26)	(208)

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>30/09/07</u> (US\$ million)	Note 1 <u>30/06/07</u> (US\$ million)	Note 2 <u>30/09/06</u> (US\$ million)
<u>Current assets</u>			
Cash and short term investments	150.49	134.05	151.36
Receivables from external clients	120.68	116.07	96.34
Advanced billings receivables	13.82	10.17	15.81
Inventories	10.16	10.52	9.52
Other current assets	35.82	34.99	29.85
Total current assets	<u>330.97</u>	<u>305.80</u>	<u>302.88</u>
<u>Non-current assets</u>			
Plant and equipment	14.34	14.68	12.93
Goodwill	0.65	0.65	0.65
Available-for-sale investments	1.21	1.11	1.16
Deferred tax assets	1.53	1.82	2.59
Total non-current assets	<u>17.73</u>	<u>18.26</u>	<u>17.33</u>
<u>Current liabilities</u>			
Trade creditors	76.43	69.25	62.01
Other current liabilities	68.15	60.14	65.75
Total current liabilities	<u>144.58</u>	<u>129.39</u>	<u>127.76</u>
<u>Non-current liabilities</u>			
Deferred tax liabilities	0.63	0.77	0.80
Net assets	<u>203.49</u>	<u>193.90</u>	<u>191.65</u>
Shareholders' funds	202.54	192.93	190.82
Minority interests	0.95	0.97	0.83
	<u>203.49</u>	<u>193.90</u>	<u>191.65</u>

Note 1 : Balance sheet as at 30 June 2007 is used for comparison.

Note 2 : Balance sheet as at 30 September 2006 is included being the latest audited balance sheet.

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

	Holding Company	
	<u>30/09/07</u> (US\$ million)	<u>30/09/06</u> (US\$ million)
<u>Current assets</u>		
Cash and bank balances	10.79	8.27
Receivables from subsidiaries	45.57	73.15
Other current assets	2.90	1.92
	<u>59.26</u>	<u>83.34</u>
	=====	=====
<u>Non-current assets</u>		
Subsidiaries	118.10	102.76 #
Plant and equipment	2.36	2.32
	<u>120.46</u>	<u>105.08</u>
	=====	=====
<u>Current liabilities</u>		
Creditors	23.10	32.13
Other current liabilities	3.32	3.29
	<u>26.42</u>	<u>35.42</u>
	=====	=====
<u>Non-current liability</u>		
Deferred tax liabilities	0.27	0.34
	<u>153.03</u>	<u>152.66</u>
	=====	=====
Net assets	153.03	152.66
	=====	=====
Shareholders' funds	153.03	152.66 #
	=====	=====

For comparison purpose, 30 September 2006 has been adjusted to include the impact of fair value of financial guarantees provided to subsidiaries.

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

Amount repayable in one year or less, or on demand

As at 30/09/2007		As at 30/09/2006	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/09/2007		As at 30/09/2006	
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 2007 US\$'000	Q4 2006 US\$'000	12 months to 30/09/07 US\$'000	12 months to 30/09/06 US\$'000
Cashflows from operating activities :				
Profit before tax	12,053	8,954	41,176	35,271 **
Adjustments for				
Depreciation of plant and equipment	1,965	1,944	7,772	7,915
Allowance for doubtful trade receivables	51	51	250	199
Allowance for inventory obsolescence	108	100	317	422
Share options expense	312	320	1,352	1,537
Provision for employees' benefits	444	128	444	128
Loss on disposal of plant and equipment	26	208	26	208
Interest income	(1,043)	(1,176)	(4,143)	(3,549)
Interest expense	-	26	50	104
Operating cash flows before movements in working capital	13,916	10,555	47,244	42,235
Inventories	350	810	(645)	6,258
Trade and other receivables	(6,109)	(202)	(19,360)	649
Trade and other creditors	13,066	4,397	10,048	16,768
Cash generated from operations	21,223	15,560	37,287	65,910
Interest paid	-	(26)	(50)	(104)
Interest received	1,043	1,176	4,143	3,549
Income tax paid	(4,003)	(3,723)	(11,948)	(8,726)
Employees' benefits utilised	(57)	(316)	(57)	(316)
Net cash from operating activities	18,206	12,671	29,375	60,313
Investing activities :				
Purchase of plant and equipment	(1,396)	(2,072)	(8,648)	(6,223)
Proceeds from disposal of plant and equipment	74	37	74	37
Increase in long term investments	-	(32)	-	(32)
Net cash used in investing activities	(1,322)	(2,067)	(8,574)	(6,218)
Financing activities :				
Net proceeds from issue of shares	190	-	457	667
Cash settlement of share options exercised by employees	(33)	(10)	(862)	(120)
Purchase of treasury shares	(2,091)	(5,608)	(6,853)	(17,689)
Dividends paid	-	-	(21,250)	-
Repayment of finance leases	-	(5)	(45)	(2)
Net cash used in financing activities	(1,934)	(5,623)	(28,553)	(17,144)
Net effect of exchange rate changes in consolidating subsidiaries	1,488	522	6,879	778
Net increase/(decrease) in cash and short term investments	16,438	5,503	(873)	37,729
Cash and short term investments at beginning of period	134,053	145,861	151,364	113,635
Cash and short term investments at end of period	150,491	151,364	150,491	151,364
	=====	=====	=====	=====

** 12 months ended 30 September 2006 included the one-time insurance settlement gain of US\$5.15 million.

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 <u>interests</u>	Total <u>equity</u>	
	<u>Issued capital</u>	<u>Treasury shares</u>	<u>Share options settlement reserve @</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>
2007 movement											
Balance at 1 October 2006	139,999	(17,462)	(28)	4,258	405	(1,776)	(149,751)	215,172	190,817	833	191,650
Exchange differences arising during the year	-	-	-	-	87	8,472	-	-	8,559	131	8,690
Recognition of share-based payment	-	-	-	1,352	-	-	-	-	1,352	-	1,352
Net profit for the year	-	-	-	-	-	-	-	30,316	30,316	(12)	30,304
Repurchase of shares and held as treasury shares	-	(6,853)	-	-	-	-	-	-	(6,853)	-	(6,853)
Re-issue of treasury shares upon exercise of share options	-	618	36	(197)	-	-	-	-	457	-	457
Arising from the exercise of share options via cash settlement	-	-	(45)	(817)	-	-	-	-	(862)	-	(862)
Transfer from accumulated profits to statutory reserve	-	-	-	-	8	-	-	(8)	-	-	-
Transfer to accumulated profits due to closing down of subsidiaries	-	-	-	-	-	-	19,336	(19,336)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(21,250)	(21,250)	-	(21,250)
Balance at 30 September 2007	139,999	(23,697)	(37)	4,596	500	6,696	(130,415)	204,894	202,536	952	203,488

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

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

<u>Group (Cont'd)</u> (US\$'000)	Attributable to shareholders of the Company									Minority interests	Total equity	
	<u>Issued capital</u>	<u>Share premium</u>	<u>Treasury shares</u>	<u>Share options settlement reserve @</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>
2006 movement												
Balance at 1 October 2005	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
Recognition 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 exercise of share options	-	-	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 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

(US\$'000)

	<u>Issued capital</u>	<u>Treasury shares</u>	<u>Share options settlement reserve @</u>	<u>Share options reserve</u>	<u>Accumulated profits</u>	<u>Total</u>
2007 movement						
Balance at 1 October 2006 :						
As previously reported	139,999	(17,462)	(28)	4,258	25,239	152,006
Change in accounting standard :						
Amendments to FRS 39 : Effect of recognition of financial guarantees provided to subsidiaries	-	-	-	-	658	658
As restated per FRS 39 requirement	139,999	(17,462)	(28)	4,258	25,897	152,664
Net profit for the year	-	-	-	-	27,518	27,518
Recognition of share-based payment	-	-	-	1,352	-	1,352
Repurchase of shares and held as treasury shares	-	(6,853)	-	-	-	(6,853)
Re-issue of treasury shares upon exercise of share options	-	618	36	(197)	-	457
Arising from the exercise of share options via cash settlement	-	-	(45)	(817)	-	(862)
Dividends paid	-	-	-	-	(21,250)	(21,250)
Balance at 30 September 2007	139,999	(23,697)	(37)	4,596	32,165	153,026

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

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

Holding Company (Cont'd)

(US\$'000)

	Issued capital	Share premium	Treasury shares	Share options settlement reserve @	Share options reserve	Accumulated profits	Total
2006 movement							
Balance at 1 October 2005 :							
As previously reported	14,080	205,652	-	-	3,085	(79,230)	143,587
Change in accounting standard :							
Amendments to FRS 39 : Effect of recognition of financial guarantees provided to subsidiaries	-	-	-	-	-	164	164
As restated per FRS 39 requirement	14,080	205,652	-	-	3,085	(79,066)	143,751
Net profit for the year, as previously reported	-	-	-	-	-	24,024	24,024
Change in accounting standard :							
Amendments to FRS 39 : Effect of recognition of financial guarantees provided to subsidiaries	-	-	-	-	-	494	494
Net profit for the year, restated per FRS 39 requirement	-	-	-	-	-	24,518	24,518
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)	-	-	-	-	-
Recognition of share-based payment	-	-	-	-	1,537	-	1,537
Repurchase of shares and held as treasury shares	-	-	(17,689)	-	-	-	(17,689)
Re-issue of treasury shares upon exercise of share options	-	-	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	25,897	152,664

@ Share options 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)(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 2007, the Company acquired 5,973,000 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\$6,853,000 and this was deducted against shareholders' equity.

The Company transferred 569,000 shares from treasury shares to employees who exercised their share options during the year ended 30 September 2007:

- a) 350,000 shares at US\$0.725 each for cash under the Datacraft Asia Share Option Scheme;
- b) 151,000 shares at US\$0.835 each for cash under the Datacraft Asia Share Option Scheme 2003;
- c) 47,000 shares at US\$1.147 each for cash under the Datacraft Asia Share Option Scheme 2003; and
- d) 21,000 shares at US\$1.14 each for cash under the Datacraft Asia Share Option Scheme 2003.

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 2006 except for the adoption of the amendments to FRS 39 on Financial Guarantee Contracts.

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.

Amendments to FRS 39 relating to Financial Guarantee Contracts

The amendments to FRS 39, which is effective October 1, 2006 for Datacraft requires the Company to recognise the financial guarantee issued on behalf of its subsidiaries at fair value. For first time adoption, any financial effect arising from the amendments to FRS 39 should be applied retrospectively. The fair value of the financial guarantees is estimated to be US\$164,000, US\$494,000 and US\$499,000 at September 30, 2005, 2006 and 2007 respectively.

The adoption of amendments to FRS 39 does not have any financial impact to the financial statements of 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 2007	Q4 2006	12 months to 30/09/07	12 months to 30/09/06
Earnings per ordinary share for the period:				
(i) Based on the weighted average number of ordinary shares in issue	2.05 US cents	1.42 US cents	6.76 US cents	5.68 US cents
(ii) On a fully diluted basis	2.03 US cents	1.41 US cents	6.71 US cents	5.66 US cents

Note to item 6(i):

The weighted average number of ordinary shares in issue for Q4 2007 and 12 months ended 30 September 2007 is 446,492,281 and 448,559,006 respectively (Q4 2006: 454,906,357 and 12 months ended 30 September 2006: 462,897,456).

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 450,646,863 (Q4 2007) and 451,546,026 (12 months ended 30 September 2007) in issue during the period reported on. (Q4 2006: 457,277,841 and 12 months ended 30 September 2006: 465,326,396)

There are no preference shares in the Company.

**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	
	30/09/07	30/09/06	30/09/07	30/09/06
Net asset value per ordinary share based on issued share capital	45.30 US cents	42.16 US cents	34.33 US cents	33.70 US cents

The net asset value per ordinary share is computed based on 445,687,683 (30 September 2006: 451,091,683) 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.**

Consistent with all prior announcements, the following commentary discusses the Group's performance excluding the effect of a one-time insurance settlement gain of US\$5.2 million in Q2 FY2006.

Datacraft today announced record annual revenue for FY2007 and the highest after-tax profit in six years. Revenue for the full year rose 20% year-over-year to US\$580.8 million, while after-tax profit increased 44% to US\$30.3 million. These results were achieved on the back of continuing strong performance in the fourth quarter, which reported the best quarterly results in the history of the Group in both revenue and bottom line.

The Group continued to generate healthy cash flow from operations, amounting to US\$29.4 million for the year and its balance sheet remains strong with US\$150.5 million net cash.

In view of the strong financial performance and healthy cash on hand, the Directors of Datacraft are pleased to propose a final dividend of 6.3 US cents per share, an increase of 1.59 US cents or 34 percent over the prior year dividend. This comprises an ordinary dividend of 3.4 US cents, representing a 50% of profits after tax, and a special dividend of 2.9 US cents, in total representing a 93% payout ratio. The total dividends to be paid will amount to a payout of approximately US\$28.1 million payable in cash or scrip.

During the year, the Group purchased 5,973,000 of its shares for US\$6.9 million at an average price of US\$1.15 per share, under the share buyback programme.

Review of results for the fourth quarter – 3 months ended 30 September 2007

The Group achieved its best top line and bottom line quarterly results in Q4. Group revenue increased 23% year-over-year to US\$161.0 million while profit after tax grew 43% to US\$9.1 million. On a sequential basis, both revenue and after tax profit improved over the prior quarter's results by 9% and 25% respectively.

The 23% year-over-year growth in revenue was driven by a robust 29% growth in services revenue, accompanied by a 20% increase in hardware revenue. In terms of revenue mix, the higher margin services business increased its share of the revenue mix to 36%, up from 35% in the same quarter last year.

Profit margins at all operating levels were at the highest in six years. Gross margin for Q4 FY2007 was 19.6%, representing a significant improvement over 18.7% in Q4 last year and 18.8% in the prior quarter. Results were boosted by the favourable revenue mix and healthy margins from the services and hardware businesses.

Distribution, selling and administrative expenses (SG&A) totalled US\$20.2 million, or 12.6% of revenue, compared with 12.4% in the same quarter last year. In dollar terms, SG&A has increased by 24% year-over-year which can be mainly attributed to increases in headcount, especially in sales personnel, as well as a higher variable bonus provision.

The robust revenue and improved margins resulted in a US\$3.1 million increase in profit before tax to US\$12.1 million, representing a year-over-year growth of 35%. Expressed as a percentage of revenue, the profit before tax margin has increased to 7.5%, compared to 6.8% in Q4 last year.

At the after tax level, profit grew 43% year-over-year to US\$9.1 million. Correspondingly, Q4's profit after tax margin has increased to 5.7%. The Group's effective tax rate for the quarter was 24.2%, compared with 28.5% for the same period last year due to increased contribution from countries with lower tax rates such as Singapore and Hong Kong.

Review of results for the 12 months to 30 September 2007

Overall revenue for the 12 months to September 2007 rose 20% year-over-year to US\$580.8 million, setting a new record for the Group. Growth was evenly spread between the services and hardware businesses which reported growth of 20% and 21% respectively.

On a geographic basis, all four geographic regions achieved revenue growth over the prior year with particularly strong performance from India and Greater China. Greater China achieved a 30% year-over-year growth in revenue, led by strong results from China and Hong Kong. Most Asean countries also performed well with higher revenue and profitability, but this was partially offset by a lower contribution from Thailand. Japan, while continuing to sustain a full year operating loss, has shown encouraging improvement in business momentum and profitability in Q4.

For the full year, gross margin was 19.1% improving from 18.8% last year. The improvement is a result of the Group's continued pursuit of productivity gains and its focus on the more profitable, higher value businesses.

The Group's SG&A was US\$72.5 million, representing a year-over-year increase of 15% which is lower than the overall revenue growth rate. Consequently, SG&A as a percentage of revenue improved to 12.5% of revenue, compared to 13.1% last year. The SG&A increase is mainly due to increases in headcount, which has risen 10% year-over-year to support a growing business.

The Group's profit before tax increased US\$11.1 million or 37% year-over-year to US\$41.2 million. At the after tax level, profit rose 44% year-over-year to US\$30.3 million, the highest in six years.

The Group continued to generate healthy positive cash flow from operations driven by growth in profitability. Cash flow from operations totalled US\$29.4 million after factoring in higher working capital requirements to support business growth.

The Group's ending cash balance totalled US\$150.5 million, almost unchanged from US\$151.4 million a year ago, as the US\$28.1 million cash utilised on share buyback and dividend payments during the year was matched by a similar cash flow generated from operations. During the year, the Group utilised US\$6.9 million to purchase 5,973,000 of its shares or 1.3% of shares outstanding.

In view of the Group's strong financial position, the Directors are recommending a final dividend of 6.3 US cents per share. This comprises an ordinary dividend of 3.4 US cents and a special dividend of 2.9 US cents.

With the proposed dividend payout of US\$28.1 million, the Group believes it will still have ample resources for working capital and the financial flexibility 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.

The Group has started the new financial year with its order backlog at an all time high of US\$183 million, underpinning demand outlook in the near term. Orders have been buoyed by continuing strong demand across the different industry verticals.

Recent volatility in the global financial markets, however, raises the possibility of a potential slowdown in demand from the financial services institutions, which account for around 30% of Group revenue. There has been no discernible impact on Datacraft's business arising from the financial market turbulence so far and management will continue to monitor the situation closely.

Asia continues to offer exciting growth opportunities. Datacraft has increased its professional headcount in order to drive profitable growth. It is well positioned to benefit and continue growing its market leadership position given its strong fundamentals – a proven business model that delivers consistent, positive results and cash flow, a strong balance sheet with no debt and strong support from its employees and clients, whose satisfaction ratings are at all time highs.

Going forward, the Group will continue to execute its model, driving sustainable profitable growth, cash generation and return to shareholders.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Final (Ordinary)	Special	Total
Dividend Type	Cash or Scrip	Cash or Scrip	Cash or Scrip
Dividend amount per share (US cents)	3.4 US cents per share	2.9 US cents per share	6.3 US cents per share
Tax Rate	Tax-exempt (one-tier)	Tax-exempt (one-tier)	Tax-exempt (one-tier)

The Company's S44A tax franking credits have been largely utilized in the previous financial year. The Company is moving to the one-tier tax system in FY2007. As a result, the total dividend of 6.3 US cents per share received by Singapore tax residents will be tax exempt for Singapore income tax purpose (being a one-tier exempt dividend).

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? Yes

Name of Dividend	Final (Ordinary)	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 ordinary dividends were paid out of Singapore Section 44A tax franking credit balance. The special dividends were 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.

(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 2007 (US\$'000)	Asean	Greater China	East Asia	India and New Zealand	Eliminations	Consolidated
REVENUE						
External sales	177,685	128,801	111,165	163,178	-	580,829
Inter-segment sales	22,252	-	-	-	(22,252)	-
Total revenue	199,937	128,801	111,165	163,178	(22,252)	580,829
RESULT						
Segmental result (Profit before interest and tax)	13,982	12,267	(2,759)	13,593	-	37,083
Interest income						4,143
Profit from operating activities						41,226
Finance costs						(50)
Profit before income tax						41,176
Income tax						(10,872)
Profit after income tax						30,304
Minority interests						12
Profit attributable to the shareholders of the Company						30,316

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

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						
Segmental result (Profit before interest and tax)	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 one-time insurance settlement of US\$5.15 million from the Company's insurers for loss previously suffered in relation to the China accounts receivables provided for in full in FY2002/2003.

b) By business segments

	Group		Change %
	12 months to 30/09/07 US\$'000	12 months to 30/09/06 US\$'000	
Hardware product sales	374,834	310,018	20.9
Software product sales & services	205,995	172,139	19.7
	-----	-----	
	580,829	482,157	20.5
	=====	=====	

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 client 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 achieved a 9% growth in revenue to US\$177.7 million, accompanied by a 4% growth in profit before interest and tax (PBIT) to US\$14.0 million. Most Asean countries achieved good growth in revenue and profits, but overall results were affected by a slowdown in Thailand where business was hurt by local political uncertainties.

Greater China, comprising the People's Republic of China, Hong Kong and Taiwan, had a good year. Revenue grew 30% year-over-year to US\$128.8 million while PBIT increased 44% to US\$12.3 million. The strong performance was driven by buoyant demand in Hong Kong and China.

East Asia, comprising Korea and Japan, reported a US\$2.8 million loss for the year, compared with a US\$2.3 million loss last year. The lacklustre performance reflects continuing losses in Japan, although its performance in Q4 has shown encouraging improvement.

India and New Zealand reported a 26% growth in revenue to US\$163.2 million while PBIT grew 12% to US\$13.6 million. The New Zealand market was stable, supported by a healthy installed base of services business. India continued to do well, achieving strong top line and bottom line results. Its performance has benefited from continuing favourable market conditions across the various verticals, including manufacturing, financial services and media and communications.

15. A breakdown of sales.

	Group					
	2007 H2 US\$'000	2006 H2 US\$'000	Change %	2007 H1 US\$'000	2006 H1 US\$'000	Change %
(a) Revenue	308,316	244,455	26.1	272,513	237,702	14.6
(b) Operating profit after tax before minority interests	16,471	11,733	40.4	13,833	14,526 *	(4.8)

* 1H FY2006 operating profit after tax before minority interests included the one-time insurance settlement of US\$5.15 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 (US\$000)	Previous Full Year (US\$000)
Ordinary	-	21,250
Preference	-	-
Total:	-	21,250

17. Interested Person Transactions (“IPTs”)

In US\$'000

FY2007		
Name of interested person	Aggregate value of all IPTs during FY2007 (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 FY2007 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	1,811	12,834
Dimension Data Management Services (Pty) Ltd	1,090	-
Dimension Data North America Inc	472	-
Dimension Data Nederland BV	330	-
Dimension Data Network Services Limited	289	-

+ The renewal of shareholders' approval was obtained on 30 January 2007 for purchases from Dimension Data Commerce Centre for servicing certain global clients, mainly HSBC.

BY ORDER OF THE BOARD

Patrick Quarmby
Chairman
14 November 2007