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News Release

ACHIEVA POSTS HIGHER TURNOVER OF S\$305 MILLION FOR FIRST HALF OF FY2005

- **Group remains profitable with net profit of S\$1.3 million**
- **Peripherals division returns to the black as business performance continues to improve**
- **Net cash grew from S\$24.7 million to S\$35.1 million**

Singapore, August 10, 2005 – Mainboard-listed Achieva Limited (“Achieva”), one of Asia Pacific’s knowledge-based, value-added distributors and solutions providers focusing on electronics and IT-related products, today reported a higher group turnover of S\$305 million for the first six months ended 30 June 2005.

The increase in turnover was due mainly to higher contributions by the Electronic Components division, which saw its turnover improve by S\$9 million or 10% to S\$102.6 million.

Achieva continued to show improvement in its operations as operating profit before exceptional items rose to S\$1.8 million - which was a significant improvement over the S\$0.2 million in the first half of FY2004. This was mainly due to higher profit from the Peripherals division and lower provision for doubtful debts.

The Group net profit after tax and minority interests of S\$1.3 million was lower than the S\$2.1 million recorded in the same period in FY2004, which benefited from share of exceptional non-operating income of S\$3.2 million from an associated company. Excluding the exceptional item, the Group net profit was a significant improvement from a net loss of S\$0.1 million last year.

The Group balance sheet has strengthened. Its cash position improved as its net cash rose by 42% to S\$35.1 million from S\$24.7 million as at 31 December 2004.

The Group recorded earnings per share or EPS of 0.27 cents and NAV rose to 12.9 cents from 12.4 cents.

Segmental Contributions

Turnover from the Group's Electronic Components division rose by about 10% - driven mainly by enhanced performance of its South Asian and North Asian operations which recorded an increase of 5% and 17% in turnover to S\$55 million and S\$47 million respectively. Profit from the electronic components division for the first half of FY2005 was however lower at S\$2.6 million due to difficult market conditions as well as the Group's continued investment in the North Asia operations which are expected to yield positive returns in the near future.

While the Group's Peripherals Division turnover remained stable, it recorded a profit of S\$1.5 million representing a strong turnaround from a loss of S\$1.2 million in the first half of last year.

Going Forward

Commenting on the first half year's results, Mr Henry Lim, President and CEO of Achieva, said: "The Group managed to stay profitable despite the sluggish performance of the semiconductor industry. We believe that the Group benefited from our strategy of concentrating our efforts on repositioning our Peripherals Division and driving growth in the semiconductor market where our improved revenue showed that we gained market share. We have also enjoyed the fruits of our strategic decision to grow our portfolio of digital consumer electronic products, especially our own ASTONE brand, which received very positive market response. "

Going forward, the Group is confident that its Electronics Components Division will continue its growth in both North and South Asia. Achieva had recently extended its Altera distributorship, one of its major product lines to include China. This will augur well for the Group in the medium term.

The Group will also expand its ASTONE product portfolio and enhance access to both existing and new markets to power growth forward.

Added Mr Henry Lim, "While the overall business environment will continue to face challenges from the rising interest rates, the repositioning of the Chinese yuan and Malaysian ringgit as well as threats of terrorism, the Directors remain optimistic about the Group's operating results, barring unforeseen circumstances in the second half".

About Achieva:

Listed on the Mainboard of the Singapore Exchange since June 2000, Achieva is one of Asia-Pacific's top value-added distributors and solutions providers focusing on electronics and IT-related products. With corporate headquarters in Singapore and its operations spanning the Asia-Pacific region, the Achieva Group represents in excess of 30 product brands. Currently, the Group has a staff strength of about 430, serving a growing customer base of about 6,000 in the Asia-Pacific region. The Group's business operations are grouped under two product sectors or groups – Peripherals and Electronic Components.

Issued on behalf of Achieva Limited**For more information, please contact:**

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