

ACHIEVA LIMITED

240 Macpherson Road,
#02-02 Pines Industrial Building,
Singapore 348574.
Tel: (65) 6841 4898 Fax: (65) 6841 4896
Website: <http://www.achieva.com.sg>
Reg. No : 1993-07251-M

News Release

ACHIEVA POSTS NET PROFIT OF S\$2.3 MILLION FOR FY2005

- **Group reports record turnover of S\$611.4 million**
- **Higher sales growth from the electronic components division driven by robust North Asian market**
- **Peripherals division returns to the black**

Singapore, February 22, 2006 - Mainboard-listed Achieva Limited ("Achieva"), one of Asia Pacific's knowledge-based, value-added distributors and solutions providers focusing on electronics and digital lifestyle products, today reported a net profit of S\$2.3 million for the financial year ended 31 December 2005. This was achieved on the back of a record turnover of S\$611.4 million,

Operating profit before tax of S\$3.0 million was a significant improvement over the S\$0.5 million in 2004, excluding the exceptional non-operating income. This improved performance in FY2005 was mainly due to the turnaround in the Peripheral division moderated by lower profit from its Electronics Components division and higher borrowing costs.

The Group's associated companies continued to incur losses in FY2005 due to the delays in potential contracts from government agencies. These contracts are in relation to the Point of Sale, Global Positioning System and Smartcard Reader businesses.

The Group's earnings per share or EPS increased by 5% to 0.46 cents and Net Asset Value per share rose to 12.9 cents from 12.4 cents.

Segmental Contributions

Sales from the Peripherals division accounted for 62% of the Group's total revenue. This is lower than 69% contributed in the last financial year.

Turnover contribution from the Electronics Components division amounted to 38% of Group turnover compared to 31% in FY2004.

The robust growth in sales from the Electronics Components division was driven by the rapid growth in the Group's its North Asian operations – which recorded a sales jump of 52%.

The Electronics Components division accounted for much of the Group's higher revenue. This division enjoyed a 27% increase in sales, amounting to S\$231 million, as compared to S\$183 million FY2004.

While sales contributions from its Peripherals division were lower than in FY2004, this division enjoyed a sharp recovery. It recorded a profit of S\$3.4 million before accounting for provision for doubtful debts and stock obsolescence. Net Profit after provisions was S\$2.6 million – reversing a loss of loss of S\$3.2 million in FY2004.

The successful turnaround in the Peripherals division was due to the increased sales of the Group's higher margin proprietary products marketed under its own brandname ASTONE as well as the general improvement in sales margin from its existing product lines in its key markets.

Going Forward

Commenting on the full year results of 2005, Mr Henry Lim, President and CEO of Achieva, said: "The Group is pleased to report another year of profitability under challenging market conditions.

All our core business divisions are profitable – reflecting the success of our strategic initiatives to provide higher value-added solutions and products to our customers.

For our Electronics Components division, we remained profitable despite difficult market conditions in FY2005. We will continue to drive growth in all our key markets – especially China which is the largest and fastest growing economy in the Asia-Pacific. We will enhance our resources and expand the Altera and Semtech distributorships in China, which started in the second half of 2005. This will enhance our mid-term growth.

For our Peripherals division, our bottomline-focused strategy has yielded positive results. Last year, we also benefited from the expansion of our range of digital consumer electronic products under our own brandname ASTONE. The prospects for our ASTONE range of lifestyle products are bright given the rising demand for hip and cool consumer electronics products worldwide. We believe that ASTONE will continue to receive positive market response."

Commenting on the Group's outlook, Mr Lim added, "While the overall business environment will continue to face challenges from the rising interest rates, the volatility of the currency rates as well as threats of terrorism, the Directors remain optimistic of the Group's operating results, barring unforeseen circumstances for the current financial year".

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 digital lifestyle 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 450, 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:

Ms Tham Moon Yee / Ms Carolyn Lim

Stratagem Consultants Pte Ltd

Tel : 65 6227 0502

Fax : 65 6227 5663

Email : tmy@stratagemconsultants.com / carolyn@stratagemconsultants.com