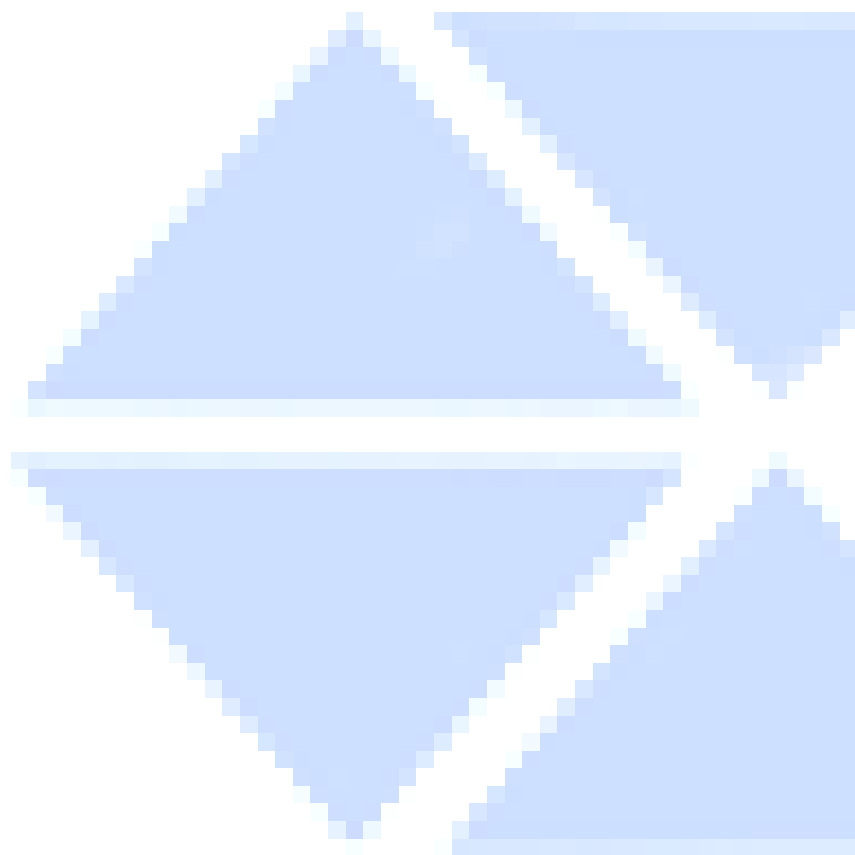




Company Profile, August 2004



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An Overview of the Co.

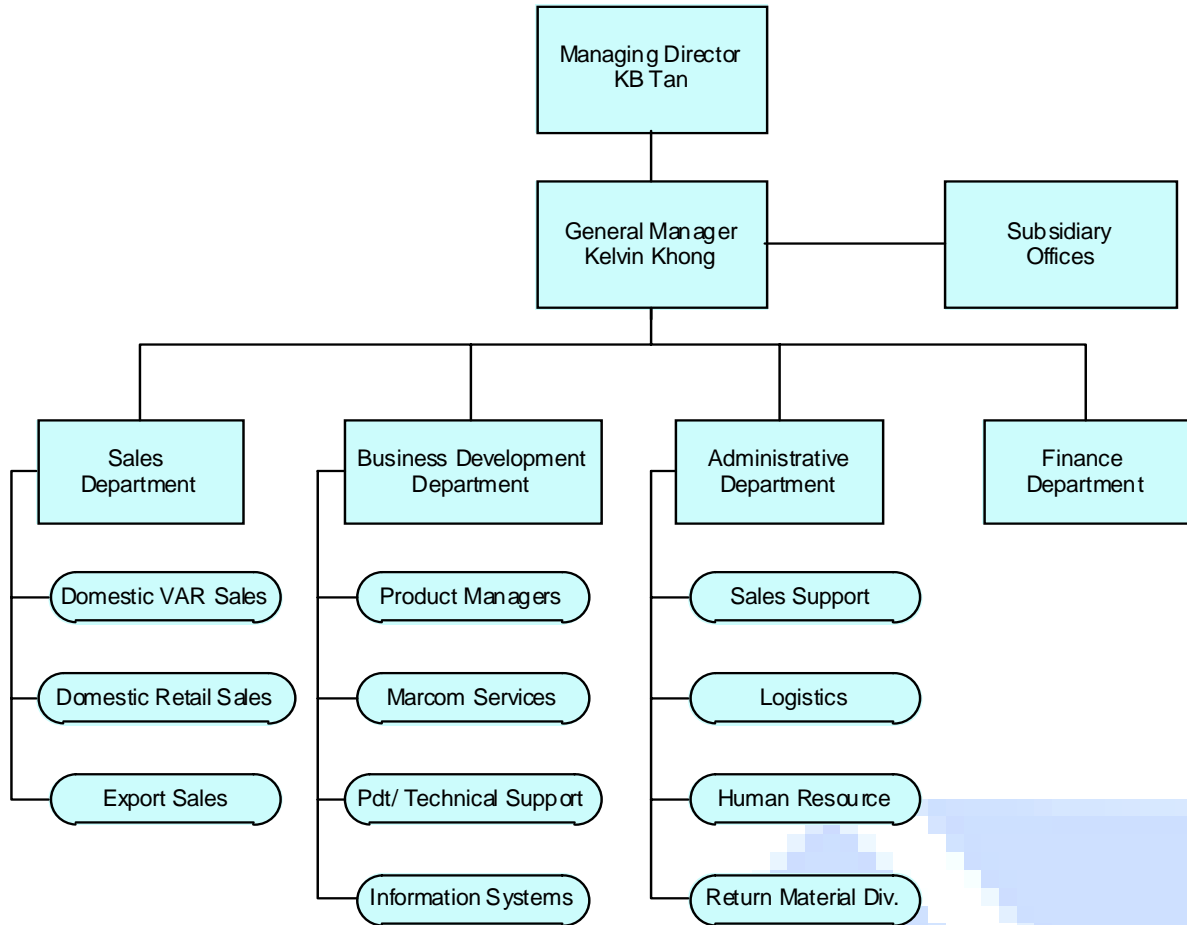
Convergent Systems was set up by KB Tan in 1982 with a vision to participate dynamically in the IT revolution. Today, the company has grown to be one of the leading distributors of technology-related products in Singapore. Subsidiary offices have since been setup in Malaysia and Indonesia in the last decade.

Over the years, Convergent has evolved its product range to include distributing a wide range of products, from mainstream commodity products like Dynamic RAM modules and motherboards, to 'digital convergence' products like video-editing solutions, flash memory cards, and intelligent DVD players.

Convergent Systems has continually demonstrated a sufficient understanding of the technology business to adapt and thrive in rapidly changing market conditions, expanding and strengthening its various sales channels.

Our Company Structure

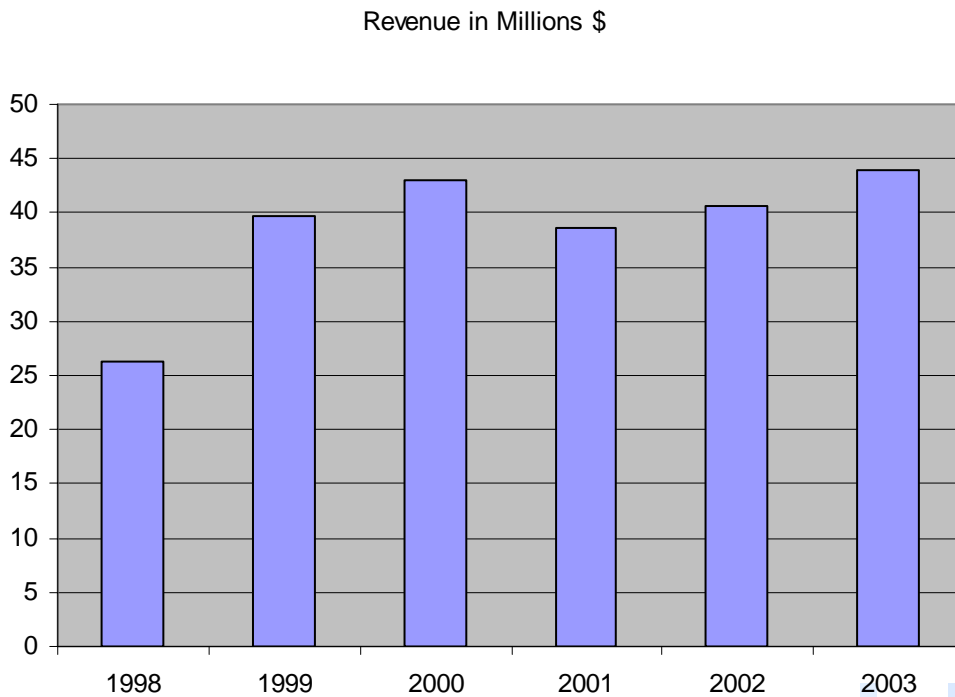
The Organisational Chart



Total staff strength at Convergent is 32 in Q2 2004 in Singapore. Staff strength for subsidiary companies is available on request.

Revenue
Performance
achieved

Convergent Systems Revenue Chart (Yr 1998 – 2003)



Despite the poor market conditions of 2003, Convergent Systems has managed to attain a revenue growth of 8% to \$44 million. Revenue from sales to the Retail Channel has contributed to a large percentage of the revenue for Year 2003.

Brands we distribute

Today, Convergent distributes more than 30 technology brands. We represent best of breed manufacturers from Japan, Singapore, Taiwan and USA.

Our diverse product categories range from memory modules, motherboards, CD-RW drives, digital media, video-editing solutions to storage solutions.

With our value-added service, Convergent supplies to diverse customer segments ranging from the fast moving Consumer Electronics channel, IT retail market to the system integrators who service corporate enterprises and multinationals.

Brands we represent

ABIT

APC

Canopus

Corsair Microsystems

Dazzle Multimedia

Gainward Technology

Hagiwara Sys-com

Iwill

Kingston Technology

Lexar Media

Medea

Nero

Neuston

Pinnacle Systems

Pioneer

PNY

Powercom

REALMagic

Soltek

Storcase

TUL Corporation

TDK

Trek 2000

Twinhan

Videonics

& more.....

Our Customer Profile

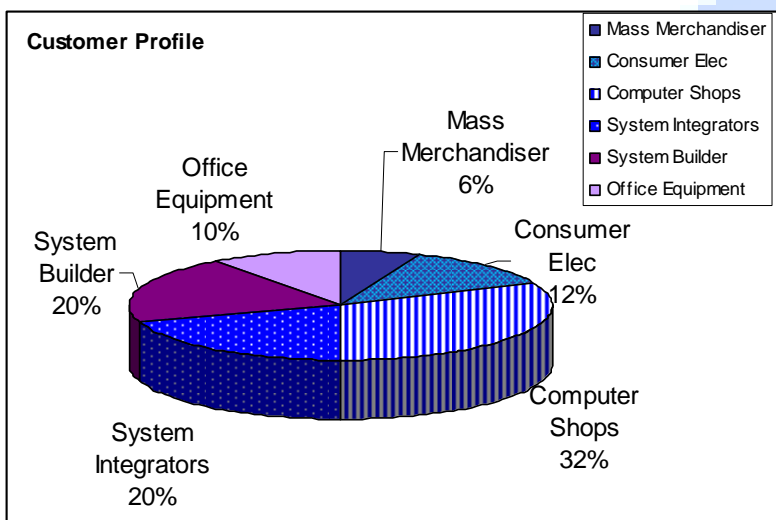
In Singapore, our 500 most active customers are categorized into either (1) Consumer-centric or (2) Business/Corporate-Centric

Consumer-Centric resellers

- Mass Merchandisers
- Consumer Electronics Stores
- Computer stores
- System Integrators

Business/Corporate Centric

- System Builder
- Office Equipment Reseller



Leader in Memory Distribution

Convergent Systems carries 3,000 part items of all kinds of memory ranging from including FPRAM, EDO, SDRAM, DDR, RAMBUS and Digital flash media.

With advanced information technology support, accurate product planning coupled with good purchasing and stocking strategy, Convergent has established itself as the overwhelming market share and product leader in this product segment.

Pioneer in Video-Editing Market

Convergent dominates video-editing equipment distribution. Regional video system integrators refer to Convergent Systems as a technical resource. With our effective marketing, product planning and technical support, brands like Canopus and Pinnacle achieved market leadership in every segment of the video editing market.

A graphic consisting of a dark grey square background with a blue rounded rectangle in the center. Inside the blue rectangle, the text "Our Success Stories" is written in white, with "Our" on the first line, "Success" on the second line, and "Stories" on the third line.

Our Success Stories

PC Gaming and Enthusiast market

With motherboard technology and 3D graphics cards being the driving force in PC gaming for the past 5 years, Convergent has been at the forefront from the beginning. Since then, Convergent has engaged this market with best of breed products and aggressive marketing activities, working with LAN shops, game vendors, print and web media and gaming groups.

If not available, spec or design...

Where suppliers have moved fast enough, Convergent has provided accurate, detailed specifications for next-gen products, like Hyper-X enthusiast-grade memory, front neon-panels, all of which are the current trend. We have also invested in start-up companies which design and manufacture our dream products, like Neuston which manufactures DivX/MPEG4 players, achieving US\$3M in sales with its first shipment.

A graphic consisting of a dark gray square background. Inside the square is a blue rounded rectangle. The words "Future Outlook" are written in white, sans-serif font, centered within the blue rectangle.

Future Outlook

Convergent Systems will endeavor to aggressively increase our revenue, product distribution portfolio, geographical reach, channel strength in the near future.

We will now aggressively pursue the consumer electronics market after excellent successes in bridge products like digital flash media and DV editing products.

Our sourcing will focus more on upcoming consumer-biased 'convergence' products than the stalling PC peripheral segment, and we will invest resources more into design and manufacture of these products if suppliers refuse to enter production.

And we will achieve this objective by applying our traditional values of integrity, close customer relationships and developing human potential.



Contact Information

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