

**GREATRONIC LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 197500621N)

**Full-Year Financial Statements And Dividend Announcement  
For financial year ended 31 December 2005****PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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 based on audited financial statements at 31 December 2004.

	<b>Group</b>		
	S\$'000		%
	<b>1.1.2005 to 31.12.05</b>	<b>1.1.2004 to 31.12.04</b>	<b>Increase / (decrease)</b>
<b>Revenue</b>	-	11,435	(100.0)
Other operating income	378	316	19.6
	<b>378</b>	<b>11,751</b>	<b>(96.8)</b>
Cost of sales	-	(9,544)	(100.0)
Distribution costs	-	(568)	(100.0)
Administrative expenses	(1,040)	(2,621)	(60.3)
Other operating expenses	(124)	(2,345)	(94.7)
Finance expenses	(34)	(33)	3.0
Exceptional expenses			
Interests in subsidiaries written off	(2,781)	-	n.m.
Exchange gain	199	-	n.m.
<b>Total expenses</b>	<b>(3,780)</b>	<b>(15,111)</b>	<b>(75.0)</b>
<b>Loss before income tax</b>	<b>(3,402)</b>	<b>(3,360)</b>	<b>1.3</b>
Taxation	-	353	(100.0)
<b>Net loss for the year</b>	<b>(3,402)</b>	<b>(3,007)</b>	<b>13.1</b>
<b>Attributable to:</b>			
Minority interests	-	(12)	(100.0)
Equity holders of the Company	(3,402)	(2,995)	13.6
	<b>(3,402)</b>	<b>(3,007)</b>	<b>13.1</b>
Loss (cents) per share for the financial period based on loss attributable to equity holders of the Company (basic and diluted basis)	<b>(2.48)</b>	<b>(2.18)</b>	<b>13.5</b>

Notes to the income statement

(1) Loss before income tax is after (charging)/crediting:

	Group		
	1.1.2005 to	1.1.2004 to	Increase /
	31.12.2005	31.12.2004	(decrease)
	S\$'000	S\$'000	%
Depreciation charges	59	645	(90.9)
Plant and equipment written off	38	-	n.m.
Loss/(gain) on disposal of property, plant & equipment	-	553	(100.0)
Loss on disposal of marketable securities	-	90	(100.0)
Loss on disposal of subsidiary company	-	21	(100.0)
Over provision of directors fee	(151)	-	n.m.
Proposed directors fee	39	-	n.m.
Over accrual of auditor remuneration	(258)	-	n.m.
Over accrual of professional fee	(504)	-	n.m.
Provision for stock obsolescence	-	521	(100.0)
Provision for doubtful debts	98	1,303	(92.5)
Unrealised foreign exchange gain	199	37	437.8

n.m. – not meaningful

(2) Taxation attributable to results is made up of:

	Group		
	S\$'000		%
	1.1.2005 to	1.1.2004 to	Increase /
	31.12.2005	31.12.2004	(decrease)
Current income tax	-	9	n.m.
Deferred tax	-	(426)	n.m.
	-	(417)	n.m.
(Under)/Overprovision in prior years			
- Current taxation	-	(12)	n.m.
- Deferred taxation	-	(78)	n.m.
	-	(507)	n.m.

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 based on audited financial statements at 31 December 2004.

	Group			Company		
	31.12.2005	31.12.2004	Increase /	31.12.2005	31.12.2004	Increase /
	S\$'000	S\$'000	(decrease)	S\$'000	S\$'000	(decrease)
			%			%
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property, plant and equipment	1,573	9,104	(83)	46	93	(51)
Subsidiary companies		-			5,455	
	<b>1,573</b>	<b>9,104</b>	<b>(83)</b>	<b>46</b>	<b>5,548</b>	<b>(99)</b>

	Group			Company		
	31.12.2005	31.12.2004	Increase / (decrease)	31.12.2005	31.12.2004	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Current Assets</b>						
Unquoted investment held for sale (note)	1,000	-	n.m.	1,000	-	n.m.
Cash and bank balances	5	333	(98)	1	-	n.m.
Fixed deposits	-	410	(100)	-	101	(100)
Trade receivables	121	2,657	(95)	-	259	(100)
Due from subsidiary	-	-	n.m.	1,644	-	n.m.
Marketable securities	-	5	(100)	-	5	(100)
Inventories	-	2,257	(100)	-	-	n.m.
	<b>1,126</b>	<b>5,662</b>	<b>(80)</b>	<b>2,645</b>	<b>365</b>	<b>625</b>
Total assets	<b>2,699</b>	<b>14,766</b>	<b>(82)</b>	<b>2,691</b>	<b>5,913</b>	<b>(54)</b>
<b>LIABILITIES</b>						
<b>Non-Current Liabilities</b>						
Interest bearing loans and borrowings	-	548	(100)	-	-	n.m.
Deferred tax liabilities	-	7	(100)	-	-	n.m.
	-	<b>555</b>	<b>(100)</b>	-	-	n.m.
<b>Current Liabilities</b>						
Trade and other payables	1,074	3,208	(67)	1,054	1,266	(17)
Interest bearing loans and borrowings	490	383	28	490	101	385
Provision for taxation	18	141	(87)	18	18	-
Amount due to a shareholder of a former subsidiary company	204	-	n.m.	204	-	n.m.
Due to subsidiary	-	-	n.m.	218	-	n.m.
Due to former subsidiary	230	-	n.m.	11	-	n.m.
	<b>2,016</b>	<b>3,732</b>	<b>(46)</b>	<b>1,995</b>	<b>1,385</b>	<b>44</b>
Total liabilities	<b>2,016</b>	<b>4,287</b>	<b>(53)</b>	<b>1,995</b>	<b>1,385</b>	<b>44</b>
<b>Net Assets</b>	<b>683</b>	<b>10,479</b>	<b>(93)</b>	<b>696</b>	<b>4,528</b>	<b>(85)</b>

	Group			Company		
	31.12.2005	31.12.2004	Increase / (decrease)	31.12.2005	31.12.2004	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>EQUITY</b>						
<b>Equity attributable to the Company's equity holders</b>						
Share capital	6,872	6,872	-	6,872	6,872	-
Share premium	7,557	7,557	-	7,557	7,557	-
Reserves	(13,746)	(10,344)	33	(13,733)	(9,901)	39
	<b>683</b>	<b>4,085</b>	<b>(83)</b>	<b>696</b>	<b>4,528</b>	<b>(85)</b>
Minority interests	-	6,394	(100)	-	-	n.m.
<b>Total equity</b>	<b>683</b>	<b>10,479</b>	<b>(93)</b>	<b>696</b>	<b>4,528</b>	<b>(85)</b>

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

**Amount repayable in one year or less, or on demand**

As at 31.12.2005		As at 31.12.2004	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
nil	490	383	nil

**Amount repayable after one year**

As at 31.12.2005		As at 31.12.2004	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
nil	nil	548	nil

**Details of any collateral**

Nil

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year based on audited financial statements at 31 December 2004.**

	Group	
	1.1.2005 to 31.12.2005	1.1.2004 to 31.12.2004
	S\$'000	S\$'000
<b>Cash flow from operating activities:</b>		
Loss before taxation and minority interest	(3,402)	(3,360)
Adjustments for:		
Depreciation	59	643
Loss on disposal of property, plant and equipment	38	52
Loss on disposal of a subsidiary company	-	21
Loss from sale of marketable securities	-	91

	<b>Group</b>	
	<b>1.1.2005 to</b>	<b>1.1.2004 to</b>
	<b>31.12.2005</b>	<b>31.12.2004</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Provision for impairment in investments in subsidiaries not consolidated	2,771	-
Interest expense	-	33
Interest income	-	(18)
Exchange realignment and others	319	(116)
Operating cash flow before changes in working capital	(215)	(2,654)
Receivables	(225)	4,863
Inventories	-	(308)
Payables	(20)	(2,380)
Cash used in operations	(460)	(479)
Income tax paid	(12)	(269)
Net cash used in operating activities	(472)	(748)
<b>Cash flow from investing activities:</b>		
Net cash inflow from disposal of a subsidiary company	-	143
Proceeds from disposal of marketable securities	-	265
Purchase of property, plant and equipment and construction-in-progress	(16)	(2,109)
Proceeds from disposal of property, plant and equipment	-	564
Interest received	-	18
Net cash generated from investing activities	(16)	(1,119)
<b>Cash flow from financing activities:</b>		
Proceeds from issuance of share capital	-	-
Increase in pledged fixed deposits	-	(46)
Proceeds from term loans	490	821
Payments to finance lease creditors	-	(16)
Interest expense paid	-	(33)
Dividend	-	(275)
Net cash generated from/(used in) financing activities	490	451
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>2</b>	<b>(1,416)</b>
Cash and cash equivalents at the beginning of the year	495	1,911
Adjustment for subsidiaries not consolidated	(492)	-
	<b>3</b>	<b>1,911</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5</b>	<b>495</b>

The cash flow statement for 2005 relates to the company and its subsidiary Modern Handling Engineering (M) Sdn Bhd that are consolidated in 2005. Other subsidiaries are not consolidated as they are held either for sale or dormant and in the process of being liquidated.

The effect on the Group's cash flow arising from the disposal of a subsidiary company in 2004 is shown in the statement of cash flows for 2004 as a single item. The fair values of the assets and liabilities disposed are set out below:

	2004 S\$'000
Fixed asset	3
Trade receivables	415
Other receivables	28
Inventories	306
Cash and cash equivalents	(5)
Trade & other payable	(426)
Provision for taxation	(9)
Net assets disposed	312
Minority interests	(153)
	159
Loss on disposal of a subsidiary company	(21)
Cash consideration received	138
Less: Cash and cash equivalents of a subsidiary company disposed	5
Net cash inflow on disposal of a subsidiary company	143

**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 capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year based on audited financial statements at 31 December 2004.**

**Statement of Changes in Equity for the Group**

	Attributable to equity holders of the Company						Minority interest	Total Equity
	Share capital	Share premium	Capital reserves	Currency translation reserves	Accumulated (losses)/ profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>								
<b>At 1 January 2004</b>	<b>6,872</b>	<b>4,029</b>	<b>(4,726)</b>	<b>(107)</b>	<b>1,686</b>	<b>7,754</b>	<b>6,560</b>	<b>14,314</b>
Exchange difference arising from: Translation of financial statements of overseas subsidiary companies	-	-	-	(589)	-	(589)	(153)	(742)
Translation of loans to subsidiary companies	-	-	-	189	-	189	-	189
Loss for the the year	-	-	-	-	(2,994)	(2,994)	(13)	(3,007)
Dividend paid in respect of previous year					(275)	(275)		(275)
<b>At 31 December 2004</b>	<b>6,872</b>	<b>4,029</b>	<b>(4,726)</b>	<b>(507)</b>	<b>(1,583)</b>	<b>4,085</b>	<b>6,394</b>	<b>10,479</b>
<b>At 1 January 2005</b>								
As previously reported	6,872	4,029	(4,726)	(507)	(1,583)	4,085	6,394	10,479
Adjustment arising from changes in composition of the group due to non-consolidation of subsidiaries held for sale and in the proses of winding up		3,528	4,726	507	(8,761)	-	(6,394)	(6,394)

Total	6,872	7,557	-	-	(10,344)	4,085	-	4,085
Loss for the period					(3,402)	(3,402)	-	(3,402)
<b>At 31 December 2005</b>	<b>6,872</b>	<b>7,557</b>	<b>-</b>	<b>-</b>	<b>(13,746)</b>	<b>683</b>	<b>-</b>	<b>683</b>

### **Statement of Changes in Equity of the Company**

	Share capital	Share premium	Capital reserves	Currency translation reserves	Accumulated (losses)/ profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Company</u></b>						
<b>At 1 January 2004</b>	<b>6,872</b>	<b>7,557</b>	<b>-</b>	<b>-</b>	<b>(1,414)</b>	<b>13,015</b>
Issued of share capital	-	-	-	-	-	-
Loss for the year	-	-	-	-	(8,212)	(8,212)
Dividend paid in respect of previous year					(275)	(275)
<b>At 31 December 2004</b>	<b>6,872</b>	<b>7,557</b>	<b>-</b>	<b>-</b>	<b>(9,901)</b>	<b>4,528</b>
<b>At 1 January 2005</b>	<b>6,872</b>	<b>7,557</b>	<b>-</b>	<b>-</b>	<b>(9,901)</b>	<b>4,528</b>
Issued of share capital					-	-
Loss for the year					(3,832)	4,528
<b>At 31 December 2005</b>	<b>6,872</b>	<b>7,557</b>	<b>-</b>	<b>-</b>	<b>(13,733)</b>	<b>696</b>

**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 the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

There were no changes in the company's share capital since 31 December 2004.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

The 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).**

Financial results for the year ended 31 December 2004 and 2005 are not audited or reviewed. However, it should be noted that Messrs Ernst & Young in the Auditors Report to the Members of Greatronic Limited dated 7 April 2005 had qualifications that may have bearing in the reports referred for 2005 above. Shareholders are advised to read the entire text of the Auditors' Report as set out in the Company's Annual Report 2004, available in the SGX Website or from the Company's Share Registrars. In summary the Audit Report mentioned that, due to certain matters, the Auditors were not in a position to, and did not express an opinion on the Company's Consolidated financial statements for financial year 2004. These matters relate to:-

a) the investigation of certain receivables amounting to \$1.3 million outstanding since FY 2002 and FY 2003 arising from transactions entered into by a subsidiary of the

Company with companies which were related to the former Chairman of the Company. Further investigation might uncover other information which might require adjustments to be made to the financial statements.

- b) the enforceability of the right of set-off in relation to the \$1.38 million payable to a supplier that was set off in arriving at the trade receivables of \$0.94 million which was due from one of the companies that was a party to the abovementioned transactions.
- c) the uncertainty regarding the carrying amount of Greatronic's property, plant and equipment of S\$5.9 million which might lead to a recognition of an impairment loss.
- d) doubt about the ability of the Group to continue in operational existence for the foreseeable future.

**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 company and the group used the same accounting policies and methods of computation in the preparation of current reporting year compared with the audited financial statements as at 31 December 2004 except as described in paragraph 5.

**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 changes.**

The Group adopted new Financial Reporting Standards ("FRS") and revisions to various existing FRS and Interpretation to FRS which were issued by the Council on Corporate Disclosure and Governance that are mandatory for financial year beginning on or after 1 January 2005. Adoption of the new and revised FRS does not have material impact on the preparation of the financial statements for the period ended 31 December 2005 except as disclosed.

The material impact of the changes in accounting policies are currently assessed as follows:

FRS27 (revised), Consolidated and Separate Financial Statements

**Greatronic Technology (M) Sdn Bhd ("GTM")**

**2005**

GTM is not treated as a subsidiary (see next paragraph) during the year as the company has no representation in the board of directors in GTM. The company has also no direct or indirect control or significant influence over the management of GTM. The investment is held for sale and the directors are in negotiation to sell the 30% shareholding based on the fair value which is the carrying value shown in the balance sheet.

**2004**

GTM, a 30% subsidiary of company's wholly owned subsidiary M & V Holdings (S) Pte. Ltd, was consolidated in half year ended 30 June 2004 and financial year ended 31 December 2004 on the basis that the Company is able to control 100% voting rights in GTM. This was pursuant to a '**Voting Agreement**' and Deed of Assignment of Earnings ("**Earnings Assignment**") both dated 23 April 2003, signed by the company and Mr. Lim Kok Koon (LKK), the shareholder/ former director of the company, being the shareholder of the other 70% shareholding in GTM.

LKK assigned in favour of the company, all his respective rights and entitlements to all income, dividends and other payments or distribution made by GTM with effect from 25 March 2002 and for as long as LKK owns shares in GTM pursuant to the "**Earnings Assignment**". On this basis 70% of the results of GTM was included in the income statement in 2004 and the 70% interest in the equity of GTM, was included in the minority interest on the consolidated balance sheet at 31 December 2004.

The company has also previously entered into a '**Call Option agreement**' on 23 April 2003, that in March 2005, both Company and LKK mutually agreed to terminate.

LKK has claimed that by reason of the Company terminating the 'Call Option agreement', the Company has given up its right to acquire GTM as a wholly-owned subsidiary, and that accordingly the 'Earnings Assignment' and the 'Voting Agreement' have been discharged by reason of the company electing not to acquire the remaining 70% of GTM from LKK.

The Company has been advised that the recent developments including the termination of the 'Call Option agreement' do not invalidate either the 'Earnings Assignment' or the 'Voting Agreement'. The Company's position is that both the 'Earnings Agreement' and 'Voting agreement' continue to be in force notwithstanding the cancellation of the 'Call Option agreement'. Directors are unable to determine at this point of time the financial effects of the outcome of the dispute with the 70% shareholder of GTM.

#### Subsidiaries with 100% equity

The company has consolidated its direct subsidiary (100% equity) Modern Handling Engineering (M) Sdn Bhd which continue to operate and has assets and income.

Other subsidiaries listed below have not been consolidated as they are dormant and the company intends to liquidate them. The Company's investments and due from the subsidiaries have been fully provided for in the financial statements for the year ended 31 December 2005.

- Greatronic Marketing (S) Pte Ltd (100%)
- MHE Technologies Pte Ltd (100%)
- M & V Holding (S) Pte Ltd (100%)
- SMT Global Pte Ltd (100%)
- Material Handling Engineering (1998) Pte Ltd (100%)
- Modern Handling Equipment Sdn Bhd (100%)

**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	
	1.1.2005 to 31.12.2005	1.1.2004 to 31.12.2004
	Cents	Cents
Loss (cents) per ordinary share for the period based on :		
(i) Existing issued share capital	(2.48)	(2.18)
(ii) On a fully diluted basis	(2.48)	(2.18)

As at 31 December 2005, there was no outstanding share options under the Greatronic Share Option Scheme which was approved and adopted by its members at an Extraordinary General Meeting held on 6<sup>th</sup> November 1991.

The earning per ordinary share for the Group is computed based on the weighted average number of ordinary shares of 137,443,281 shares for the years ended 31 December 2005 and 31 December 2004 respectively.

**7. Net asset value (for the issuer and the group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	0.5	2.97	0.51	3.29

The net asset value per ordinary share for the group and the company is computed based on 137,443,281 shares for year ended 31 December 2005 and 31 December 2004.

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

#### **Group performance**

For the 12 months of 2005, the group achieved revenue and other income of S\$0.38 mil as compared with S\$11.75 mil for the previous corresponding period in 2004. This was mainly due to non-consolidation of income statements of Greatronic Technologies (M) Sdn Bhd and subsidiaries for reasons stated in paragraph 5 and cessation of operations of other subsidiaries except Modern Handling Engineering (M) Sdn Bhd.

For the financial year under review, the group recorded an operating loss before interest and taxation of S\$3.10 mil. This contrasts with a loss of S\$3.36 mil for the corresponding period in the previous financial year.

#### **Greatronic Technology (Kunshan) Co Ltd ("GTK"), China**

The Company did not invest the outstanding balance commitment of registered capital of US\$791,000 which was to be invested by end May 2005 in GTK, a subsidiary of Greatronic Marketing (S) Pte Ltd (GMSPL), which had not been profitable since inception. Due to labour and creditors problems the Kunshan Zhou Shi Zhen government Office had closed the factory. It has since filed an application to the court to have GTK wound up. The matter is still pending. However, the Company and GMSPL had fully provided in 2004 for the investment in GTK. The Group does not expect any further significant losses from the investment that is not already provided for.

#### **MHE Electronics (India) Pvt Ltd ("MEI"), India**

MEI ceased operations in June 2005. Some of the equipment has been transferred to the company's other subsidiary in India, MHE Technologies (Pondy) Pte Ltd ("MHEP"). A loan of US\$45,000 from GTM was extended in May 2005 for working capital purposes. The company and Group have fully provided for expected loss from this investment advances. It intends to liquidate the company.

#### **Modern Handling Equipment Sdn Bhd ("MH EQUIP SB"), Malaysia**

The subsidiary has sold its leasehold property in Malaysia in June 2005 for a profit, before legal costs, of RM5,000. The subsidiary is currently dormant and the directors intend to liquidate the company.

#### **Modern Handling Engineering (M) Sdn Bhd ("MH ENG SB"), Malaysia**

MH ENG SB derives rental income from its property in Malaysia.

#### **MHE Technologies Pte Ltd ("MTPL"), Singapore**

MTPL and its subsidiary in India MEI ceased operations during the year. Full provision has been made for the cost of company's investments. The directors intend to liquidate MTPL and MEI.

#### **SMT Global Pte Ltd ("SMT"), Singapore**

The subsidiary SMT is the holding company of MHEP India. The company is dormant except for its investment in MHEP India. Full provision has been made for the company's investment in SMT. The company intends to sell its investment in subsidiary and liquidate the company.

**M & V Holding (S) Pte Ltd (“MV”), Singapore**

The subsidiary MV holds directly 30 % equity interest in GTM.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

NA

**10. A commentary at the date of the announcement of the 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**

Further to comments made in paragraphs 5 and 8 above, the Company has appointed James Hong Gee Ho as Chairman and Executive Director of the Company on 29 July 2005. As disclosed in the Circular to shareholders in relation to the Mandatory Conditional Cash Offer Statement by James Hong Gee Ho dated 25 July 2005, the Company intends to enter into negotiations on schemes of arrangements with the creditors.

The company after a comprehensive review of the operations has decided to liquidate non-operating subsidiaries.

The Company intends to explore new businesses or investment opportunities. In addition, the Company will seek to resolve the dispute with LKK in respect of GTM.

The Company does not intend to request for the suspension of the trading of the shares on the SGX-ST to be lifted until:-

- (a) all negotiations in relation to the schemes of arrangements with the creditors are concluded; and
- (b) the existing businesses of the Group are returned to profitability and / or upon the injection of new assets in the Company and / or the Group.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Nil

**(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**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended for the financial year ended 31 December 2005.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This Part Is Not Applicable To Q1, Q2, Q3 OR Half Year Results)**

13. **Segmented revenue and results for the 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**

**BUSINESS SEGMENTS**

<b>Group</b>	<b>Investment Holding</b>	<b>Cable Assembly</b>	<b>Electronic AV</b>	<b>Surface mounting technology operation</b>	<b>Other (Property)</b>	<b>Elimination</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>1 January 2005 to 31 December 2005</b>							
Segmental revenue							
Sales to external customers	-	-	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-	-	-
Segment results	<u>(3,616)</u>	-	-	-	<u>248</u>		<u>(3,368)</u>
Finance costs							<u>(34)</u>
Loss from ordinary activities before taxation							<u>(3,402)</u>
Net loss for the year							<u>(3,402)</u>
<b>1 January 2004 to 31 December 2004</b>							
Segmental revenue							
Sales to external customers	-	9,308	692	1,220	215	-	11,435
Inter-segment revenue	273	-	-	-	-	(273)	-
Segment results	<u>(3,647)</u>	<u>(1,696)</u>	<u>(35)</u>	<u>(65)</u>	<u>24</u>	-	<u>(5,419)</u>
Finance income							1
Finance costs							<u>(71)</u>
Loss from ordinary activities before taxation and minority interest							<u>(5,489)</u>
Taxation							358
Minority interest, net of taxation							<u>1,994</u>
Net loss for the year							<u>(3,137)</u>

## **GEOGRAPHICAL SEGMENTS**

	<b>Singapore</b>	<b>Malaysia</b>	<b>China</b>	<b>India</b>	<b>Elimination</b>	<b>Total</b>
<b>2005</b>						
Segmental revenue						
Sales to external customers	-	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-	-
	-	-	-	-	-	-
<b>2004</b>						
Segmental revenue						
Sales to external customers	834	7,858	2,489	1,279	-	12,460
Inter-segment revenue	273	25	(991)	(59)	(273)	(1,025)
	1,107	7,883	1,498	1,220	(273)	11,435

### **14. In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Changes in contributions to turnover and earnings was due to:

The subsidiaries (except Greatronic Technology (M) Sdn Bhd, Modern Handling Engineering (M) Sdn Bhd and MHE Technologies (Pondy) Pvt Ltd) ceased operations during the year and are not consolidated as the Company intends to liquidate them.

Greatronic Technology (M) Sdn Bhd and MHE Technologies (Pondy) Pvt Ltd are not consolidated as they are being held for sale.

Net loss during the year was mainly due to write down of investments in subsidiaries and professional charges incurred in respect of investigation and re-structuring.

### **15. A breakdown of sales**

	<b>1.1.2005 to 31.12.2005</b>	<b>1.1.2004 to 31.12.2004</b>	<b>Increase / (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
(a) Sales reported for first half year	-	5,888	n.m.
(b) Operating loss after tax before deducting minority interests reported for first half year	(962)	(382)	152
(c) Sales reported for second half year	-	5,547	n.m.
(d) Operating loss after tax before deducting minority interests reported for second half year	(3,365)	(2,625)	28

### **16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	<b>Latest full year 2005 S\$'000</b>	<b>Previous full year 2004 S\$'000</b>
Ordinary	-	-
Preference	-	-
Total:	-	-

**BY ORDER OF THE BOARD**

**James Hong Gee Ho  
Chairman**

01/03/2006