TRI-M TECHNOLOGIES (S) LIMITED
(Company Registration No. : 198701138Z)

Full Year Financial Statement 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		
	31/03/2005 $'000	31/03/2004 $'000	% Change
Revenue	59,812	73,029	-18.10%
Cost of goods sold	(56,045)	(67,790)	-17.33%
Gross profit	3,767	5,239	-28.10%
Other operating income	1,004	1,504	-33.24%
Selling and distribution expenses	(1,167)	(1,179)	-1.02%
Administrative expenses	(4,935)	(4,285)	15.17%
Other operating expenses	(2,543)	(1,864)	36.43%
Loss from operations	(3,874)	(585)	NM
Finance costs	(1,184)	(673)	75.93%
Loss before exceptional items	(5,058)	(1,258)	NM
Exceptional items	(211)	(89)	NM
Loss before income tax	(5,269)	(1,347)	NM
Income tax	(389)	1,121	NM
Loss attributable to shareholders of the company	(5,658)	(226)	
Loss per share (cents)	(8.25)	(0.33)	

NM = Not meaningful

1(a)(i) Loss from operations includes:

	Group	
	2005 $'000	2004 $'000
(Loss)/Gain on disposal of property, Plant and equipment (net)	(97)	80
Interest income on bank deposits	2	-
Foreign exchange gain	448	337
Depreciation expense	(3,156)	(2,466)
Inventory written off	(10)	(75)
Provision for inventory obsolescence	(302)	(6)
Provision for doubtful debt-trade	(492)	(194)

1(a) (ii) Exceptional items

	Group	
	2005	2004
	$'000	$'000
Retrenchment costs	(211)	(89)

Comments:

The retrenchment costs for the year arose from the Group's one-time exercise of restructuring and consolidating its Singapore and Philippines operations as part of a costs savings exercise and repositioning of our manufacturing capacity in the region.

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		Company	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
Non-Current assets				
Property, plant and equipment	26,514	21,617	1,793	3,148
Investments in subsidiary companies	-	-	12,481	12,481
Deferred tax assets	-	1,363	-	-
	26,514	22,980	14,274	15,629
Current assets				
Inventories	12,569	7,640	1,463	866
Trade receivables	15,238	15,532	45,349	42,119
Other receivables and prepayments	3,070	1,078	2,482	693
Cash and bank balances	1,086	408	511	108
	31,963	24,658	49,805	43,786
Current liabilities				
Borrowings	14,282	9,968	6,084	4,377
Trade payables	12,444	13,483	35,313	37,158
Other payables and accruals	5,845	2,334	1,445	1,683
Hire Purchase Creditors	4,162	2,212	4,105	2,170
Income tax payable	184	229	143	144
	36,917	28,226	47,090	45,532
Net current liabilities	(4,954)	(3,568)	2,715	(1,746)
Non-current liabilities				
Borrowings	(8,688)	(289)	(8,493)	-
Hire Purchase Creditors	(2,894)	(2,435)	(2,892)	(2,407)
Deferred tax liabilities	-	(986)	-	-
	(11,582)	(3,710)	(11,385)	(2,407)
	9,978	15,702	5,604	11,476
Equity				
Share capital	20,577	20,577	20,577	20,577
Reserves	(10,599)	(4,875)	(14,973)	(9,101)
	9,978	15,702	5,604	11,476

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

Amount repayable in one year or less, or on demand

As at 31/03/2005		As at 31/03/2004	
Secured	Unsecured	Secured	Unsecured
$6,004,000	$12,440,000	$2,371,000	$9,809,000

Amount repayable after one year

As at 31/03/2005		As at 31/03/2004	
Secured	Unsecured	Secured	Unsecured
$3,089,000	$8,493,000	$2,724,000	-

Details of any collateral

The secured debts of the Group relate to hire purchases, term loans and bankers' acceptance.

During the year, MayBank Singapore became a main banker to the Company in Singapore as we restructured our banking facilities with DBS Bank. The banking facilities are secured by the joint personal guarantees of our Chairman and his brother.

The Group and the Company have motor vehicles, plant, machinery and equipment under hire purchase agreements. During the year, as part of the Group’s business strategy to gain market share in the mobile telecommunications equipment market in China, a significant amount of financing was obtained from several financial institutions for the purchase of a batch of telecommunications testing equipment for this purpose. A portion of these loans amounting to approximately S$2.3 million is guaranteed personally by our Chairman.

The term loan is secured against a specific charge over the machinery and equipment financed by the bank.

The bankers' acceptance is secured against a fixed deposit of S$70,000 (2004: Bank overdraft was secured against a fixed deposit of S$70,000).

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	2005	2004
	$'000	$'000
Cash flows from operating activities		
Loss before income tax	(5,269)	(1,347)
Adjustments for :		
Depreciation expense	3,156	2,466
Interest income on bank deposits	(2)	-
Interest expense	1,184	673
Loss / (gain) on disposal of property, plant and equipment	97	(80)
Operating cash flow before working capital changes	(834)	1,712
Increase in inventories	(4,929)	(1,030)
Increase in trade and other receivables	(1,698)	(838)
Increase in trade and other payables	2,469	1,185
Cash (used in) / generated from operations	(4,992)	1,029
Income tax paid	(57)	(233)
Interest paid	(1,184)	(673)
Interest received	2	-
Net cash (used in) / generated from operating activities	(6,231)	123
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	874	688
Purchase of property, plant and equipment	(4,350)	(5,428)
Net cash used in investing activities	(3,476)	(4,740)
Cash flow from financing activities		
Proceeds from term loan	1,685	-
Repayment from term loan	(97)	(111)
Repayment of hire purchase liabilities	(2,578)	(1,872)
Loans from major shareholders	8,055	873
Proceeds from other borrowings	1,384	1,105
Repayment of other borrowings	(556)	-
Decrease/(increase) in proceeds from factoring of trade receivables	-	1,921
Net cash generated from financing activities	7,893	1,916
Net effect of exchange rate changes in consolidating subsidiary companies	247	(1,117)
Net (decrease)/increase in cash and cash equivalents	(1,567)	(3,818)
Cash and cash equivalents at beginning of year	(2,869)	949
Cash and cash equivalents at end of year	(4,436)	(2,869)

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

	Share capital	Share premium	Goodwill on consolidation	Assets revaluation reserve	Currency translation reserve	Accumulated losses	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Balance at 31 March 2003	20,577	-	(1,429)	3,180	(3,472)	(113)	18,743
Currency translation differences	-	-	-	-	(2,008)	-	(2,008)
Net loss for the year	-	-	-	-	-	(226)	(226)
Deferred tax liability recognised during the year	-	-	-	(807)	-	-	(807)
Balance at 31 March 2004	20,577	-	(1,429)	2,373	(5,480)	(339)	15,702
Currency translation differences	-	-	-	-	(66)	-	(66)
Net loss for the year	-	-	-	-	-	(5,658)	(5,658)
Balance as at 31 March 2005	20,577	-	(1,429)	2,373	(5,546)	(5,997)	9,978
Company							
Balance at 31 March 2003	20,577	-	-	-	-	(6,587)	13,990
Net loss for the year	-	-	-	-	-	(2,514)	(2,514)
Balance at 31 March 2004	20,577	-	-	-	-	(9,101)	11,476
Net loss for the year	-	-	-	-	-	(5,872)	(5,872)
Balance at 31 March 2005	20,577	-	-	-	-	(14,973)	5,604

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 or 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

There were no changes to the Company's share capital during the year under review. However at an Extraordinary General Meeting held on 12 April 2005, the shareholders approved the Company's proposed Capital Reduction, whereby the Company's issued and paid-up share capital would be reduced from S$20,577,583 divided into 68,591,943 ordinary shares of S$0.30 each to S$5,487,355 divided into 68,591,943 ordinary shares of S$0.08 each. The proposed Capital Reduction Exercise is subject to the approval of the High Court of Singapore, as the Company has filed an originating summons with the High Court in respect of the Capital Reduction.

The purpose of the Capital Reduction exercise is to write-off the full amount of the accumulated losses of the Company as at 30 September 2004 and reduce the par value of the shares to facilitate future-equity related fund raising by the Company. This exercise is not expected to have any effect on the earnings, net tangible assets and gearing of the Company.

As at 31/03/2005, the total number of options outstanding is 4,275,500 (2004:5,233,500).

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 matter)

N.A.

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 as those for the audited financial statements as at 31 March 2004.

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

N.A.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	31/03/2005	31/03/2004
Earnings per ordinary share for the year based on net loss attributable to shareholders		
(i) based on existing issued share capital	(8.25) cents	(0.33) cents
(ii) on a fully diluted basis	(8.25) cents	(0.33) cents

Basic loss per share is calculated on the net loss attributable to shareholders on ordinary shares of 68,591,943.

There were no potential dilutive ordinary shares outstanding during the year.

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 period reported on and (b) immediately preceding financial year

	Group		Company	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
Net asset value per ordinary share capital	14.55 cents	22.89 cents	8.17 cents	16.73 cents

Net assets values computed is based on 68,591,943 shares as at 31 March 2005

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

1. Income Statement

For FY2005, the Group recorded a Loss Before Tax of $5.269 million and Loss After Tax of S$5.66 million as compared to a Loss Before Tax of $1.347 million and Loss After Tax of $226,000 in FY2004.

1.1 Revenue

Group Revenue decreased by approximately $13.2 million or 18.1% from $73.03 million in FY2004 to $59.81 million in FY2005. This decrease in sales was due mainly to a change in the basis of sales to a major customer from turnkey to consignment (S$22.4 million). However, this impact was partly offset by increased sales to new customers in China (S$6.3 million) and an existing customer in the region (S$2.5 million). The year also saw key customers moving their demand from Singapore and Philippines into China and Penang markets. Hence our operations in these two countries were restructured in line with the shift in demand which should result in costs savings in FY2006.

1.2 Gross Profit

Gross Profit decreased by $1.472 million in FY2005 as compared to the previous year. This was due to lower sales and the competitive markets and hence pressure on margins in the region and China. The built up of manufacturing expenses arising from investment in capacity and in testing equipment in China is another key contributing factor.

1.3 Operating expenses

While selling and distribution expenses remained relatively stable, administrative and other operating expenses increased markedly by a total of $1,329,000. The main portion of this arose from additional provision of: doubtful debts ($492,000), stock obsolescence ($302,000), and write-offs of assets arising from closure of our Singapore and Philippines operations. Other contributing factors include increased manpower costs in China, higher depreciation as well as write-off of pre-operating expenses for a second plant in China.

1.4 Finance Costs

The Group's finance costs increased by $511,000 mainly due to higher financing costs from increased borrowings from financial institutions and shareholders to meet inventory holdings, hire purchase of equipment and operational expenses.

1.5 Exceptional Items

Exceptional expenses included retrenchment costs incurred in the restructuring of the Singapore and Philippines operations.

2. Income Tax expense

Despite the operations loss for the year, provision for income tax came to $389,000 largely due to a Deferred Tax Asset relating to unutilised reinvestment allowances of $517,000 ($138,000 in 2004) that was recognised as at 31st March 2005 by an overseas subsidiary but was adjusted at Group level as the recognition is not allowed under FRS 12 Income Taxes.

3. Balance Sheet

The Group's inventories ($12.6 million) was $4.9 million higher than previous year due to a few high-mix low volume customers in the region as well as strategic positioning of our China entity with a few new customers in China. Other receivables and prepayments increased by $2 million due to deposits for new testing equipment as well as renovation works for our second plant in China.

Short term borrowings increased by about $4.3 million due to operational, inventory and capital expenditure requirements. Other payables and accruals increased by $3.5 million arising from hire-purchase financing of new equipment.

The increase in long-term borrowings by $8.4 million arose from loans extended by our major shareholders (not repayable within one year) to meet the Groups' operational, inventory and capital expenditure needs.

4. Cash Flow

The Group obtained additional financing from MayBank Singapore, a few financial institutions for its hire-purchase needs as well as loans from one of its shareholders ($8.5 million). These were used to fund its operating requirements, inventory holdings and major capital expenditure in plant renovation and equipment purchase.

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

The Group's results are in line with the Profit Warning announcement released on 21st February 2005.

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

In line with the competitive environment of the contract manufacturing industry, the Group has restructured its operations and repositioned its manufacturing capabilities in Penang and China. It has also essentially completed its capacity investment plans in China. With a more focused but broader customer base and combined with expanded manufacturing facilities of our China operations, the Group's results are expected to be better in FY2006, barring unforeseen circumstances.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(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

N.A.

(d) Books closure date

N.A.

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

No dividend has been recommended for the year under review.

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 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

	Revenue		Total assets		Total capital expenditure		Depreciation	
	2005	2004	2005	2004	2005	2004	2005	2004
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
By Geographical Market								
United States of America	3,983	4,821	-	-	-	-	-	-
Europe	7,696	11,112	-	-	-	-	-	-
Japan	6,950	4,972	-	-	-	-	-	-
China	9,205	-	-	-	-	-	-	-
South East Asia	31,978	52,124	58,477	47,638	9,337	11,536	3,156	2,466
	59,812	**73,029**	**58,477**	**47,638**	**9,337**	**11,536**	**3,156**	**2,466**

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

Please refer to Paragraph 8.

15. A breakdown of sales

	Group		
	S$'000 31/03/2005	S$'000 31/03/2004	% Change
(a) Sales reported for first half year	35,917	41,039	-12%
(b) Operating loss after tax reported for first half year	(931)	(200)	NM
(c) Sales reported for second half year	23,895	31,990	-25%
(d) Operating loss after tax for second half year	(4,727)	(26)	NM

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

	Latest Full Year ()	Previous Full Year ()
Ordinary	-	-
Preference	-	-
Total:	-	-

17. Interested Person Transactions

During the year under review, Surreyville Pte Ltd ("Surreyville") and Habacus Trading, substantial shareholders of the Company, had granted the Company loans totaling S$8.5 million as at March 31st 2005. In addition, the Chairman of the Company has a controlling interest in Surreyville and Habacus Trading. These loans are interest bearing but Surreyville and Habacus Trading have undertaken not to have the loans recalled or repaid within the next twelve months.

BY ORDER OF THE BOARD

Dr Tiong Ik King
Non-Executive Chairman
30/05/2005