

FIRSTLINK INVESTMENTS CORPORATION LIMITED

Unaudited Full Year Financial Statement for the Year Ended 31/12/2005

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	<u>Group</u>		
	2005	2004	+ / (-)
	\$'000	\$'000	%
Sales	14,443	45,446	(68.2)
Cost of sales	(8,379)	(23,855)	(64.9)
Gross profit	6,064	21,591	(71.9)
Other operating income	52	881	(94.1)
Net losses associated with assets held for sale, long term investments and other			
long-term assets	(8,314)	(171)	4,762.0
Distribution costs	(538)	(3,106)	(82.7)
Administrative expenses	(6,553)	(14,092)	(53.5)
Other operating expenses	(3,420)	(5,455)	(37.3)
Loss from operations	(12,709)	(352)	3,510.5
Finance costs - net	(4,359)	(1,798)	142.4
Share of results of an associate	(447)	131	NM
Loss before tax	(17,515)	(2,019)	767.5
Income tax expense	(285)	(870)	(67.2)
Net loss	(17,800)	(2,889)	516.1
Attributable to :			
Shareholders of the Company	(18,581)	(6,129)	203.2
Minority interests	781	3,240	(75.9)
	(17,800)	(2,889)	516.1

NM - Not Meaningful

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Notes :

i) Loss before tax is arrived at after (charging)/crediting:

	<u>Group</u>		
	2005	2004	+ / (-)
	\$'000	\$'000	%
Interest income	1,128	285	295.8
Investment income	-	85	NM
Interest on borrowings	(3,568)	(2,335)	52.8
Depreciation and amortisation	(1,086)	(5,017)	(78.4)
Provision for diminution in value of short-term investments	-	(624)	NM
Net foreign exchange (loss) / gain	(791)	536	NM
Gain on disposal of assets held for sale	3,581	-	NM
Loss on disposal of a subsidiary	-	(192)	NM
Gain on disposal of long-term investments	-	26	NM
Loss on disposal of property plant and equipment	(5,791)	(565)	925.0
Loss on disposal of short-term investments	-	(48)	NM
Provision for diminution in value of building held for sale	(5,521)	(925)	496.9
Writeback of impairment in property, plant and equipment	-	892	NM
Provision for impairment loss of loan	(1,000)	-	NM
Provision for impairment loss of bonds	(3,260)	-	NM

ii) Tax expenses for 2005 included an adjustment of \$83,000 for over provision of tax in respect of prior years (2004 : \$402,000 under provision).

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

	<u>Group</u>		<u>Company</u>	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
	\$'000	\$'000	\$'000	\$'000
Current assets				
Cash and cash equivalents	797	16,993	367	5,121
Trade receivables	3	8,156	-	-
Inventories	-	5,731	-	-
Assets held for sale	-	20,615	-	-
Building held for sale	5,625	-	5,625	-
Loan to a subsidiary	6,861	-	6,861	2,958
Other current assets	672	9,137	263	1,875
	<u>13,958</u>	<u>60,632</u>	<u>13,116</u>	<u>9,954</u>
Non-current assets				
Other receivables	-	-	255	16,711
Loan to a subsidiary	-	-	-	2,747
Investments in subsidiaries	59,925	-	59,925	59,925
Investment in an associate	6,842	7,289	7,158	7,158
Long-term investments	-	655	-	-
Property, plant and equipment	497	56,719	493	1,180
Building held for sale	-	11,200	-	11,200
Investment properties	-	537	-	-
Intangible assets	-	71,404	-	-
	<u>67,264</u>	<u>147,804</u>	<u>67,831</u>	<u>98,921</u>
Total assets	<u>81,222</u>	<u>208,436</u>	<u>80,947</u>	<u>108,875</u>
Current Liabilities				
Trade & other payables	3,826	27,467	4,485	796
Borrowings	2,336	37,334	2,336	9,016
Current income tax liabilities	-	41	-	-
	<u>6,162</u>	<u>64,842</u>	<u>6,821</u>	<u>9,812</u>
Non-current liabilities				
Other Payables	-	-	-	-
Borrowings	-	21,351	-	10,428
Mining rights payable	-	4,141	-	-
Deferred income tax liabilities	86	2,583	-	-
	<u>86</u>	<u>28,075</u>	<u>-</u>	<u>10,428</u>
Total liabilities	<u>6,248</u>	<u>92,917</u>	<u>6,821</u>	<u>20,240</u>
Net assets	<u>74,974</u>	<u>115,519</u>	<u>74,126</u>	<u>88,635</u>
Share capital and reserves				
Share capital	67,530	67,530	67,530	67,530
Share premium	51,539	51,539	51,539	51,539
Non-distributable reserve	-	321	-	-
Accumulated losses	(40,660)	(22,689)	(44,943)	(30,434)
Foreign currency translation reserve	(3,435)	(108)	-	-
Shareholders' equity	<u>74,974</u>	<u>96,593</u>	<u>74,126</u>	<u>88,635</u>
Minority interests	-	18,926	-	-
	<u>74,974</u>	<u>115,519</u>	<u>74,126</u>	<u>88,635</u>

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 \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
2,336	-	31,085	6,249

Amount repayable after one year

As at 31.12.2005		As at 31.12.2004	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	-	15,752	5,599

Details of any collateral

The Group's borrowings are secured on various assets, including building, other fixed assets and corporate guarantees.

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

	Group	
	2005 \$'000	2004 \$'000
Cash flows from operating activities		
Loss before tax and after share of results of an associate	(17,515)	(2,019)
Adjustments for:		
Depreciation of property, plant and equipment	1,086	3,482
Depreciation of investment properties	-	13
Amortisation of intangible assets	-	1,522
Dividend income	-	(85)
Loss on disposal of property, plant and equipment	5,791	565
Loss on disposal of a subsidiary	-	192
Writeback of impairment of property, plant and equipment	-	(892)
Provision for impairment loss of bonds	3,260	-
Provision for diminution in value of building held for sale	5,521	925
Provision for impairment loss of loan	1,000	-
Gain on disposal of long-term investments	-	(26)
Gain on disposal of assets held for sale	(3,580)	-
Loss on disposal of short-term investments	-	48
Interest expense	3,568	2,335
Interest income	(1,128)	(285)
Provision for diminution in value of short-term investments	-	624
Share of results of an associate	447	(131)
Operating cash flow before working capital changes	<u>(1,550)</u>	<u>6,268</u>
Change in operating assets and liabilities		
Inventories	164	(1,184)
Receivables	2,933	(3,286)
Payables	704	(797)
Translation differences	(2,404)	(906)
Cash (used in)/generated from operations	<u>(153)</u>	<u>95</u>
Income tax paid	(731)	(668)
Net cash used in operating activities	<u>(884)</u>	<u>(573)</u>
Cash flows from investing activities		
Dividends received	-	85
Interest income received	1,128	285
Proceeds from sale of property, plant and equipment	19,860	1,286
Net cash outflow from deconsolidation of a subsidiary	(9,465)	-
Net cash outflow from sale of subsidiary	-	(1,662)
Proceeds from sale of long-term investments	-	1,850
Proceeds from sale of short-term investments	-	1,796
Proceeds from sale of assets held for sale	23,660	-
Acquisition of subsidiaries	-	(27,594)
Purchase of property, plant and equipment	(279)	(6,173)
Additions relating to building held for sale	-	(525)
Purchase of bonds	(3,260)	(121)
Purchase of short-term investments	-	(1,350)
Net cash generated from/(used in) investing activities	<u>31,644</u>	<u>(32,123)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	17
Minority interests' share of net assets of subsidiaries liquidated	1,131	-
Dividends paid by subsidiaries to minority shareholders	(1,240)	(184)
Interest paid	(3,495)	(2,184)
Repayments of finance lease liabilities	(216)	(124)
Net proceeds from issue of bonds	-	14,986
(Repayment of)/ increase in bank loans	(39,265)	1,377
(Repayment of)/ increase in loans from minority shareholders	(3,883)	390
Net cash (used in)/ generated from financing activities	<u>(46,968)</u>	<u>14,278</u>
Net decrease in cash and cash equivalent held	<u>(16,208)</u>	<u>(18,418)</u>
Cash and cash equivalent at the beginning of the financial year	16,993	35,421
Effects of exchange rate changes on cash and cash equivalent	12	(10)
Cash and cash equivalents at the end of the financial year	<u>797</u>	<u>16,993</u>

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

Group

	Share <u>Capital</u> \$'000	Share <u>Premium</u> \$'000	Non- distributable <u>reserve</u> \$'000	Accumulated <u>losses</u> \$'000	Foreign currency translation <u>reserve</u> \$'000	Shareholders' <u>equity</u> \$'000	Minority <u>interests</u> \$'000	Total <u>equity</u> \$'000
Balance at 1 January 2005	67,530	51,539	321	(22,689)	(108)	96,593	18,926	115,519
Effects of deconsolidation of a subsidiary	-	-	(321)	610	40	329	(19,598)	(19,269)
Currency translation differences	-	-	-	-	(3,367)	(3,367)	-	(3,367)
Net (loss)/gain not recognised in the income statement	-	-	(321)	610	(3,327)	(3,038)	(19,598)	(22,636)
Net (loss)/gain for the financial year	-	-	-	(18,581)	-	(18,581)	781	(17,800)
Total recognised losses for the financial year	-	-	(321)	(17,971)	(3,327)	(21,619)	(18,817)	(40,436)
Dividend paid to minority shareholders	-	-	-	-	-	-	(1,240)	(1,240)
Voluntary liquidation of subsidiaries	-	-	-	-	-	-	1,131	1,131
Balance at 31 December 2005	67,530	51,539	-	(40,660)	(3,435)	74,974	-	74,974
Balance at 1 January 2004	58,574	42,600	-	(16,239)	(2,186)	82,749	8,161	90,910
Acquisition of subsidiary	-	-	-	-	-	-	16,309	16,309
Disposal of subsidiary	-	-	-	-	1,369	1,369	(8,552)	(7,183)
Currency translation differences	-	-	-	-	709	709	(48)	661
Net gain not recognised in the income statement	-	-	-	-	2,078	2,078	7,709	9,787
Net loss for the financial year	-	-	-	(6,129)	-	(6,129)	3,240	(2,889)
Total recognised (losses)/gains for the financial year	-	-	-	(6,129)	2,078	(4,051)	10,949	6,898
Transfer of reserves	-	-	321	(321)	-	-	-	-
Issue of share capital pursuant to exercise of options	17	-	-	-	-	17	-	17
Issue of share capital	8,939	8,939	-	-	-	17,878	-	17,878
Dividend paid to minority shareholders	-	-	-	-	-	-	(184)	(184)
Balance at 31 December 2004	67,530	51,539	321	(22,689)	(108)	96,593	18,926	115,519

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

Company

	Share <u>Capital</u> \$'000	Share <u>Premium</u> \$'000	Accumulated <u>losses</u> \$'000	Total <u>Equity</u> \$'000
Balance at 1 January 2005	67,530	51,539	(30,434)	88,635
Net loss for the financial year	-	-	(14,509)	(14,509)
Balance at 31 December 2005	<u>67,530</u>	<u>51,539</u>	<u>(44,943)</u>	<u>74,126</u>
Balance at 1 January 2004	58,574	42,600	(25,578)	75,596
Net loss for the financial year	-	-	(4,856)	(4,856)
Issue of share capital pursuant to exercise of options	17	-	-	17
Issue of share capital upon acquisition of subsidiary	8,939	8,939	-	17,878
Balance at 31 December 2004	<u>67,530</u>	<u>51,539</u>	<u>(30,434)</u>	<u>88,635</u>

- 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 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**

No shares were issued during the financial year.

The number of shares that may be issued on conversion of all outstanding share options and convertible bonds are as follows:

	<u>31.12.2005</u>	<u>31.12.2004</u>
Outstanding number of share options	880,000	6,666,000
Outstanding number of shares under the convertible bonds	5,628,543	4,416,810

- 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 by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable

- 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 year compared with those of the audited financial statements as at 31 December 2004, except for the adoption of certain new and revised Financial Reporting Standards ("FRS") which are effective for the financial year commencing 1 January 2005. The adoption of these FRS have no material impact on the Group's and the Company's accounts.

- 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**

Please refer to paragraph 4.

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

	2005	2004
Loss per share of the Group based on net loss attributable to shareholders:		
(i) Based on the weighted average number of ordinary shares in issue	(5.50) cents	(1.91) cents
Weighted average number of shares	337,648,751	320,494,979
(ii) On a fully diluted basis	(5.23) cents	(1.84) cents
Adjusted weighted average number of shares	343,277,294	324,916,377

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	
	2005	2004	2005	2004
Net asset value per share based on issued share capital at the end of the financial year	22.2 cents	28.6 cents	21.9 cents	26.3 cents

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.

The Company holds 56.22% interest in Green Salt Group Ltd ("GSGL") which became a subsidiary of the Group in May 2004. Though the Company holds more than half of the voting power in GSGL, the Company does not have the power to govern the financial and operating policies of GSGL by virtue of a Shareholders' Agreement purportedly executed by an ex-director of the Company in April 2005 without the consent of the Board of Directors. The Shareholders' Agreement effectively cedes management control to the minority shareholder notwithstanding that the Company is the majority shareholder.

As announced by the Company on 19 October 2005, the Company has commenced legal proceedings to declare the Shareholders' Agreement null and void. As the legal proceedings are still ongoing and in compliance with FRS 27: Consolidated and Separate Financial Statements, the Directors deem it appropriate to deconsolidate the financial accounts of GSGL in the preparation and presentation of the Group's consolidated financial statements for FY 2005.

Review of Group Income Statement

Turnover

Group turnover for FY2005 was \$14.44 million, a decrease of 68.2% from that of FY 2004. The decrease in Group turnover was due mainly to the deconsolidation of sales contribution of GSGL compared to the consolidation of its eight months contributions in FY 2004.

The Group's turnover would have been higher if not for the loss in revenue, compared to the previous year, attributed to:

1. Lower sales revenue from the Group's hotels namely Mercure Inn Townsville, Mercure Hotel & Convention Centre St Leonards and Centra Auckland Airport which were disposed off in March 2005, August 2005 and November 2005 respectively; and
2. Absence of contribution from Astral Supreme Berhad, a former subsidiary, which became an associate of the Group in September 2004.

Gross Profit

Overall gross profit dropped from \$21.59 million to \$6.06 million due primarily to the reasons explained above.

Other Operating Income

The Group registered a net income of \$0.052 million for FY 2005 under this head. This was largely due to the following:

1. An interest income of \$1.13 million of which \$0.89 million was interest earned on the US\$3.5 million advanced to GSGL partially offset by,
2. A full provision of \$1.0 million being made on an advancement granted by FirstLink Energy Pte Ltd ("FE"), a wholly owned subsidiary of the Group, to Creanovate Pte Ltd ("CNV") in relation to the coal mining business.

In this regard, FE has issued a Writ of Summons against CNV for the recovery of debt of \$1 million. An announcement was made by the Company on 21 July 2005.

Net Gains or Losses Associated with Long-Term Investments and Other Long-Term Assets

The Group realised one-time gains of \$2.84 million and \$0.74 million from the disposal of Mercure Inn Townsville and Mercure Hotel & Convention Centre St Leonards respectively.

At the same time, the Group realised or made provision for the following losses related to its long-term investments and/or assets:

1. The sum of \$3.26 million being the balance of monies paid for the subscription of exchangeable bonds by FE in CNV. In this regard, the FE has issued a Writ of Summons against CNV for the recovery of debt of \$3.26 million. An announcement was made by the Company on 21 July 2005.
2. An impairment loss of \$5.52 million for the diminution in value of building held for sale i.e. the industrial building in Singapore.
3. A loss of \$2.90 million from the disposal of Centra Auckland Airport.
4. A loss of \$0.21 million arising from the voluntary liquidation of 2 subsidiaries which held the interests in the 2 hotels that were disposed off namely Mercure Inn Townsville and Mercure Hotel & Convention Centre St Leonards.

Distribution Costs

With the divestment of the hotel business and the deconsolidation of GSGL, distribution costs decreased from \$3.11 million to \$0.54 million.

Administrative Expenses

With the divestment of the hotel business and the deconsolidation of GSGL, administrative expenses decreased by \$7.54 million to \$6.56 million.

Other Operating Expenses

With the divestment of the hotel business and the deconsolidation of GSGL, other operating expenses decreased from \$5.46 million to \$3.42 million.

Finance Costs

Finance costs increased by \$2.56 million to \$4.36 million which was mainly attributable to higher interest expenses incurred on the bonds issue of US\$9.3 million in the last quarter of 2004.

Share of results of an associate

Astral Supreme Berhad, 38.44% owned by the Group, incurred a net loss of RM2.64 million. This included an allowance made for doubtful debts amounting to RM3.84 million. Without this provision, the associate would have registered a net profit after tax of RM1.2 million.

Review of Group Balance Sheet

The deconsolidation of GSGL and the disposal of three hotels resulted in lower assets and liabilities carried by the Group at 31 December 2005 compared to that of 31 December 2004.

In particular, the sale of Mercure Inn Townsville and Mercure Hotel & Convention Centre St Leonards accounted for the decrease in assets held for sale whereas the disposal of Centra Auckland Airport accounted for the decrease in property, plant and equipment.

The proceeds from the sale of hotels were utilised for the repayment of bank loans thereby accounting for the significant drop in Group's total borrowings from \$58.69 million at 31 December 2004 to \$2.34 million at 31 December 2005, a decrease of \$56.35 million.

The building held for sale, formerly classified as non-current asset, was reclassified as current asset at 31 December 2005 as the Company had entered into a Sale and Purchase agreement on 9 December 2005 for its disposal. Its carrying value was reduced from \$11.2 million to \$5.63million to reflect its net realisable value. The sale was completed on 20 February 2006.

The loan to a subsidiary refers to the US\$3.5 million loan advanced to GSGL.

The investments in subsidiaries represent mainly the cost of investment in GSGL. As the fair value of this investment cannot be reliably determined, it is hence carried at cost.

As a result of the deconsolidation of GSGL, the loan to and investment in GSGL were not eliminated in the consolidated balance sheet.

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

The Group reported an attributable loss of \$18.58 million in FY 2005 compared to \$6.13 million in FY 2004. In the Company's 2004 full year announcement, it was stated that the Directors expected the Group's performance for FY 2005 to be better than that of FY 2004. The higher than expected loss is mainly due to the following factors:

- 1) The deconsolidation of GSGL which was expected to contribute to the Group's bottom-line.
- 2) Loss of \$8.42 million arising from the disposal of the hotel, Centra Auckland Airport and the industrial building in Singapore. As disclosed in the Circular to shareholders dated 7 October 2005, the sale of these assets is to enable the Company to meet its debt obligations to D.B. Zwirn Special Opportunities Fund L.P, the bond subscriber.
- 3) Provision of \$4.26 million in respect of a loan advanced to and subscription of bonds in Creanovate Pte Ltd by FirstLink Energy Pte Ltd, a wholly owned subsidiary of the Group in relation to the coal mining business as announced by the Company in its half-year results on 11 August 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

The Company has strengthened its cash reserves following the redemption of the bonds issued by the Company in the last quarter of 2004 when the sale of the Company's industrial building at 506 Chai Chee Lane was completed on 20 February 2006.

Although a significant asset of the Company is its 56.22% interest in Green Salt Group Ltd ("GSGL"), the Company has been prevented from exercising management control of GSGL due to the fraudulent acts of the Company's former director Ngu Tieng Ung. The Directors expect the Company to regain management control in GSGL once the legal action in Hongkong SAR to set aside the purported Shareholders' Agreement and Novation Agreement is concluded.

Going forward, the Group will continue to build its existing businesses as well as to identify strategic investments in resource-based businesses that will enhance shareholders' value.

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

Name of Dividend	Not applicable
Dividend Type	Not applicable
Dividend rate	Not applicable
Par value of shares	Not applicable
Tax Rate	Not applicable

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The directors do not recommend a final dividend for the current financial year.

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

Business segments	Investment		<u>Group</u> \$'000
	<u>Hotel</u> operations \$'000	<u>holding and</u> <u>others</u> \$'000	
2005			
Sales	14,192	251	14,443
Operating (loss) / profit	2,428	(15,137)	(12,709)
Finance costs - net			(4,359)
Share of results of an associate			(447)
Loss before tax			(17,515)
Tax			(285)
Loss after tax			(17,800)
Segment assets	790	73,590	74,380
Investment in an associate			6,842
Consolidated total assets			81,222
Segment liabilities	428	3,398	3,826
Unallocated liabilities			2,422
Consolidated total liabilities			6,248
Other segment items			
Capital expenditure			
-property, plant and equipment	257	22	279
Depreciation of property, plant and equipment	732	354	1,086
Provision for diminution in value of building held for sale	-	5,521	5,521

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

Business segments	Hotel operations	Salt mining and distribution	Electronics manufacturing services	Investment holding and others	Group
2004	\$'000	\$'000	\$'000	\$'000	\$'000
Sales	21,709	18,411	5,326	-	45,446
Operating (loss) / profit	3,382	3,445	(856)	(6,323)	(352)
Finance costs - net					(1,798)
Share of results of an associate					131
Loss before tax					(2,019)
Tax					(870)
Loss after tax					(2,889)
Segment assets	50,598	129,028	-	21,521	201,147
Investment in an associate					7,289
Consolidated total assets					208,436
Segment liabilities	2,287	28,505	-	816	31,608
Unallocated liabilities					61,309
Consolidated total liabilities					92,917
Other segment items					
Capital expenditure					
-property, plant and equipment	411	3,917	551	1,632	6,511
-building held for sale	-	-	-	525	525
Depreciation of property, plant and equipment	1,725	1,241	249	267	3,482
Depreciation of investment property	-	13	-	-	13
Writeback of impairment losses on property, plant and equipment	(892)	-	-	-	(892)
Provision for diminution in value of building held for sale	-	-	-	925	925
Amortisation of intangible assets	-	1,522	-	-	1,522

Geographical segments

	<u>Sales</u>		<u>Total assets</u>		<u>Capital expenditure</u>	
	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	251	-	13,665	21,521	23	2,144
Malaysia	-	-	-	-	-	551
Japan	-	1,495	-	-	-	-
Australia & New Zealand	14,192	23,395	790	50,598	256	410
China & Hong Kong	-	18,425	59,925	129,028	-	3,917
Other countries	-	2,131	-	-	-	14
	<u>14,443</u>	<u>45,446</u>	<u>74,380</u>	<u>201,147</u>	<u>279</u>	<u>7,036</u>
Investment in an associate			<u>6,842</u>	<u>7,289</u>		
			<u>81,222</u>	<u>208,436</u>		

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

As explained in item no. 8.

15(a). Breakdown of sales

	<u>Group</u>		+/- (%)
	2005	2004	
	\$'000	\$'000	
Sales reported for first half year ⁽¹⁾	9,672	17,035	(43.2)
Operating loss after tax before deducting minority interest reported for first half year ⁽¹⁾	(4,932)	(3,946)	25.0
Sales reported for second half year	4,771	28,411	(83.2)
Operating profit after tax before deducting minority interest reported for second half year	(12,868)	1,057	NM

Note

1. The figures reported for first half year of FY2005 have been restated to exclude GSGL's financial results in view of the deconsolidation of GSGL in FY 2005.

15(b). Interested Party Transactions

At 31 December 2005, the amount due from the Company to a director of the Company is \$900,000. This amount is non-interest bearing and has been fully repaid subsequent to 31 December 2005.

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

	2005	2004
	\$'000	\$'000
Ordinary	-	-
Preference	-	-
Total:	-	-

BY ORDER OF THE BOARD

Ling Yew Kong
Chairman/Managing Director
28 February 2006