

**LINDETEVES-JACOBURG LIMITED**
**Unaudited Third Quarter Financial Statement Announcement**
**PART 1 – 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**

Income statements for the three months and nine months ended 30 September 2005:

These figures have not been audited

	Group					
	S\$'000		%	S\$'000		%
	3Q 2005	3Q 2004	Increase/ (Decrease)	YTD 3Q 2005	YTD 3Q 2004	Increase/ (Decrease)
Sales	52,882	88,284	(40.1)	195,055	290,192	(32.8)
Cost of sales	(51,546)	(67,879)	(24.1)	(179,073)	(221,112)	(19.0)
Gross profit	1,336	20,405	(93.5)	15,982	69,080	(76.9)
Other operating income	271	1,171	(76.9)	2,722	2,250	21.0
Selling and distribution expenses	(9,152)	(12,641)	(27.6)	(30,826)	(39,178)	(21.3)
Administrative expenses	(11,814)	(9,250)	27.7	(31,795)	(29,491)	7.8
Other operating expenses	(15,650)	(4,353)	259.5	(21,630)	(16,095)	34.4
Finance income	2	18	(88.9)	8	39	(79.5)
Finance costs	(3,587)	(4,079)	(12.1)	(10,229)	(10,642)	(3.9)
Exceptional items (Note 1)	(2,204)	7,800	N/M	(1,145)	(4,832)	(76.3)
Loss before tax & amortisation of negative goodwill	(40,798)	(929)	N/M	(76,913)	(28,869)	166.4
Amortisation of negative goodwill	-	463	N/M	-	1,805	N/M
Loss before tax	(40,798)	(466)	N/M	(76,913)	(27,064)	184.2
Tax	208	316	(34.2)	194	(708)	N/M
Loss after tax	(40,590)	(150)	N/M	(76,719)	(27,772)	176.2

Loss before tax has been arrived at after (crediting) / charging:

	Group			
			YTD	YTD
	3Q 2005	3Q 2004	3Q 2005	3Q 2004
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation expenses	6,161	4,320	16,161	15,026
Amortisation of deferred expenditure	398	803	1,347	2,398
Net provision for doubtful debts	3,488	(440)	3,469	(429)
Net provision for inventory obsolescence	2,568	136	2,871	398
(Gain) / Loss on disposal of property, plant and equipment	180	(29)	(398)	(55)
Foreign exchange gain	1,602	1,510	1,108	2,290
Bad debts written off	1	72	1	78

Note 1: Refer to paragraph 8 for further details of the exceptional income / (expenses).

In 2005, the Group and Company adopted all new and revised FRS that became effective for the financial year beginning on 1 January 2005. As detailed in paragraph 5, the 2004 comparatives have been amended, where applicable, in accordance with the relevant transitional provisions in the respective FRS.

Certain comparatives have also been reclassified to conform with the current year's presentation

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at end of the immediately preceding financial year**

	Group 30 Sept 2005 S\$'000	Group 31 Dec 2004 S\$'000	Company 30 Sept 2005 S\$'000	Company 31 Dec 2004 S\$'000
Fixed assets	211,124	232,102	1,295	1,276
Investment in subsidiaries	-	-	149,226	145,031
Investment in joint venture and associated companies	-	-	3,820	3,820
Goodwill	-	(2,010)	-	-
Development costs	5,813	6,958	-	-
Stocks	98,432	123,087	-	-
Trade Debtors	62,645	113,444	978	978
Due from joint venture / associates (trade)	2,751	2,712	709	709
Sundry debtors, deposits and prepayment	14,989	23,927	7,139	9,141
Property held for disposal	-	29,670	-	-
Bank and cash balances	7,904	8,936	81	102
<b>Total Current Assets</b>	<b>186,721</b>	<b>301,776</b>	<b>8,907</b>	<b>10,930</b>
Trade creditors	52,926	66,989	-	-
Other creditors and accruals	59,639	41,261	17,064	8,142
Factoring liabilities	6,448	36,486	-	-
Derivative financial instruments	369	-	369	-
Due to joint venture / associates (trade)	1,925	2,582	-	-
Obligations under hire purchase	339	339	-	8
Provision for taxation	281	90	-	-
Provision for warranty	2,712	3,090	-	-
Bank borrowings	249,011	279,679	142,712	138,875
<b>Total Current Liabilities</b>	<b>373,650</b>	<b>430,516</b>	<b>160,145</b>	<b>147,025</b>
Obligations under hire purchase	1,777	2,268	-	-
Bank borrowings	216	824	-	-
Pension obligations	32,179	33,879	-	-
Provision for employee benefits	336	359	-	-
Deferred tax	5,827	6,300	21	21
<b>Total Non-Current Liabilities</b>	<b>40,335</b>	<b>43,630</b>	<b>21</b>	<b>21</b>
	<b>(10,327)</b>	<b>64,680</b>	<b>3,082</b>	<b>14,011</b>
Share capital	57,559	57,559	57,559	57,559
Share premium	33,410	33,410	33,410	33,410
Foreign exchange translation reserves	(6,414)	(6,890)	-	-
Revenue reserves	(94,882)	(19,399)	(87,887)	(76,958)
<b>Share Capital &amp; Reserves</b>	<b>(10,327)</b>	<b>64,680</b>	<b>3,082</b>	<b>14,011</b>

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

(a) Amount repayable in one year or less, or on demand

As at 30/09/2005		As at 31/12/2004	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
53,245	195,766	72,984	206,695

(b) Amount repayable after one year

As at 30/09/2005		As at 31/12/2004	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	216	-	824

**Details of any collateral**

Borrowings by certain subsidiaries are secured by

- Mortgage over land and building of S\$156,000 (31 Dec 2004: S\$23,911,000)
- Mortgage over plant and machinery S\$5,941,000 (31 Dec 2004 : Nil)
- Floating charge on accounts receivable of S\$47,148,000 (31 Dec 2004: S\$49,073,000)

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

	Group 3Q 2005 S\$'000	Group 3Q 2004 S\$'000	Group YTD 3Q 2005 S\$'000	Group YTD 3Q 2004 S\$'000
<b>Cash flows from operating activities</b>				
Loss before tax	(40,798)	(466)	(76,913)	(27,064)
Adjustments for:				
Depreciation	6,161	4,320	16,161	15,026
Interest expense	3,587	4,079	10,229	10,642
Interest income	(2)	(18)	(8)	(39)
Amortisation of deferred expenditure	398	803	1,347	2,398
Amortisation of goodwill	-	(463)	-	(1,805)
Gain on disposal of subsidiary	-	(7,800)	-	(7,800)
Loss / (Gain) on disposal of property, plant and equipment	180	(29)	(2,014)	(55)
Operating (loss) / profit before working capital changes	(30,474)	426	(51,198)	(8,697)
Changes in operating assets and liabilities, net of effects from acquisition of subsidiaries				
Inventories	13,179	3,351	24,655	13,627
Trade and other receivables	25,600	19,934	59,737	16,757
Amount due from associates	11	132	(695)	(89)
Trade and other payables	5,811	(4,854)	3,939	4,116
Effect of foreign currency translation	1,180	(4,400)	5,339	(1,855)
Cash generated from operations	15,307	14,589	41,777	23,859
Interest received	2	18	8	39
Tax refund / (paid)	42	(1,098)	(88)	(1,490)
<b>Net cash generated from operating activities</b>	<b>15,351</b>	<b>13,509</b>	<b>41,697</b>	<b>22,408</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of subsidiary, net of cash foregone	-	8,607	-	8,607
Deferred expenditure incurred	-	-	(6)	-
Purchase of property, plant and equipment	(1,826)	(454)	(5,603)	(2,205)
Proceeds from disposal of property, plant and equipment	1,526	1,475	35,319	1,521
<b>Net cash used in investing activities</b>	<b>(300)</b>	<b>9,628</b>	<b>29,710</b>	<b>7,923</b>
<b>Cash flows from financing activities</b>				
Obligations under hire purchase	(104)	(70)	(491)	(295)
Proceeds from bank borrowings, net of repayments	(8,574)	(6,574)	(35,451)	(32,315)
Repayment of factoring	(9,573)	-	(30,038)	-
Interest paid	(3,704)	(4,079)	(10,634)	(10,642)
<b>Net cash generated from financing activities</b>	<b>(21,955)</b>	<b>(10,723)</b>	<b>(76,614)</b>	<b>(43,252)</b>
<b>Net change in cash and cash equivalents</b>	<b>(6,904)</b>	<b>12,414</b>	<b>(5,207)</b>	<b>(12,921)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>(49,427)</b>	<b>(71,513)</b>	<b>(51,124)</b>	<b>(46,178)</b>
<b>Cash and cash equivalents at the end of the financial period (Note A)</b>	<b>(56,331)</b>	<b>(59,099)</b>	<b>(56,331)</b>	<b>(59,099)</b>

Note A:

Cash and cash equivalents consist of:

	3Q 2005 S\$'000	3Q 2004 S\$'000
Cash and bank balance	7,904	6,584
Bank overdraft	(64,235)	(65,683)
	<b>(56,331)</b>	<b>(59,099)</b>

**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 distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**STATEMENT OF CHANGES IN EQUITY - GROUP**

	Share Capital S\$'000	Share Premium S\$'000	Asset Revaluation Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Revenue Reserves S\$'000	Total S\$'000
<b>Balance at 1 January 2005</b>	<b>57,559</b>	<b>33,410</b>	<b>-</b>	<b>(6,890)</b>	<b>(19,399)</b>	<b>64,680</b>
First time application of FRS 39 (revised 2004) #	-	-	-	-	(774)	(774)
First time application of FRS 103#	-	-	-	-	2,010	2,010
Currency translation differences	-	-	-	(3,082)	-	(3,082)
Net loss not recognised in income statement	-	-	-	(3,082)	1,236	(1,846)
Net loss for the financial period	-	-	-	-	(12,448)	(12,448)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,082)</b>	<b>(11,212)</b>	<b>(14,294)</b>
Dividends	-	-	-	-	-	-
<b>Balance at 31 March 2005</b>	<b>57,559</b>	<b>33,410</b>	<b>-</b>	<b>(9,972)</b>	<b>(30,611)</b>	<b>50,386</b>
Currency translation differences	-	-	-	56	-	56
Net loss not recognised in income statement	-	-	-	56	-	56
Net loss for the financial period	-	-	-	-	(23,681)	(23,681)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>(23,681)</b>	<b>(23,625)</b>
Dividends	-	-	-	-	-	-
<b>Balance at 30 June 2005</b>	<b>57,559</b>	<b>33,410</b>	<b>-</b>	<b>(9,916)</b>	<b>(54,292)</b>	<b>26,761</b>
Currency translation differences	-	-	-	3,502	-	3,502
Net loss not recognised in income statement	-	-	-	3,502	-	3,502
Net loss for the financial period	-	-	-	-	(40,590)	(40,590)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,502</b>	<b>(40,590)</b>	<b>(37,088)</b>
Dividends	-	-	-	-	-	-
<b>Balance at 30 September 2005</b>	<b>57,559</b>	<b>33,410</b>	<b>-</b>	<b>(6,414)</b>	<b>(94,882)</b>	<b>(10,327)</b>
<b>Balance at 1 January 2004</b>	<b>57,559</b>	<b>33,410</b>	<b>13,077</b>	<b>(8,179)</b>	<b>71,786</b>	<b>167,653</b>
Currency translation differences	-	-	-	(4,493)	-	(4,493)
Net loss not recognised in income statement	-	-	-	(4,493)	-	(4,493)
Net loss for the financial period	-	-	-	-	(25,955)	(25,955)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,493)</b>	<b>(25,955)</b>	<b>(30,448)</b>
Dividends	-	-	-	-	-	-
<b>Balance at 31 March 2004</b>	<b>57,559</b>	<b>33,410</b>	<b>13,077</b>	<b>(12,672)</b>	<b>45,831</b>	<b>137,205</b>
Currency translation differences	-	-	-	4,012	-	4,012
Net gain not recognised in income statement	-	-	-	4,012	-	4,012
Net loss for the financial period	-	-	-	-	(1,667)	(1,667)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,012</b>	<b>(1,667)</b>	<b>2,345</b>
Dividends	-	-	-	-	-	-
<b>Balance at 30 June 2004</b>	<b>57,559</b>	<b>33,410</b>	<b>13,077</b>	<b>(8,660)</b>	<b>44,164</b>	<b>139,550</b>
Currency translation differences	-	-	-	(122)	-	(122)
Net gain not recognised in income statement	-	-	-	(122)	-	(122)
Net loss for the financial period	-	-	-	-	(150)	(150)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(122)</b>	<b>(150)</b>	<b>(272)</b>
Dividends	-	-	-	-	-	-
<b>Balance at 30 September 2004</b>	<b>57,559</b>	<b>33,410</b>	<b>13,077</b>	<b>(8,782)</b>	<b>44,014</b>	<b>139,278</b>

# STATEMENT OF CHANGES IN EQUITY - COMPANY

	Share Capital S\$'000	Share Premium S\$'000	Foreign Currency Translation Reserve S\$'000	Revenue Reserves S\$'000	Total S\$'000
<b>Balance at 1 January 2005 as previously reported</b>	<b>57,559</b>	<b>33,410</b>	<b>(2,460)</b>	<b>(74,498)</b>	<b>14,011</b>
Effect of adopting FRS 21 (revised 2004)	-	-	2,460	(2,460)	-
As restated	57,559	33,410	-	(76,958)	14,011
First time application of FRS39 (revised 2004) #	-	-	-	(774)	(774)
Net loss for the financial period	-	-	-	(1,372)	(1,372)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,146)</b>	<b>(2,146)</b>
Dividends	-	-	-	-	-
<b>Balance at 31 March 2005</b>	<b>57,559</b>	<b>33,410</b>	<b>-</b>	<b>(79,104)</b>	<b>11,865</b>
Net loss for the financial period	-	-	-	(5,336)	(5,336)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,336)</b>	<b>(5,336)</b>
Dividends	-	-	-	-	-
<b>Balance at 30 June 2005</b>	<b>57,559</b>	<b>33,410</b>	<b>-</b>	<b>(84,440)</b>	<b>6,529</b>
Net loss for the financial period	-	-	-	(3,447)	(3,447)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,447)</b>	<b>(3,447)</b>
Dividends	-	-	-	-	-
<b>Balance at 30 September 2005</b>	<b>57,559</b>	<b>33,410</b>	<b>-</b>	<b>(87,887)</b>	<b>3,082</b>
<b>Balance at 1 January 2004 as previously reported</b>	<b>57,559</b>	<b>33,410</b>	<b>(2,115)</b>	<b>(17,059)</b>	<b>71,795</b>
Effect of adopting FRS 21 (revised 2004)	-	-	2,115	(2,115)	-
As restated	57,559	33,410	-	(19,174)	71,795
Net loss for the financial period	-	-	-	(1,537)	(1,537)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,537)</b>	<b>(1,537)</b>
Dividends	-	-	-	-	-
<b>Balance at 31 March 2004</b>	<b>57,559</b>	<b>33,410</b>	<b>-</b>	<b>(20,711)</b>	<b>70,258</b>
Net loss for the financial period	-	-	-	(45,756)	(45,756)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45,756)</b>	<b>(45,756)</b>
Dividends	-	-	-	-	-
<b>Balance at 30 June 2004</b>	<b>57,559</b>	<b>33,410</b>	<b>-</b>	<b>(66,467)</b>	<b>24,502</b>
Net loss for the financial period	-	-	-	(239)	(239)
<b>Total recognised gains and losses for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(239)</b>	<b>(239)</b>
Dividends	-	-	-	-	-
<b>Balance at 30 September 2004</b>	<b>57,559</b>	<b>33,410</b>	<b>-</b>	<b>(66,706)</b>	<b>24,263</b>

# In accordance with the transitional provision of FRS 39 (revised 2004) and FRS 103, the comparative statements for 2004 are not restated. Instead, the changes have been accounted for by adjusting the opening balances in the balance sheets of the Company and the Group as at 1 January 2005.

**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 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 in the company's share capital during this current reporting period.

There were no outstanding warrants as at 30 Sept 2005. (30 Sept 2004: NIL)

**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 Group's 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 financial period compared with those of the audited financial statements as at 31 December 2004, except as described in paragraph 5 below.

**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**

**(a) Financial Reporting Standards ("FRS")**

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") that became effective for the financial years beginning on or after 1 January 2005. Included below are those FRS that affect the Group's financial statements for the current reporting period:

FRS 21 (revised 2004) The Effects of Changes in Foreign Exchange Rates  
FRS 39 (revised 2004) Financial Instruments : Recognition and Measurement  
FRS 103 Business Combinations

**(b) Effect of changes to the financial statements**

Arising from the adoption of the new and revised FRS, the 2004 comparatives have been amended where as required, in accordance with the relevant transitional provisions in the respective FRS.

	Increase / (decrease)		
	FRS 21 (revised 2004) S\$'000	FRS 103 S\$'000	FRS 39 (revised 2004) S\$'000
<b><u>2005</u></b>			
<b><u>Consolidated balance sheet as at 30 September 2005</u></b>			
Derivative financial instruments (liability)	-	-	369
Revenue reserves	-	-	(369)
<b><u>Consolidated balance sheet as at 1 January 2005</u></b>			
Negative goodwill	-	(2,010)	-
Revenue reserves	-	2,010	(774)
Derivative financial instruments (liability)	-	-	774
<b><u>Consolidated income statement for the three months ended 30 September 2005</u></b>			
Gain on derivative financial instruments	-	-	117
Basic and diluted earning per share (cents)	-	-	-

**Balance sheet as at 30 September 2005**

Derivative financial instruments (liability)	-	-	369
Revenue reserves	-	-	(369)

**Balance sheet as at 1 January 2005**

Revenue reserves	(2,460)	-	(774)
Derivative financial instruments (liability)	-	-	774
Foreign currency translation reserves	2,460	-	-

**Increase / (decrease)****2004**

	FRS 21 (revised 2004) S\$'000	FRS 103 S\$'000	FRS 39 (revised 2004) S\$'000
<b>Balance sheet as at 31 December 2004</b>			
Revenue reserves	(2,460)	-	-
Foreign currency translation reserves	2,460	-	-
<b>Balance sheet as at 1 January 2004</b>			
Revenue reserves	(2,115)	-	-
Foreign currency translation reserves	2,115	-	-

**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 Figures**

	3Q 2005	3Q 2004	YTD 3Q 2005	YTD 3Q 2004
6. Earnings per ordinary share of the group for the financial year, after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares in issue	(14.1) cents	(0.0) cents	(26.7) cents	(9.6) cents
(ii) On a fully diluted basis	(14.1) cents	(0.0) cents	(26.7) cents	(9.6) cents

**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	
	30 September 2005	31 December 2004	30 September 2005	31 December 2004
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial period	(3.6) cents	22.5 cents	1.1 cents	4.9 cents
Number of existing issued share capital at end of period	287,797,353	287,797,353	287,797,353	287,797,353



**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 Group's performance continued to be adversely affected in 3Q05 by the capital shortage. Sales of S\$52.9mil were achieved compared to S\$63.3mil in 2Q05 and S\$88.3mil in 3Q04. Although ATB Austria Antriebstechnik AG ("ATB") advanced an amount of S\$5.0mil to the Group, this advance was received only in late September 2005 and was insufficient to have any positive impact on production and revenues in 3Q05. Gross profit margin of 2.5% was achieved in 3Q05 compared to a gross profit margin of 23.1% in 3Q04. The lower margin was caused by lower output and hence low absorption of labour and fixed overheads.

Overall operating costs of S\$36.6mil (comprising selling and distribution expenses, administrative expenses and other operating expenses) were higher than 3Q04 of \$26.2mil. The higher operating costs were due to:

1. A provision of S\$10.0mil in inventory, accounts receivables and other debtors (classified under other operating expenses);
2. Penalties for late delivery and late payment of customs, duty and taxes amounting to S\$1.4mil (classified under administrative expenses);
3. Increased depreciation due mainly to our power plants in the Philippines as new generator sets became operational during the quarter (classified under other operating expenses).

Finance costs were S\$3.6mil, about 12% lower than in 3Q04, due to reduced borrowings.

Overall the Company suffered from operational difficulties brought about by the capital shortage thereby increasing its overall costs. Delays in deliveries to customers and our inability in general to meet our various commitments on time resulted in penalties, the granting of rebates and discounts, etc. This capital shortage also delayed the completion of the Blackheath rationalization, the move to the new factory in China as well as the out-sourcing program, all of which resulted in higher operating costs. It was therefore considered prudent, and adopting a conservative approach, to make provisions of S\$2.5mil and S\$7.5mil for inventory and receivables respectively. The exceptional item of S\$2.2mil include S\$0.6mil for redundancies and S\$1.6mil in respect of closure of our European offices principally in the UK and the Netherlands.

Capital shortage which curtailed production and higher sales from finished goods inventory resulted in lower inventory levels. Likewise, lower revenues resulted in the decline in trade debtors.

The provisions made in 3Q05 resulted in sundry debtors, deposits and pre-payments declining by almost S\$8.9mil.

Trade creditors continued to decline being S\$14.1mil lower than at the end of FY04. owing to the lower level of activity across the Group.

Other creditors and accruals increased by S\$18.4mil due to the S\$5.0mil advance made by ATB and the bridging loan granted by a financial institution. However, factoring liabilities declined almost S\$30.0mil, again the result of reduced business activity.

The reduction in bank borrowings by S\$31.3mil and the reduction of "property held for disposal" by the same amount were due to the sale of our property in Dalian, China. The proceeds from the property sale was applied against the bank borrowings..

During the quarter, the Company made progress towards achieving financial health and viability by entering into an agreement with ATB Austria Antriebstechnik AG as announced on 27 August 2005 and 20 September 2005 and the scheme of arrangement with its bankers as announced on 27 October 2005 and 28 October 2005.

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

Not applicable

**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 the course of the 4<sup>th</sup> quarter, the Group is expected to receive further advances from ATB of S\$20.0mil for future conversion into share capital and from the recapitalisation of its power plants in the Philippines. However, as most of these funds are expected to be received late in the last quarter of 2005, its impact on 4Q05 performance is expected to be minimal. This progressive capitalization is expected to improve production and revenues in financial year 2006

**11. Dividend**

*(a) Present Period*

Name of Dividend	NIL
Dividend Type	NIL
Dividend Rate	NIL
Par value of shares	NIL

*(b) Previous Corresponding Period*

Name of Dividend	NIL
Dividend Type	NIL
Dividend Rate	NIL
Par value of shares	NIL

*(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 dividends are proposed for the period ended 30 September 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 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 preceding year**

Not Applicable

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

Not Applicable

**15. A breakdown of sales**

Not Applicable

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

	Latest Year (S\$'000)	Previous Year (S\$'000)
Ordinary		
Preference		
Total		

**BY ORDER OF THE BOARD**

Lathika Devi Amma d/o K R Pillay  
Company Secretary  
12/11/2005