

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".



ROTOL SINGAPORE LTD

Full Year Financial Statement And Dividend Announcement For The Period Ended 31 December 2005

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 full year ended 31 December 2005

	Group		
	31/12/05 \$'000	31/12/04 \$'000	Change %
Revenue	3,910	7,165	(45.4)
Cost of sales	(5,264)	(7,951)	33.8
Gross loss	(1,354)	(786)	(72.3)
Other operating income	918	357	157.1
Distribution costs	(23)	(50)	54.0
Administrative expenses	(3,618)	(2,522)	(43.5)
Other credits/(charges)	(7,466)	(503)	(1,384.3)
Finance costs	(156)	(109)	(43.1)
Loss before income tax	(11,699)	(3,613)	(223.8)
Income tax credit/(expenses)	(30)	362	nm
Loss after income tax	(11,729)	(3,251)	(260.8)
Attributable to :			
Minority interest	125	(94)	nm
Equity holders of the company	(11,854)	(3,157)	(275.5)
	(11,729)	(3,251)	(260.8)

Notes:

Loss before income tax is arrived at after crediting (charging) the followings:	Group		
	31/12/05 \$'000	31/12/04 \$'000	Change %
Interest income	187	57	228.1
Interest on borrowing	(156)	(109)	(43.1)
Amortisation of intangible asset	(19)	(10)	(90.0)
Depreciation of property, plant and equipment	(1,434)	(1,999)	28.3
Gain on disposal of property, plant and equipment	75	113	(33.6)
Provision for anticipated losses on projects	-	(270)	100.0
Provision for stock obsolescence	(282)	(155)	(81.9)
Provision for doubtful/bad debts	(478)	(318)	(50.3)
Trade debts purchased by previous holding company	300	-	nm
Trade payables written back	5	138	(96.4)
Net foreign exchange gain	23	13	76.9
Impairment loss on property	(6,745)	-	nm

Note: nm - not meaningful.

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.

BALANCE SHEETS

As at 31 December 2005

	Group			Company		
	31/12/05 \$'000	31/12/04 \$'000	Change %	31/12/05 \$'000	31/12/04 \$'000	Change %
ASSETS						
Current Assets:						
Cash and cash equivalents	23,733	5,029	371.9	21,254	235	8,944.3
Marketable securities	1	3	(66.7)	1	3	(66.7)
Trade and other receivables	1,229	3,028	(59.4)	1,112	4,404	(74.8)
Inventories	640	1,332	(52.0)	326	773	(57.8)
Contracts work-in-progress	-	1,199	(100.0)	-	152	(100.0)
Total current assets	25,603	10,591	141.7	22,693	5,567	307.6
Non-current assets:						
Investment in subsidiaries	-	-	-	2,477	3,809	(35.0)
Property, plant and equipment	10,953	18,788	(41.7)	10,734	18,816	(43.0)
Other assets	4	4	-	-	-	-
Intangible assets	1	20	(95.0)	-	-	-
Total non-current assets	10,958	18,812	(41.7)	13,211	22,625	(41.6)
Total assets	36,561	29,403	24.3	35,904	28,192	27.4
LIABILITIES AND EQUITY						
Current liabilities:						
Short-term borrowings	-	865	(100.0)	-	865	(100.0)
Trade and other payables	1,916	2,864	(33.1)	2,583	2,732	(5.5)
Income tax payable	13	120	(89.2)	-	-	-
Current portion of long-term borrowings	900	900	-	900	900	-
Total current liabilities	2,829	4,749	(40.4)	3,483	4,497	(22.5)
Non-current liabilities:						
Long-term borrowings	3,515	4,415	(20.4)	3,515	4,415	(20.4)
Deferred income tax	312	315	(1.0)	300	300	-
Total non-current liabilities	3,827	4,730	(19.1)	3,815	4,715	(19.1)
Capital and reserves:						
Issued capital	38,400	16,400	134.1	38,400	16,400	134.1
Reserves	(8,875)	2,881	nm	(9,794)	2,580	nm
	29,525	19,281	53.1	28,606	18,980	50.7
Minority interest	380	643	(40.9)	-	-	-
Total equity	29,905	19,924	50.1	28,606	18,980	50.7
Total liabilities and equity	36,561	29,403	24.3	35,904	28,192	27.4

Note: nm - not meaningful.

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

Amount repayable in one year or less, or on demand

As at 31/12/05		As at 31/12/04	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
900	-	1,765	-

Amount repayable after one year

As at 31/12/05		As at 31/12/04	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,515	-	4,415	-

Details of any collateral

The short and long term bank loan in Singapore Dollars is secured by legal mortgage over the leasehold factory building situated at No.17 at Tuas Avenue 9 Singapore 639197.

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

CONSOLIDATED CASH FLOW STATEMENT
For the full year ended 31 December 2005

	31/12/05 \$'000	31/12/04 \$'000
Cash flow from operating activities:		
Net loss before taxation	(11,699)	(3,613)
Adjustment for:		
Depreciation expense	1,434	1,999
Interest expense	156	109
Interest income	(187)	(57)
Gain on disposal of property, plant & equipment	(75)	(113)
Impairment loss on property	6,745	-
Impairment loss on other assets	-	10
Amortisation of intangible asset	19	10
Operating loss before working capital changes	(3,607)	(1,655)
Trade and other receivables	1,801	(65)
Inventories	693	585
Contract work in progress	1,199	1,242
Trade and other payables	(949)	(948)
Cash used in operations	(863)	(841)
Interest received	187	57
Interest paid	(156)	(109)
Income tax paid	(138)	(256)
Net cash used in operating activities	(970)	(1,149)
Cash flows from investing activities :		
Purchase of property, plant and equipment	(305)	(136)
Proceeds from disposal of property, plant & equipment	82	1,040
Proceeds from disposal of interest in subsidiary to minority interest	-	23
Net cash generated from/(used in) investing activities	(223)	927
Cash flows from financing activities :		
Decrease in long-term borrowings	(900)	(780)
Decrease in short-term borrowings	(760)	(240)
Payment of finance lease instalments	-	(20)
Payment of dividends to minority shareholders in subsidiaries	(388)	(16)
Proceeds from issue of new shares	22,000	-
Net cash generated from/(used in) financing activities	19,952	(1,056)
Net effect of exchange rate changes in consolidating foreign subsidiaries	(16)	(20)
Net increase/(decrease) in cash and cash equivalents	18,743	(1,298)
Cash at beginning of period	4,924	6,296
Effect of foreign exchange rate adjustments	66	(74)
Cash at end of period (see note below)	23,733	4,924

Note : Breakdown of cash and cash equivalents in consolidated cash flow statement

	<u>Group</u>	
	<u>31/12/05</u>	<u>31/12/04</u>
	<u>\$'000</u>	<u>\$'000</u>
Cash at bank	21,794	3,140
Cash held by subsidiary in People's Republic of China (a)	1,939	1,889
Bank Overdraft	-	(105)
Cash at end of period	<u>23,733</u>	<u>4,924</u>

(a) These cash represent the portion of cash that the subsidiary in the People's Republic of China is unable to remit to the company within a reasonable time frame due to foreign exchange control in the People's Republic of China.

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.

STATEMENT OF CHANGES IN EQUITY
For the full year ended 31 December 2005

	Issued capital	Foreign exchange translation reserve	General reserve	Accumulated profits	Total	Minority interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
Balance at 1 January 2004	16,400	1,340	1,045	3,807	22,592	724	23,316
Foreign currency translation differences	-	(154)	-	-	(154)	-	(154)
Dividend paid to minority shareholders	-	-	-	-	-	(16)	(16)
Issue of share by a subsidiary	-	-	-	-	-	23	23
Disposal of interest in a subsidiary	-	-	-	-	-	6	6
Net loss for the year	-	-	-	(3,157)	(3,157)	(94)	(3,251)
Balance at 31 December 2004	16,400	1,186	1,045	650	19,281	643	19,924
Balance at 1 January 2005	16,400	1,186	1,045	650	19,281	643	19,924
Issuance of ordinary shares	22,000	-	-	-	22,000	-	22,000
Foreign currency translation differences	-	98	-	-	98	-	98
Dividend paid to minority shareholders	-	-	-	-	-	(388)	(388)
Net profit/(loss) for the year	-	-	-	(11,854)	(11,854)	125	(11,729)
Balance at 31 December 2005	38,400	1,284	1,045	(11,204)	29,525	380	29,905
Company							
Balance at 1 January 2004	16,400	-	-	6,014	22,414	-	22,414
Net loss for the year	-	-	-	(3,434)	(3,434)	-	(3,434)
Balance at 31 December 2004	16,400	-	-	2,580	18,980	-	18,980
Balance at 1 January 2005	16,400	-	-	2,580	18,980	-	18,980
Issuance of ordinary shares	22,000	-	-	-	22,000	-	22,000
Net loss for the year	-	-	-	(12,374)	(12,374)	-	(12,374)
Balance at 31 December 2005	38,400	-	-	(9,794)	28,606	-	28,606

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 issue 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.

The Company issued 220,000,000 ordinary shares in the capital of the Company to J Singapore Investments Pte Ltd, of which 110,000,000 was issued on 5 October 2005 and another 110,000,000 was issued on 14 October 2005.

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.

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.

Except as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 31 December 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.

The Group adopted all the applicable new and revised Financial Reporting Standards (FRS) that are mandatory for the financial years beginning on and after 1 January 2005. The adoption of the FRS does not have a material impact on the financial statements, except for the presentation of Income Statement, Balance Sheet and Statement of Changes in Equity which is in accordance with FRS 1 - Presentation of Financial Statements.

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.

Earnings per ordinary share for the full year based on net loss attributable to shareholders:

	Group 31/12/05	Group 31/12/04
(i) Based on weighted average number of ordinary shares in issue (cents)	(5.53)	(1.93)
(ii) On fully diluted basis (cents)	(5.53)	(1.93)

Earnings per ordinary share is calculated based on weighted average issued share capital for the year 214,416,667 (2004 : 164,000,000) shares.

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 financial period reported on; and (b) immediately preceding year.

	Group 31/12/05	Group 31/12/04	Company 31/12/05	Company 31/12/04
Net asset value per ordinary share based on issued share capital at the end of full year (cents)	7.69	11.76	7.45	11.57

Net assets value per ordinary share is calculated based on issued share capital at the end of full year 384,000,000 (2004: 164,000,000) shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) 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; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement

Group revenue decreased by \$3.26 million from \$7.17 million to \$3.91 million for the full year ended 31 December 2005. The decrease in revenue relates mainly to the poor market conditions and intense competition in Singapore, and operational restructuring during the year. As a consequence, gross loss increased by \$0.57 million to \$1.35 million. Loss before tax increased to \$11.70 million as compared to \$3.61 million last year, mainly due to provision for impairment loss in factory building of \$6.75 million, higher legal and professional fees of \$1.11 million mainly due the private placement of share.

Balance Sheet

Net assets increased by \$10.24 million from \$19.28 million to \$29.53 million mainly due to the increase in share capital of \$22 million, offset by the loss for the period of \$11.73 million.

Property, plant and equipment decreased by \$7.84 million from \$18.79 million to \$10.95 million, mainly due to the provision for impairment loss in factory building and depreciation charged for the period. The trade receivables decreased by \$1.56 million mainly due to the repayment from debtors and additional provision for doubtful debts. The contract work-in-progress decreased by \$1.20 million as all contracts have been fully completed.

Cash Flow

The cash and cash equivalents increased by \$18.70 million from \$5.03 million to \$23.73 million, mainly due to new capital injection of \$22.00 million in Oct'05, offset by bank loan repayment of \$1.77 million and payment of \$0.80 million to creditors.

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

As announced on 9 January 2006, the financial performance of the Group would be impacted by a further provision of \$4.02 million for impairment loss on factory building in the second half of 2005. The result for the second half of the year was in line with the previous announcement.

10. A commentary at the date of the announcement of the significant trends and 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.

Our industry in Singapore is likely to remain challenging and may continue to have a negative impact on pricing in 2006. Nevertheless, the Group will continue to focus on achieving higher coating and fabrication sales with a team of professionally trained and highly experienced salesmen, and a competitive pricing strategy.

The Group has been looking into achieving cost and operational efficiencies by cost cutting and control measures, prudent credit and cash flow management.

Moving forward, the Group will actively pursue diversification and new business opportunities with better profit margins.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial reported on? No.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared or recommended.

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.

SEGMENTAL INFORMATION

	Coating		Fabrication		Others		Elimination		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External Sales	1,841	1,226	844	2,634	1,225	3,305	-	-	3,910	7,165
Inter-Segment Sales	55	514	1,317	560	24	24	(1,396)	(1,098)	-	-
Total Revenue	1,896	1,740	2,161	3,194	1,249	3,329	(1,396)	(1,098)	3,910	7,165
Results	(2,259)	(739)	(1,036)	(1,354)	(1,503)	(1,411)			(4,798)	(3,504)
Unallocated costs									(6,745)	-
Finance costs									(156)	(109)
Loss before income tax									(11,699)	(3,613)
Income tax credits/(expenses)									(30)	362
Loss after income tax									(11,729)	(3,251)

Turnover by Geographical Segments

	2005	2004
	\$'000	\$'000
Singapore	2,924	6,284
Taiwan, Hong Kong SAR and People's Republic of China	740	790
Others	246	91
Total	3,910	7,165

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 mentioned in item 8 and 10, the our industry in 2005 had been very weak and coupled with intense price competition, it had led to a reduction in turnover, margins and thus, increased loss for the Group. Furthermore, there was a provision for impairment loss of \$6.75 million on factory building in Singapore.

15. A breakdown of sales

	2005		2004		Change	
	First Half	Second Half	First Half	Second Half	First Half	Second Half
	\$'000	\$'000	\$'000	\$'000	%	%
Sales Reported	2,455	1,455	4,378	2,787	-43.9%	-47.8%
Operating profit/(loss) after income tax before deducting minority interest	(5,620)	(6,109)	(975)	(2,276)	-476.4%	-168.4%

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

Not applicable

	Latest Full Year 2005	Previous Full Year 2004
Ordinary	-	-
Preference	-	-
Total:	-	-

BY ORDER OF THE BOARD

SHIRO SUZUKI
EXECUTIVE DIRECTOR
20 FEBRUARY 2006