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

RESPONSE TO SGX'S QUERIES ON THE COMPANY'S HALF YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2005 ("HY2005 RESULTS")

In response to the queries raised by the Singapore Exchange Limited on 18 November 2005, the Board of Directors (the "Board") of Tri-M Technologies (S) Limited ("the Company") wishes to provide the following information in relation to the Company's HY2005 Results Announcement:

SGX's query 1: We note that the Group has adopted the new FRSs, which became effective for the financial years beginning on or after 1 January 2005. Please state the new FRSs, which have been adopted. Also, please quantify the effect(s) of the adoption of these new FRSs or provide an appropriate negative statement if the change has not had any quantitative impact on the financial statements.

The Company's Response:

As advised by Auditors, we have adopted the new FRS. As stated previously we have reviewed our position and are of the opinion that these do not have any significant impact on current financial period ending 31st December 2005. As it is a relatively new standard, we shall continue with our vigilance and do regular reviews with our Auditors to assess its impact in accordance with updates and changes.

SGX's query 2: We note that the Group's inventories and trade receivables have increased. In this respect, please state whether any additional provision for stock obsolescence and provision for doubtful debts will be necessary.

The Company's Response:

As we have just made the additional provisions on inventories and trade receivables, we are following up closely on the respective action plans with our suppliers and customers. We will continue to review with our Auditors on the adequacy of the provisions.

SGX's query 3: Please provide the reason(s) for the increase in "other receivables and prepayments".

The Company's Response:

The increase was due to deposits for plant renovation and for purchase of fixed assets on behalf of our China entities.

SGX's query 4: Please provide the reason(s) for the increase in "trade payables".

The Company's Response:

The increase was due to owings to suppliers to support higher level of sales.

SGX's query 5: We note that gross profit increased by $3.3 million in the current period as compared to the previous corresponding period, resulting from higher sales at better margins. Please explain how/why the Group managed to achieve higher sales at better margins.

The Company's Response:

The major reason was due to the consignment business at our China operations which had increased significantly. As these did not involve direct materials purchases, the contribution value of this consignment business has led to better gross margins. However, there were accompanying administrative, selling and distribution expenses that will even out the better gross margins.

SGX's query 6: We note that the Group had negative working capital of S$5.360 million as at 30/09/2005 and negative cash flow from operating activities for the half year ended 30/09/2005. In this respect, please comment on the Group's ability to meet its short term obligations as and when they fall due. Please provide the basis for the Company's views.

The Company's Response:

The Group has a viable business model with adequate gross margins that provides a good cashflow stream. However, the Group needs to aggressively manage its expenses to meet cash demands. As such the Group has taken immediate steps to conserve its cashflow by freezing major capital expenditures and reduce inventory holdings. A major cost-cutting programme that will yield lower expense and hence cash consumption has already commenced. Furthermore, our major shareholder is fully committed to the Group by not recalling its loans (till March 2006 and expected to be extended to December 2006) and will ensure the continuity of the business when required.

SGX's query 7: In its Full Year Financial Statement Announcement of 30/05/2005, the Group had stated that its results are expected to be better in FY2006. Given that the Group is not able to meet its projected profitability, please explain why the Company had not considered providing a profit warning prior to the release of its Half Year Financial Statement Announcement.

The Company's Response:

The Company had not considered providing a profit warning prior to the release of its Half Year Financial Statement Announcement, since the management accounts up to August 2005 showed a group profit of $681,000.

However, as Receivables and Inventory had increased substantially, the Internal Auditor ("IA") was instructed to carry out a special review in October 2005 to determine whether additional provisions in respect of these items were required, over and above those made in the audited accounts for the year ended 31st March 2005. Subsequently on 31st October 2005 the IA's recommendations were reviewed and the quantum of additional provisions that would have to be made in the September 2005 accounts was agreed only 2nd November 2005.

In addition, following the recent changes in the Group's management (both in Singapore and Shenzhen), the September results were finalized only on 10th November 2005 for consideration at the Board Meeting on 11th November 2005.

Under these circumstances and as the Half Yearly announcement was to be released on Monday, 14th November 2005, no separate Profit Warning was issued.

BY ORDER OF THE BOARD