ANNUAL REPORT 2007

STAYING LEAN AND NIMBLE TO COMPETE

TRI-M TECHNOLOGIES (S) LIMITED
太安科技（新加坡）有限公司

CONTENTS

ISO 9001 Registered

ISO 14001 Registered

TS 16949:2002 Registered

CORPORATE OVERVIEW

Incorporated in 1987 with its corporate headquarters and manufacturing facility in Singapore, Tri-M became the first local subcontract manufacturer to be listed on the Main Board of the Singapore Exchange in 1993.

The Group's first regional manufacturing facility was setup in Penang, Malaysia in 1991. The factory was built on a 5-acre piece of purchased land, with a built up factory space of 80,000 square feet. On the China front, the manufacturing plant with gross floor area totaling 85,000 square feet was setup in Buji, Shenzhen in 2002.

Topping it off with a dynamic management and an effectual business model to lead the way, Tri-M is focused and committed towards being a Total Manufacturing Solution Provider.

SERVICES

Tri-M is a global supplier of electronics manufacturing services for design, development and manufacturing of high quality electronics products. We focus on our business on our core competencies; PCBA Manufacturing and Box-Build (final assembly). With our facilities within the region, we are flexible to offer both low volume high-mix and high volume manufacturing capabilities.

PCBA Services

Our PCBA services remain the most important source of revenue for our Group and we have both increased our volume of production and customer base.

Box-Build Services

We have gradually increased our activities in the box-build production not only from our established customers but also from new customers in our Total Manufacturing Solution Provider goals.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Tan Sri Datuk Tiong Hiew King
(Executive Chairman)

Dr Tiong Ik King
(Executive Director)

Foo Sac Phoon
(Executive Director)

Abbasbhoy Haider Nakhoda
(Independent)

Yeo Yun Seng Bernard
(Independent)

Lee Hock Lye
(Independent)

AUDIT COMMITTEE
Abbasbhoy Haider Nakhoda
(Chairman)
Yeo Yun Seng Bernard
Dr Tiong Ik King
Lee Hock Lye

REMUNERATION COMMITTEE
Yeo Yun Seng Bernard
(Chairman)
Abbasbhoy Haider Nakhoda
Dr Tiong Ik King
Lee Hock Lye

NOMINATING COMMITTEE
Lee Hock Lye
(Chairman)
Abbasbhoy Haider Nakhoda
Yeo Yun Seng Bernard
Dr Tiong Ik King

SECRETARY
Yeo Poh Noi Caroline

REGISTERED OFFICE
25 Kallang Avenue #07-01
Singapore 339416
Tel. No. : (65) 6293 9293
Fax No. : (65) 6299 7656

SHARE REGISTRARS
Boardroom Corporate & Advisory Services Pte. Ltd.
3 Church Street #08-01
Samsung Hub
Singapore 049483
Tel. No. : (65) 6536 5355
Fax No. : (65) 6536 1360

AUDITORS
Ernst & Young
One Raffles Quay
Level 18 North Tower
Singapore 048583
Audit Partner In charge – Liew Choon Wai
Date of appointment: FY 2005

MAIN BANKERS
Malayan Banking Berhad
Development Bank of Singapore Ltd
CIMB Bank Berhad
The Hongkong and Shanghai Banking Corporation Limited

Dear Shareholders,

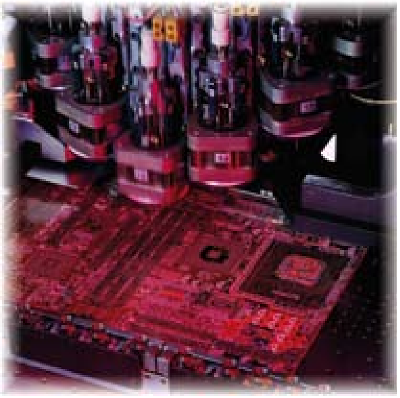
Fiscal year 2007 was another difficult year for the Tri-M Group. The Group ended with reduced revenue of $19.34 million and incurring substantial operating losses, before finance charges, of $11 million. This was due mainly to decline in revenue contribution, increase in provisions for accounts receivables, stock obsolescence and asset impairment, accelerated asset depreciation and plant closure and relocation costs – all of which far outweighed cost savings achieved during the year from effective cost control.

Whilst it is too early to quantify the benefits of consolidating and rationalising the Group's manufacturing facilities in China, this should result in better machines and manpower utilisation and a further reduction in operating costs.

Surreyville Pte Ltd (SPL), our major shareholder who is committed to financially supporting the Company, played a pivotal role in helping the Group mitigate its losses by waiving shareholder loans of $3 million.

As stated in the announcement to the Singapore Exchange Securities Trading Limited ("SGX-ST") on 4 March 2008, the Company has been placed on the Watch-List from 5 March 2008 because of incurring three consecutive years of losses and having an average daily market capitalisation of less than $40 million over the previous 120 market days.

We are committed to actively pursuing our present business, better serve our existing valued customers and also expand our customer base. Although our management has put in considerable effort towards these



The Company has entered into a non-binding Memorandum of Understanding to acquire Kingworld Resources Limited ("Kingworld"), a company engaged in the business of exploration and production of crude oil.

objectives, it will be some time before the full benefits of manufacturing capacity rationalisation, cost control and enhanced marketing activity are realised. We continue to operate in a very competitive environment and this is exacerbated by the current uncertainty in the global economy. In view of this the outlook of the electronics industry is not good and it is difficult to see the Group returning to profitability solely on the strength of its present business.

In these circumstances the Board decided that it was important for the Group to diversify into a new business with better prospects.

Following this, the Company has entered into a non-binding Memorandum of Understanding to acquire Kingworld Resources Limited ("Kingworld"), a company engaged in the business of exploration and production of crude oil. China National Petroleum Corporation has signed a contract with Kingworld on the joint development and production of hydrocarbon resources in Jinlin Province, China with crude oil as its end product. The total area covered by the signed contract is approximately 254.9 square kilometers. This venture should benefit all our valued shareholders in the long run.

In connection with this initiative we have also successfully placed 40,000,000 new shares. The net proceeds of approximately $4.15 million from this placement will be utilised partly for Kingworld's expenses (including the procuring of an independent technical report and a valuation report regarding the oilfield property) and the balance for working capital.

CHAIRMAN & CEO MESSAGE

We are committed to actively pursuing our present business, better serve our existing valued customers and also expand our customer base.

We would like to thank Dr Tiong Ik King for his past tenure as Non-Executive Chairman. He will continue on the Board as an Executive Director.

It has been a difficult year for the Group and on behalf of the Board of Directors and the management; we would like to thank our customers, suppliers, bankers, business associates and shareholders for their support over the past year. We also want to express our sincere appreciation to our employees for their commitment and dedication in re-structuring the Group during these difficult times. We look forward to many more years of continuing support and dedication.

TAN SRI DATUK TIONG HIEW KING
Executive Chairman

FOO SAC PHOON
Chief Executive Officer

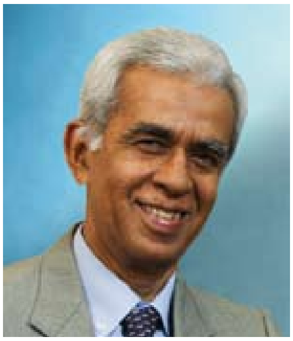
BOARD OF DIRECTORS

TAN SRI DATUK TIONG HIEW KING was appointed Executive Director and Executive Chairman of the Company on 13 March 2008. He has been the Chairman of Ming Pao Enterprise Corporation Limited (a listed Company in Hong Kong Stock Exchange) since October 1995. He is currently also the Chairman of Sin Chew Media Corporation Berhad and Rimbunan Sawit Berhad. Both of these companies are listed on Bursa Malaysia. At the same time, he is the Executive Chairman of Rimbunan Hijau Group, a large diversified conglomerate in Malaysia. He has extensive experience in a number of industries including timber, media and newspaper publishing, oil palm plantations, mining, property development and investment.

DR TIONG IK KING who had been a Non-Executive Director since 7 March 1997 and Non-Executive Chairman since 31 March 2005, was re-designated as Executive Director on 13 March 2008. He is a medical doctor by training, having graduated from the University of Singapore with a MBBS Degree in 1975. He is also a member of the UK Royal College of Physicians (MRCP). He has been an Executive Director of Ming Pao Enterprise Corporation Limited which is a Chinese newspaper and magazines publisher listed on the Hong Kong Stock Exchange. He also sits on the boards of Sin Chew Media Corporation Berhad, the publisher of Chinese newspaper Sin Chew Daily in Malaysia and EON Capital Berhad, which is the holding company of EON Bank Bhd. At the same time he is a Non-Executive Director of Jaya Tiasa Berhad, an agro-forestry based company and is one of the major timber and plywood producing companies in Malaysia. The above three companies are all listed on Bursa Malaysia.

MR FOO SAC PHOON was promoted to Chief Executive Officer on 11 November 2005. Prior to that he was the Vice President of Marketing & Strategic Business Development. Mr Foo is responsible for overall profitability and strategic development of the Group. He graduated with a Bachelor of Engineering Degree with First Class Honours in Production Engineering & Management from Strathclyde University, Glasgow in 1990. He was also the winner of FORD Motor, Dean Listing and LEE Foundation Book Prize, for that year. He also obtained his MBA Degree major in International Business from Henley Management College through Brunel University, West London, in 1996 with Letter of Commendation. After graduation, he worked in Conner Peripherals (S) Pte Ltd for six years as Product Engineer, before venturing into the marketing field. Mr Foo joined Fu Yu Manufacturing (S) Ltd, as its Regional Sales & Marketing Manager. Subsequently, he was recruited by Beyonics Technologies (S) Ltd, as its Senior Manager of Corporate Sales & Marketing. In 2001, Mr Foo joined Tri-M and was tasked to lead in the Corporate Marketing and strategic business development, where he was involved in establishing new markets and opportunities for the Group.

MR ABBASBHOY HAIDER NAKHODA was appointed as an Independent Director on 17 June 1997. He is also the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. Mr Nakhoda has had more than 35 years experience as a Certified Public Accountant, having been a partner of Ernst & Young since 1974 and its Managing Partner from 1989 until his retirement in 1996. He holds a degree in Economics from the London School of Economics and is presently a member of the Institute of Certified Public Accountants in Singapore and a Fellow of the Institute of Chartered Accountants in England and Wales.



MR BERNARD YEO YUN SENG was appointed as an Independent Director on 1 November 2001. He is also the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. Currently Mr Yeo is the principal partner of Channel Consulting Group Pte Ltd. He is a council member of SHRI and fellow member of ACCA. An accountant by profession, he was Director of Finance and Strategic Investment at Compaq Computers Asia Pacific Pte Ltd.

MR LEE HOCK LYE was appointed as an Independent Director on 27 November 2003. He is also Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He has extensive experience in banking and finance and has held several senior positions during his career. He is currently a managing director at HSBC Private Bank (Suisse) SA, Singapore. Mr Lee holds a Bachelor of Social Sciences Honours degree in economics from the University of Singapore and is an Associate of the Chartered Institute of Bankers, London.

MANAGEMENT

MR FOO SAC PHOON was promoted to Chief Executive Officer on 11 November 2005. Prior to that he was the Vice President of Marketing & Strategic Business Development. Mr Foo is responsible for overall profitability and strategic development of the Group. He graduated with a Bachelor of Engineering Degree with First Class Honours in Production Engineering & Management from Strathclyde University, Glasgow in 1990. He was also the winner of FORD Motor, Dean Listing and LEE Foundation Book Prize, for that year. He also obtained his MBA Degree major in International Business from Henley Management College through Brunel University, West London, in 1996 with Letter of Commendation. After graduation, he worked in Conner Peripherals (S) Pte Ltd for six years as Product Engineer, before venturing into the marketing field. Mr Foo joined Fu Yu Manufacturing (S) Ltd, as its Regional Sales & Marketing Manager. Subsequently, he was recruited by Beyonics Technologies (S) Ltd, as its Senior Manager of Corporate Sales & Marketing. In 2001, Mr Foo joined Tri-M and was tasked to lead in the Corporate Marketing and strategic business development, where he was involved in establishing new markets and opportunities for the Group.

MR THEN GUANG YAW is the Group Financial Controller. He joined the Group in 2006 as Internal Audit Manager and was stationed in our China plant for a year. His earlier background was in external & internal audit with companies in Malaysia. Subsequent to joining us in 2006, he spent 6 years as Financial Controller and later as General Manager of a Company in South America. Mr Then is a Fellow of the Association of Chartered Certified Accountants.

MR STEVEN ANG is the Director & General Manager of our China Operations (since May 2006). He is a seasoned manager with more than 20 years of contract manufacturing and electronics sector experience accumulated in China and Singapore. The companies he worked for were Celestica (Suzhou) where he was the Manufacturing Manager in-charge of manufacturing and later with added responsibilities for test and engineering. Prior to that he was with Samina-SCI (Kunshan, Shanghai), Goldtron Electronics (Singapore) as well as Seagate (Singapore). Mr Ang has a Diploma in Production Engineering from the Singapore Polytechnic.

MR RICHARD CHNG is the Plant Manager of our Penang Operations. He joined the Group in 2002 and held managerial positions in engineering and program. He has been in the current position since June 2006. Richard has 15 years of electronics sector experience in engineering portfolios with National Semiconductor (Singapore), Motorola (Penang), Solectron (Penang) and Tonkah Electronics (Penang). He has a Bachelor of Engineering (Mechanical) degree from the National University of Singapore.

FINANCIAL CONTENTS

Tri-M Technologies (S) Limited (the "Company") is committed to maintaining a high standard of corporate governance. Good corporate governance establishes and maintains an ethical environment and enhances the interests of all shareholders. This report describes the Company's corporate governance processes and activities with specific reference to the Code of Corporate Governance (the "Code").

BOARD OF DIRECTORS

The Company is headed by an effective Board of Directors (the "Board") to lead and control its operations and affairs. Following the appointment of Tan Sri Datuk Tiong Hiew King as an Executive Chairman of the Company and the re-designation of Dr Tiong Ik King as an Executive Director of Company on 13 March 2008, the Board now consists of six directors, half of whom are independent non-executive directors. The Board is of the view that:-

(a) The current board size is appropriate, taking into account the nature and scope of the Group's operations; and

(b) The objective judgement of the independent non-executive directors on corporate affairs and their collective experience and contributions are valuable to the Company.

The Board members comprises businessmen and professionals with accounting and financial background, business and management experience, and industry knowledge, all of whom as a group, provides the Board with the necessary experience and expertise to direct and lead the Group:

Tan Sri Datuk Tiong Hiew King (Appointed on 13 March 2008)	-	Executive Chairman
Dr Tiong Ik King	-	Executive Director
Foo Sac Phoon	-	Executive Director / Chief Executive Officer
Abbasbhoy Haider Nakhoda	-	Independent Non-Executive Director
Lee Hock Lye	-	Independent Non-Executive Director
Yeo Yun Seng Bernard	-	Independent Non-Executive Director

The Board met three times during the year to discuss the relocation of the manufacturing plants in China and to review and approve the announcements of the half-year and full-year results for release to the Singapore Exchange Securities Trading Limited ("SGX-ST"), in addition to several informal and ad-hoc meetings to discuss the following corporate events and actions:

- Supervising the management of the business and affairs of the Group;
- Reviewing the financial performance of the Group;
- Approving the broad policies, strategies and financial objectives of the Company;
- Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- Approving annual budgets, major funding proposals, investment and divestment proposals, including material capital investment;
- Assuming responsibility for corporate governance; and
- Monitoring the performance of Management.

The Company's Articles of Association (the "Articles") allow a board meeting to be conducted by way of a tele-conference. Frequency of Board meetings and Committee meetings held during the financial year ended 31 December 2007 ("FY2007") are set out in Table "A".

To enable the Board to fulfil its responsibilities, Management provides the Board with monthly management and financial reports containing complete, adequate and timely information prior to Board meetings. Should the directors, whether as a group or individually, need independent professional advice, the Company will, upon direction by the Board, appoint a professional advisor selected by the group or the individual to render the advice. Newly appointed directors are briefed by the Management on the business activities of the Group and its strategic directions and will also be updated on major events of the Company.

The roles of the Executive Chairman and the Chief Executive Officer ("CEO") are separate. There is a clear division of responsibilities between the two directors. Tan Sri Datuk Tiong Hiew King ("Tan Sri Tiong"), the newly appointed Executive Chairman will play a pivotal in steering the strategic direction and growth of the business, sets out the agenda for each Board meeting in consultation with the CEO and ensures information flow between Management and the Board, while the CEO focuses his attention on the day-to-day running of the operations.

The Company Secretary attends all Board meetings and ensures that Board procedures are followed. The Company Secretary also ensures that requirements of the Companies Act and all the rules and regulations of the SGX-ST are complied with.

TABLE "A"

Directors' Attendance at Board and Committee Meetings

Meeting of	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total held for the FY2007	**3**	**3**	**1**	**1**
Tan Sri Datuk Tiong Hiew King (Appointed on 13 March 2008)	–	–	–	–
Dr Tiong Ik King	3	3	1	1
Foo Sac Phoon	3	–	–	–
Abbasbhoy Haider Nakhoda	3	3	1	1
Yeo Yun Seng Bernard	3	3	1	1
Lee Hock Lye	3	3	1	1

NOMINATING COMMITTEE

A majority of the members of the Nominating Committee ("NC") are independent non-executive directors. Mr Lee Hock Lye, an independent non-executive director, chairs the NC and the other members of the NC are Mr Yeo Yun Seng Bernard, Mr Abbasbhoy Haider Nakhoda and Dr Tiong Ik King.

The NC is regulated by a set of written Terms of Reference and is responsible for making recommendations to the Board on all Board appointments and re-appointments through a formal and transparent process. Its key functions include:

- To review to determine the independence of each director;
- To assess suitable candidates for appointment or election to the Board, based on their requisite qualifications, expertise and experience; and
- To conduct a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board, particularly when a director serves on multiple Boards.

In FY2008, the NC had reviewed the appointment of Tan Sri Tiong as the Executive Chairman and an Executive Director of the Company. Tan Sri Tiong, who is also the Chairman of several companies listed on Bursa Malaysia, was appointed as the Executive Chairman of the Company to assist the Group in its expansion. The NC has recommended the appointment of Tan Sri Tiong, pursuant to Section 153(6) of the Companies Act, Cap 50, at this forthcoming Annual General Meeting.

Under the Company's Articles of Association, each director is required to retire at least once in every three years by rotation and all newly appointed directors would have to retire at the next Annual General Meeting following their appointment. The retiring directors are eligible to offer themselves for re-election. The NC has recommended the re-appointment of Messrs Abbasbhoy Haider Nakhoda and Lee Hock Lye, retiring directors, at this forthcoming Annual General Meeting. The Board has accepted the NC's recommendation and the retiring directors will be offering themselves for re-election.

During the year under review, the NC had also conducted the evaluation and assessment of the Board's performance and effectiveness as a whole.

REMUNERATION COMMITTEE

The Remuneration Committee ("RC") is chaired by Mr Yeo Yun Seng Bernard, an independent non-executive director. The other members of the RC are Mr Abbasbhoy Haider Nakhoda, Mr Lee Hock Lye and Dr Tiong Ik King.

The RC is regulated by a set of written Terms of Reference. Its key functions include:

- To recommend to the Board a framework of remuneration for executive directors and key executives that are competitive and sufficient to attract, retain and motivate key executives of the required quality to run the company successfully;
- To review and determine the specific remuneration packages and terms of employment for each executive director and senior executives; and
- To administer the Tri-M Share Option Scheme 2001.

During the year, the RC had met once to review and recommend to the Board:-

(a) the Executive Director's remuneration package and service contract;

(b) the remuneration packages of key management staff; and

(c) the payment of Directors' Fees for the financial year ended 31 December 2007.

No individual director is involved in fixing his own remuneration.

DISCLOSURE ON REMUNERATION

Remuneration of Directors

A breakdown showing the level and mix of each individual director's remuneration payable for the FY2007 is as per Table "B".

TABLE "B"

	FY2007			FY2006		
Remuneration Band & Name of Directors	**Salary including CPF (%)**	**Bonus / Profit–sharing**	**Fee (%)**	**Salary including CPF (%)**	**Bonus / Profit–sharing**	**Fee (%)**
$500,000 and above	Nil	Nil	Nil	Nil	Nil	Nil
$250,000 to below $500,000						
Foo Sac Phoon	91	9	–	90	10	–
Below $250,000						
Abbasbhoy Haider Nakhoda	–	–	100	–	–	100
Dr Tiong Ik King	–	–	–	–	–	–
Yeo Yun Seng Bernard	–	–	100	–	–	100
Lee Hock Lye	–	–	100	–	–	100

Remuneration of Top Key Executives who are not Directors

	FY2007	FY2006
$500,000 and above	–	–
$250,000 to below $500,000	2	2
Below $250,000	9	8

For FY2007, the remuneration of 2 out of the 11 employees exceeded $250,000.

The Company currently does have an employee share option scheme, which is administered by the RC.

AUDIT COMMITTEE

The Audit Committee ("AC") comprises four members, a majority of whom are independent and non-executive. The Chairman of the AC, Mr Abbasbhoy Haider Nakhoda, is an accountant by profession, while the three other AC members, namely Mr Yeo Yun Seng Bernard, Mr Lee Hock Lye and Dr Tiong Ik King, have accounting or related financial management background.

The AC met three times during the year to review the Group's financial performance and the announcements of the half-year and full-year results before being approved by the Board for release to the SGX-ST. In addition, the AC had met informally with Management and the Auditors on several occasions during the year to discuss the Group's business and financial performance.

The key responsibilities of the AC include the following:

- To review, the external and internal audit plans, including the nature and scope of the audit before the audit commences, the internal auditors' evaluation of the Company's system of internal controls, the external and internal audit reports and management letter issued by the external auditors (if any) and Management's response to the letter;
- To review the announcements of the interim and annual results prior to their submission to the Board for approval for release to the SGX-ST;
- To review interested person transactions in accordance with the requirements of the Listing Rules of the SGX-ST;
- To review all non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors; and
- To review and recommend the re-appointment of the external auditors.

The AC may meet with the external auditors at any time, without the presence of the Company's Management. It may also examine any other aspects of the Company's affairs, as it deems necessary where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations.

The AC has reviewed the non-audit services provided by the external auditors, Messrs Ernst & Young, and is of the opinion that the provision of such services does not affect their independence. The AC has recommended the re-appointment of Messrs Ernst & Young as external auditors at the forthcoming Annual General Meeting.

The AC has implemented a policy whereby staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters and which will ensure that arrangements are in place for independent investigations of such matters and for appropriate follow-up actions.

INTERNAL CONTROLS AND INTERNAL AUDIT

The Board believes in the importance of maintaining a sound system of internal controls to safeguard the interests of the shareholders and the Group's assets. To achieve this, internal reviews are constantly being undertaken to ensure that the system of internal controls maintained by the Group is sufficient to provide reasonable assurance that the Group's assets are safeguarded against loss from unauthorised use or disposition, transactions are properly authorised and proper financial records are being maintained.

During the year, the Company had appointed an accounting firm as internal auditors, to review the adequacy of the Group's operations in Malaysia and China. The internal audit reports on the review were presented to the AC and the Board for consideration.

The AC has reviewed the Company's risk assessment based on the reports of the auditors and is assured that adequate internal controls are in place.

COMMUNICATION WITH SHAREHOLDERS

The Board is mindful of the obligation to provide timely and fair disclosure of material information. The Board is accountable to the shareholders while Management is accountable to the Board.

Results and other material information are released through the SGXNet system on a timely basis for the dissemination to shareholders and the public in accordance with the requirements of the SGX-ST. A copy of the Annual Report and Notice of the Annual General Meeting ("AGM") are sent to every shareholder of the Company. The Notice is also advertised in the newspapers. During AGMs, shareholders are given opportunities to speak and seek clarifications concerning the Company.

The Chairman of the various sub-committees and the external auditors are or would be present at every AGM to address any relevant questions that may be raised by the shareholders.

DEALINGS IN THE COMPANY'S SECURITIES

The Company has adopted a Code of Conduct to provide guidance to all key officers of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with the Best Practices Guide on Security Transactions of the SGX-ST.

INTERESTED PERSON TRANSACTIONS ("IPTS")

The Company has adopted an internal policy governing procedures for the identification, approval and monitoring of transactions with interested persons. All IPTs are subject to review by the AC.

Currently, the Company does not have a general mandate from its shareholders in relation to IPTs and there were no IPTs during FY2007, except for the Deed of Waiver entered into between the Company and Surreyville Pte Ltd ("Surreyville"), a substantial shareholder of the Company, on 28 December 2007, whereby Surreyville had agreed to waive and forgive its right to repayment of part of the loans amounting to an aggregate of $3 million ("Loans Waived") and permitting the Company to write off the Loan Waived against the losses of the Company for the year ended 31 December 2007.

As at the date of the Annual Report the aggregate amount of loans owed by the Company to Surreyville is $4,469,820.

MATERIAL CONTRACTS

Except for those transactions/agreements disclosed under IPTs above, there were no other material contracts entered between the Company or any of its subsidiaries with any director or controlling shareholder in FY2007.

However in FY2008, the Company had entered into the following transactions/agreements:-

(a) A non-binding memorandum of understanding ("MOU") for the acquisition of all the ordinary shares of Kingworld Resources Limited ("Kingworld"), a company incorporated in the British Virgin Islands which will engage in the business of exploration and production of crude oil, conditional upon and subject to the parties' agreement to the purchase consideration and manner of settlement, as well as other terms and conditions of sale.

The entire issued share capital of Kingworld is wholly-owned by Tan Sri Tiong and Tiong Kiu King, a brother of both Tan Sri Tiong and Dr Tiong Ik King.

(b) A placement agreement dated 17 March 2008 with HL Bank (the "Placement Agent") and Surreyville to issue up to 40,000,000 new Shares (the "New Shares") in the capital of the Company at the price of $0.109 (the "Offer Price") for each New Share.

Pursuant to the Placement Agreement, on 24 March 2008, Surreyville had lent 40,000,000 Shares to facilitate the early settlement of the New Shares to end-placees procured by the Placement Agent. On 25 March 2008, the placement exercise was completed with the issue of 40,000,000 new ordinary shares in the capital of the Company to Surreyville.

RISK MANAGEMENT POLICIES AND PROCESSES

Management of all forms of business risk continues to be an important part of ensuring that the Group creates and protects values for its shareholders.

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of Tri-M Technologies (S) Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2007.

Directors

The Directors of the Company in office at the date of this report are:

Tan Sri Datuk Tiong Hiew King (appointed on 13 March 2008)
Dr Tiong Ik King
Abbasbhoy Haider Nakhoda
Lee Hock Lye
Yeo Yun Seng Bernard
Foo Sac Phoon

Arrangements to enable Directors to acquire shares and debentures

Except as disclosed in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares and share options of the Company and related corporations as stated below:

	Direct interest		Deemed interest	
Name of Director	**At beginning of the financial year**	**At end of the financial year**	**At beginning of the financial year**	**At end of the financial year**
The Company				
Tri-M Technologies (S) Limited				
(Ordinary shares)				
Dr Tiong Ik King	–	–	51,972,486	207,889,486
Foo Sac Phoon	–	50,000	–	–
(Options to subscribe for ordinary shares)				
Foo Sac Phoon	72,000	– [(1)]	–	–

(1) Options expired on 25 June 2007.

Directors' interests in shares and debentures (cont'd)

	Direct interest		Deemed interest	
Name of Director	**At beginning of the financial year**	**At end of the financial year**	**At beginning of the financial year**	**At end of the financial year**
<u>Ultimate holding company</u>				
Woodsville International Limited				
(Ordinary shares)				
Dr Tiong Ik King	18	18	–	–

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2008.

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Dr Tiong Ik King is deemed to have interest in the 207,889,486 ordinary shares held by Surreyville Pte Ltd. Woodsville International Limited is the holding company of Surreyville Pte Ltd.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Options

At an Extraordinary General Meeting held on 28 September 2001, shareholders approved the employee share option plan, Tri-M Share Option Scheme 2001 ("the Scheme"), for the granting of non-transferable options to subscribe for ordinary shares of the Company, to eligible Directors and employees of the Company.

The Committee administering the Scheme comprises the following Directors:

Dr Tiong Ik King
Abbasbhoy Haider Nakhoda
Yeo Yun Seng Bernard
Lee Hock Lye

During the financial year ended 31 December 2007, no options were granted or exercised and the 1,773,000 options granted in 2002 pursuant to the Scheme have expired as at 25 June 2007.

Options (cont'd)

Details of the options to subscribe for ordinary shares of the Company granted to employees of the Company pursuant to the Tri-M Share Option Scheme 2001 are as follows:

Name of employee	Options granted during the financial year	Aggregate options granted since commencement of plan to end of financial year	Aggregate options exercised/(expired) since commencement of plan to end of financial year	Aggregate options outstanding as at end of financial year
James Khong Soo Har[1]	–	675,000	(675,000)	–
Hamid Jinnah[1]	–	180,000	(180,000)	–
Ooi Hooi Sin[1]	–	90,000	(90,000)	–
Chia Gim Ann	–	180,000	(180,000)	–
Tan Soon Nguan[1]	–	90,000	(90,000)	–
Total	–	1,215,000	(1,215,000)	–

1 Ex-employees of the Company

Since the commencement of the Tri-M Share Option Scheme 2001 till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates;
- Except as disclosed in this report, no participant has received 5% or more of the total options available under the plan;
- No options have been granted to Directors and employees of the holding companies of Tri-M Technologies (S) Limited and its subsidiaries;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

Audit committee

The Audit Committee ("AC") carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Company and reviewed the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors;
- Reviewed the annual financial statements and the auditors' report on the annual financial statements of the Company before their submission to the Board of Directors;
- Reviewed effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;
- Met with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

Audit committee (cont'd)

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditors;
- Reviewed the nature and extent of non-audit services provided by the external auditors;
- Recommended to the Board of Directors the external auditors to be nominated, approved the compensation of the external auditors, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited (SGX-ST)'s Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened 3 meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

Auditors

Ernst & Young have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors:

Dr Tiong Ik King
Director

Foo Sac Phoon
Director

Singapore
3 April 2008

STATEMENT BY DIRECTORS

We, Dr Tiong Ik King and Foo Sac Phoon, being two of the Directors of Tri-M Technologies (S) Limited, do hereby state that, in the opinion of the Directors,

(i) the accompanying balance sheets, consolidated income statement, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007 and the results of the business, changes in equity and cash flow of the Group and the changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due, as one of its major shareholders has undertaken to provide adequate funds for the Group and Company to meet their liabilities as and when they fall due.

On behalf of the Board of Directors:

Dr Tiong Ik King
Director

Foo Sac Phoon
Director

Singapore
3 April 2008

INDEPENDENT AUDITORS' REPORT

to the Members of Tri-M Technologies (S) Limited

We have audited the accompanying financial statements of Tri-M Technologies (S) Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 23 to 65, which comprise the balance sheets of the Group and the Company as at 31 December 2007, the statements of changes in equity of the Group and the Company and the income statement and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the Members of Tri-M Technologies (S) Limited

Opinion

In our opinion,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007 and the results, changes in equity and cash flow of the Group and the changes in equity of the Company for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Without qualifying our opinion, we draw attention to Note 1(b) to the financial statements. The Group continued to incur losses of $12,141,000 (2006: $365,000) during the financial year ended 31 December 2007 and at that date, the Group has net current liabilities of $9,593,000 (2006: $20,473,000). In addition, as described in Note 13 to the financial statements, the Group and the Company have not complied with certain loan covenants of the credit facilities agreement with one of its bankers. The bank has not exercised its rights under the credit facilities agreement to recall the credit facilities (details in Note 13). These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

The ability of the Group and the Company to continue as going concerns is dependent on (a) the bank not demanding immediate repayment of the Group's and Company's credit facilities; (b) the success of the measures presently being explored to enhance the Group's and Company's financial position such as refinancing their borrowings; (c) shareholders providing continuing financial support to the Group and Company; and (d) the generation of significant positive cash flow from the Group's and Company's core businesses and their ability to secure new profitable contracts.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify certain non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

ERNST & YOUNG
Public Accountants and
Certified Public Accountants Singapore
Singapore
3 April 2008

BALANCE SHEETS

as at 31 December 2007

		Group		Company	
	Note	2007	2006	2007	2006
		$'000	$'000	$'000	$'000
Non-Current Assets					
Property, plant and equipment	5	19,164	29,308	9	104
Investment in subsidiaries	6	–	–	12,481	12,682
Deferred tax assets	7	624	862	–	–
		19,788	30,170	12,490	12,786
Current Assets					
Inventories	8	414	1,469	–	115
Amounts due from subsidiaries, trade	9	–	–	9,621	3,917
Trade receivables	10	6,477	10,847	4,262	7,243
Other receivables	11	335	1,189	178	1,087
Prepayments		103	216	20	30
Cash at bank and on hand	12	886	1,366	417	792
		8,215	15,087	14,498	13,184
Current Liabilities					
Borrowings	13	8,927	24,353	1,490	15,192
Trade payables	14	5,457	7,030	3,819	4,913
Other payables and accruals	15	2,684	2,918	990	600
Obligations under finance leases	16	360	779	256	660
Income tax payable		380	480	144	144
		17,808	35,560	6,699	21,509
Net Current (Liabilities)/Assets		(9,593)	(20,473)	7,799	(8,325)
Non-Current Liabilities					
Borrowings	13	4,762	4,520	4,470	4,520
Obligations under finance leases	16	45	133	–	–
Deferred tax liabilities	7	624	624	–	–
		5,431	5,277	4,470	4,520
Net Assets/(Liabilities)		4,764	4,420	15,819	(59)
Capital and reserves					
Share capital	17	18,706	6,232	18,706	6,232
Reserves	18	(13,942)	(1,812)	(2,887)	(6,291)
Total Equity		4,764	4,420	15,819	(59)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2007

	Note	Group 2007	Group 2006
		$'000	$'000
Revenue		19,341	56,208
Cost of goods sold		(22,919)	(50,733)
Gross (loss)/profit		(3,578)	5,475
Other income	19	1,098	383
Selling and distribution expenses		(867)	(1,621)
Administrative expenses		(4,831)	(4,912)
Other operating expenses	19	(2,820)	(4,216)
Finance costs	20	(755)	(1,805)
Loss before exceptional items		(11,753)	(6,696)
Exceptional items	21	(104)	5,644
Loss before taxation	22	(11,857)	(1,052)
Taxation	23	(284)	687
Loss for the year		(12,141)	(365)
Loss for the year attributable to equity holders of the parent		(12,141)	(365)
Basic and fully diluted loss per share attributable to equity holders of the parent (cents per share)	24	(5.19)	(0.47)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2007

Group	Share capital	Capital reduction reserve	Asset revaluation reserve	Foreign currency translation reserve	Accumulated losses	Total reserves	Total equity
	Attributable to equity holders of the parent						
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2006	6,232	3,710	2,373	(4,476)	(1,350)	257	6,489
Net effect of exchange differences and net expense recognised directly in equity	–	–	–	(1,704)	–	(1,704)	(1,704)
Loss for the year	–	–	–	–	(365)	(365)	(365)
Total recognised income and expenses for the year	–	–	–	(1,704)	(365)	(2,069)	(2,069)
At 31 December 2006 and 1 January 2007	6,232	3,710	2,373	(6,180)	(1,715)	(1,812)	4,420
Net effect of exchange differences and net expense recognised directly into equity	–	–	–	11	–	11	11
Loss for the year	–	–	–	–	(12,141)	(12,141)	(12,141)
Total recognised income and expenses for the year	–	–	–	11	(12,141)	(12,130)	(12,130)
Issuance of shares	12,474	–	–	–	–	–	12,474
At 31 December 2007	18,706	3,710	2,373	(6,169)	(13,856)	(13,942)	4,764

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2007

Company	Attributable to equity holder of the parent				
	Share capital	Capital reduction reserve	Accumulated losses	Total reserves	Total equity
	$'000	$'000	$'000	$'000	$'000
At 1 January 2006	6,232	3,710	(10,474)	(6,764)	(532)
Profit for the year, representing total recognised for the year	–	–	473	473	473
At 31 December 2006	6,232	3,710	(10,001)	(6,291)	(59)
Profit for the year, representing total recognised for the year	–	–	3,404	3,404	3,404
Issuance of shares	12,474	–	–	–	12,474
At 31 December 2007	18,706	3,710	(6,597)	(2,887)	15,819

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2007

	2007	2006
	$'000	$'000
Cash flow from operating activities		
Loss before taxation	(11,857)	(1,052)
Adjustments for:		
Allowance for doubtful debts	144	1,596
Bad debts written off – trade receivables	8	4
Allowance for inventory obsolescence	458	1,256
Depreciation of property, plant and equipment	7,662	4,305
Interest income on bank deposits	(4)	(2)
Interest expense	755	1,805
Gain on waiver of loan from a corporate shareholder	(3,000)	(5,000)
Gain on waiver of interest on loan from a corporate shareholder	–	(644)
Loss/(gain) on disposal of property, plant and equipment	13	(70)
Impairment loss in value of property, plant and equipment	3,833	687
Plant and equipment written off	–	37
Operating cashflow before working capital changes	(1,988)	2,922
Decrease in inventories	597	6,623
Decrease in trade and other receivables	5,185	9,665
Decrease in trade and other payables	(1,807)	(14,843)
Cash generated from operations	1,987	4,367
Income tax paid	(146)	185
Interest paid	(755)	(1,805)
Interest received	4	2
Net cash generated from operating activities	1,090	2,749
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	40	4,622
Purchase of property, plant and equipment (Note 5)	(411)	(5,326)
Net cash used in investing activities	(371)	(704)
Cash flow from financing activities		
Repayment of term loans	(1,449)	(4,397)
Repayment of hire purchase liabilities	(1,020)	(6,185)
Loans from a corporate shareholder	2,950	8,844
Net cash generated/(used in) from financing activities	481	(1,738)
Net increase in cash and cash equivalents	1,200	307
Cash and cash equivalents at beginning of year	(2,765)	(3,432)
Net effect of exchange rate changes on opening cash and cash equivalents	(468)	360
Cash and cash equivalents at end of year (Note 12)	(2,033)	(2,765)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1(a). Corporate information

Tri-M Technologies (S) Limited (the Company) is a limited liability company, which is incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The immediate and ultimate holding companies are Surreyville Pte Ltd and Woodsville International Limited respectively.

The registered office and principal place of business of the Company is located at 25 Kallang Avenue #07-01, Singapore 339416.

The principal activities of the Company are those of a trading company and investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

1(b). Fundamental accounting concept

The Group incurred losses of $12,141,000 (2006: $365,000) during the financial year ended 31 December 2007 and at that date, the Group is in net current liability position of $9,593,000 (2006: $20,473,000).

As at 31 December 2007, the Group and the Company have not complied with certain loan covenants of the credit facilities agreement with one of its bankers. The banker has not exercised its rights under the credit facilities agreement to recall the credit facilities and the banker had maintained the credit facilities as status quo (details in Note 13). In the event that the breach of covenants is not rectified, the banker may exercise its rights under the credit facilities agreement and the credit facilities may then be repayable at the banker's demand. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concerns.

The ability of the Group and the Company to continue as going concerns is dependent on (a) the banks not demanding immediate repayment of the Group's and Company's credit facilities; (b) the success of the measures presently being explored to enhance the Group's and Company's financial positions such as refinancing their borrowings; (c) shareholders providing continuing financial support to the Group and Company; and (d) the generation of significant positive cash flow from the Group's and Company's core businesses and their ability to secure new profitable contracts.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify certain non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared under the historical cost basis except for leasehold land and building that have been measured at their fair values.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest thousand ($'000) except when otherwise indicated.

2. Summary of significant accounting policies (cont'd)

2.2 Future changes in accounting policies

The Group and the Company have not adopted the following FRS and INT FRS that have been issued but not yet effective:

			Effective for annual period beginning on or after
FRS1	:	Presentation of Financial Statements – Revised Presentation	1 January 2009
FRS 23	:	Amendment to FRS 22, Borrowing Costs Operating Segments	1 January 2009
FRS 108	:	Operating Segments	1 January 2009
INT FRS 111	:	Group and Treasury Share Transactions	1 March 2007
INT FRS 112	:	Service Concession Arrangements	1 January 2008
INT FRS 113	:	Customer Loyalty Programmes	1 July 2008
INT FRS 114	:	FRS 19 – The Limit on a Defined Asset, Minimum Funding Requirements and their Interaction	1 January 2008

The Directors expect that the adoption of the above pronouncements will have no material impact to the financial statements in the period of initial application, except for FRS 108 as indicated below.

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The impact of this standard on the other segment disclosures is still to be determined. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in 2009.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the balance sheet. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the income statement on the date of acquisition.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. Summary of significant accounting policies (cont'd)

2.4 Foreign currency

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries which are primarily SGD, U.S. Dollar (USD) and Renminbi (RMB) and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the income statement on disposal of the subsidiary.

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the balance sheet date and their income statement are translated at the weighted average exchange rates for the year. The exchange differences arising on translation are taken directly to a separate component of equity as foreign currency translation reserve. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Land and building are measured at fair value less accumulated depreciation on building and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and building at the balance sheet date.

Any revaluation surplus is credited directly to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in income statement, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The whole of the revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Leasehold land	-	over term of lease
Leasehold improvements	-	3 to 10 years
Leasehold building	-	33 years
Plant, machinery and equipment	-	4 to 5 years
Furniture, fittings and office equipment	-	3 to 5 years
Motor vehicles	-	3 to 5 years

2. Summary of significant accounting policies (cont'd)

2.5 Property, plant and equipment (cont'd)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

2.6 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flow expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income statement except for assets that are previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognised in equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment be recognised previously. Such reversal is recognised in the income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.7 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2. Summary of significant accounting policies (cont'd)

2.8 Financial assets

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flow from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

Trade and other receivables, amounts due from subsidiaries and cash at bank and on hand are classified and accounted for as loans and receivables. As at 31 December 2007, the carrying amount of the Group's loans and receivables amounted to $7,698,000 (2006: $13,402,000).

(b) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised directly in the fair value adjustment reserve in equity, except that impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the income statement. The cumulative gain or loss previously recognised in equity is recognised in the income statement when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2. Summary of significant accounting policies (cont'd)

2.9 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(a) Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

(b) Assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Reversals of impairment losses in respect of equity instruments are not recognised in the income statement. Reversals of impairment losses on debt instruments are recognised in the income statement if the increase in fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

2. Summary of significant accounting policies (cont'd)

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials – purchase costs on a first-in, first-out basis;
- Finished goods and work-in-progress – costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the income statement when the liabilities are derecognised or impaired, and through the amortisation process.

Trade and other payables, borrowings and obligations under finance leases are classified and accounted for as loans and borrowings. As at 31 December 2007, the carrying amount of the Group's loans and borrowings amounted to $22,235,000 (2006: $39,733,000).

2. Summary of significant accounting policies (cont'd)

2.14 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are recognised initially at fair value. Subsequent to initial recognition, financial guarantees are recognised as income in the income statement over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the income statement.

2.15 Borrowing costs

Borrowing costs are generally recognised in the income statement as incurred.

2.16 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in the income statement, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2. Summary of significant accounting policies (cont'd)

2.17 Leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.18 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Interest income

Interest income is recognised using the effective interest method.

2.19 Income taxes

(a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

Current taxes are recognised in the income statement except that tax relating to items recognised directly in equity is recognised directly in equity.

2. Summary of significant accounting policies (cont'd)

2.19 Income taxes (cont'd)

(b) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

- In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxes are recognised in the income statement except that deferred tax relating to items recognised directly in equity is recognised directly in equity.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. Summary of significant accounting policies (cont'd)

2.20 Segment Reporting

A business segment is a distinguishable component of the Group that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

2.21 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

3. Significant accounting estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Income taxes

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's tax payables and deferred tax liabilities as at 31 December 2007 was $380,000 (2006: $480,000) and $624,000 (2006: $624,000) respectively.

3. Significant accounting estimates (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of plant, machinery and equipment

The cost of plant, machinery and equipment for the assembly of printed circuit boards and related accessories is depreciated on a straight-line basis over the machineries' estimated economic useful lives. Management estimates the useful lives of these plant, machinery and equipment to be within 4 to 5 years. These are common life expectancies applied in the electronics industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The carrying amount of the Group's plant, machinery and equipment at the balance sheet date is disclosed in Note 5 to the financial statements.

(b) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Impairment of loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the balance sheet date is disclosed in Notes 9, 10, 11 and 12 to the financial statements.

4. Related party transactions

An entity or individual is considered a related party of the Group for the purposes of the financial statements if: i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; or ii) it is subject to common control or common significant influence.

Compensation of key management personnel

	2007	**2006**
	$'000	$'000
Short-term employee benefits	1,309	1,489
Central Provident Fund contributions	53	70
Ex-gratia payment	66	–
Total compensation paid to key management personnel	1,428	1,559
Comprise amounts paid to:		
■ Directors of the Company	450	442
■ Other key management personnel	978	1,117
	1,428	1,559

No share options were granted during the financial years ended 31 December 2007 and 2006.

There were no outstanding share options granted by the Company to the abovementioned Directors under the Tri-M Share Option Scheme 2001 as at 31 December 2007.

At 31 December 2006, one of the Company's executive Directors held options to subscribe for ordinary shares of the Company under the Tri-M Share Option Scheme 2001 as follows:

- 72,000 options at an exercise price of $0.30 each, exercisable between 25 July 2002 and 25 June 2007.

These options have lapsed at year end.

No share options have been granted to the Company's non-executive Directors.

5. Property, plant and equipment

Group	Leasehold land	Leasehold building	Leasehold improvement	Plant, machinery and equipment	Furniture, fittings and office equipment	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost or valuation:	At valuation		At cost				
As at 1 January 2006	3,224	3,192	5,249	47,409	6,961	234	66,269
Additions	–	–	429	279	4,579	39	5,326
Disposals	–	–	(220)	(4,729)	(1,802)	(2)	(6,753)
Net exchange differences	(315)	(305)	(259)	(743)	177	(5)	(1,450)
As at 31 December 2006 and 1 January 2007	2,909	2,887	5,199	42,216	9,915	266	63,392
Additions	–	13	18	820	73	–	924
Disposals	–	–	–	(4,277)	(523)	(25)	(4,825)
Net exchange differences	(1)	(2)	25	602	22	–	646
As at 31 December 2007	2,908	2,898	5,242	39,361	9,487	241	60,137
Accumulated depreciation and impairment:							
As at 1 January 2006	440	719	437	22,558	5,950	168	30,272
Depreciation for the year	112	96	474	2,240	1,357	26	4,305
Disposals	–	–	–	(409)	(1,790)	(2)	(2,201)
Impairment loss	–	–	–	687	–	–	687
Net exchange differences	(34)	(78)	13	975	145	–	1,021
As at 31 December 2006 and 1 January 2007	518	737	924	26,051	5,662	192	34,084
Depreciation for the year	76	134	477	5,889	1,069	17	7,662
Disposals	–	–	–	(4,552)	(207)	(13)	(4,772)
Impairment loss	–	–	2,619	1,071	143	–	3,833
Net exchange differences	(5)	3	20	413	(265)	–	166
As at 31 December 2007	589	874	4,040	28,872	6,402	196	40,973
Net carrying amount							
As at 31 December 2006	2,391	2,150	4,275	16,165	4,253	74	29,308
As at 31 December 2007	2,319	2,024	1,202	10,489	3,085	45	19,164
Net carrying amount had cost method been used							
As at 31 December 2006	1,226	1,370	4,275	16,165	4,253	74	27,363
As at 31 December 2007	1,207	1,290	1,202	10,489	3,085	45	17,318

5. Property, plant and equipment (cont'd)

Company	**Plant, machinery and equipment**	**Furniture, fittings and office equipment**	**Motor vehicles**	**Total**
	$'000	$'000	$'000	$'000
Cost:				
As at 1 January 2006	1,880	3,115	2	4,997
Additions	–	66	–	66
Disposals	–	(1,783)	(2)	(1,785)
As at 31 December 2006 and 1 January 2007	1,880	1,398	–	3,278
Additions	–	1	–	1
Disposals	(1,880)	(63)	–	(1,943)
As at 31 December 2007	–	1,336	–	1,336
Accumulated depreciation and impairment:				
As at 1 January 2006	1,864	3,011	2	4,877
Depreciation for the year	16	59	–	75
Disposals	–	(1,776)	(2)	(1,778)
As at 31 December 2006 and 1 January 2007	1,880	1,294	–	3,174
Depreciation for the year	–	33	–	33
Disposals	(1,880)	–	–	(1,880)
As at 31 December 2007	–	1,327	–	1,327
Net carrying amount:				
As at 31 December 2006	–	104	–	104
As at 31 December 2007	–	9	–	9

Revaluation of leasehold land and building

The Group engaged Henry Butcher, Lim & Long (North) Sdn. Bhd., an accredited independent valuer to determine the fair value of its leasehold land and building. Fair value was determined by reference to open market values on an existing use basis. The date of the revaluation was 14 May 2001.

The leasehold land and building are used for manufacturing operations. Particulars of the leasehold land and building are as follows:

Description/location	**Tenure of land/(gross floor area)**
Leasehold land and building Plot 15/16, Jalan Jelawat Penang, Malaysia Seberang Jaya, 13700 Prai, Penang, Malaysia	60 years from 1992 (38,614 sq m)

5. Property, plant and equipment (cont'd)

Assets held under finance leases

During the year, the Group acquired plant and equipment with an aggregate cost of $684,000 (2006: $Nil) by means of finance leases. The cash outflow on acquisition of plant and equipment amounted to $411,000 (2006: $5,326,000).

The carrying amount of plant and equipment held under finance leases for the Group at the end of the year was $687,000 (2006: $4,545,000).

Leased assets are pledged as security for the related finance lease liabilities.

Assets pledged as security

In addition to assets held under finance leases, plant and equipment with a net book value of $72,000 (2006: $154,000) are charged to a licensed bank to secure the subsidiary's term loan as disclosed in Note 13 to the financial statements.

Impairment of assets

Impairment losses amounting to $1,213,000 (2006: $687,000) in relation to certain plant and equipment have been recognised in other operating expenses.

The impairment losses recognised by the Group represent the write-down of certain idle plant and equipment in the Group. The recoverable amount was determined at the cash-generating unit level and is based on the fair value less costs to sell determined with respect to amounts received in recent transactions for similar assets within the same industry.

In addition, an impairment loss of $2,620,000 (2006: Nil), representing the write-down of plant and equipment in a subsidiary, was recognised in exceptional item of the income statement for the year ended 31 December 2007 consequent to the relocation of its factory.

6. Investment in subsidiaries

	Company	
	2007	**2006**
	$'000	$'000
Unquoted shares, at cost	12,520	12,721
Impairment losses	(39)	(39)
Carrying amount of investments	12,481	12,682

6. Investment in subsidiaries (cont'd)

Details of subsidiaries are as follows:

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost of investment 2007	Cost of investment 2006	Proportion of ownership interest 2007	Proportion of ownership interest 2006
		$'000	$'000	%	%
Held by the Company					
[1] TRIM Technologies (M) Sdn Bhd (Malaysia)	Assembly of printed circuit boards and related accessories (Malaysia)	12,144	12,144	100	100
[3] Tri-M Technologies Inc. (United States of America)	Dormant (United States of America)	39	39	100	100
[5] Tri-M Technologies (Philippines) Inc. (Philippines)	Dormant (Philippines)	337	337	100	100
[4] TRIM Intelligent Systems Pte. Ltd. (Singapore)	Dormant. (Singapore)	#	#	100	100
[4] TRIM Technologies International Pte. Ltd. (Singapore)	Investment holding (Singapore)	#	#	100	100
[6] TRIM Technologies (Thailand) Ltd.	Dormant (Thailand)	–	201	–	100
		12,520	12,721		

Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of ownership interest 2007	Percentage of ownership interest 2006
		%	%
Held by subsidiaries			
[4] TRIM Technologies (China) Pte. Ltd. (Singapore)	Investment holding (Singapore)	100	100
[2] TRIM Technologies (Shenzhen) Co. Ltd. (China)	Assembly of printed circuit boards and related accessories (China)	100	100
[2] TRIM Electronics (Shenzhen) Co. Ltd. (China)	Assembly of printed circuit boards and related accessories (China)	100	100
[3] TRIM Technologies (Hong Kong) Ltd. (Hong Kong)	Dormant (Hong Kong)	100	100

6. Investment in subsidiaries (cont'd)

(1) Audited by member firm of Ernst & Young Global.
(2) Audited by Shenzhen Zhongfa Certified Public Accountants.
(3) Not required to be audited by law in its country of incorporation
(4) No audit is performed for these companies as they are exempt from audit requirements as they have been dormant since the end of the previous financial year.
(5) No audit is performed as this subsidiary is in process of being liquidated.
(6) Completed registration of its liquidation on 5 February 2007.
\# Cost of investment is $2

7. Deferred tax

Deferred income tax as at 31 December 2007 relates to the following:

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Deferred tax liabilities:				
Revaluation of leasehold land and building	(624)	(624)	–	(81)
Deferred tax assets:				
Allowance for inventory obsolescence	318	590	272	(435)
Unabsorbed tax losses	284	–	(284)	–
Differences in depreciation for tax purposes	22	–	(22)	(198)
Unutilised reinvestment allowance	–	272	272	(272)
	624	862		
Deferred income tax expense			238	(986)

Deferred tax assets not recognised

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Provisions	20	–	20	–
Difference in depreciation	89	79	89	80
Allowance for inventory obsolescence	–	130	–	104
Unabsorbed losses	8,783	8,797	7,936	8,797
Deferred tax assets not recognised	8,892	9,006	8,045	8,981

The realisation of these future income tax benefits will only be obtained if the Group and the Company derives future taxable income of sufficient amount to enable the benefits of the deductions to be realised and the Group and the Company continue to comply with the conditions for deductibility imposed by the law in the country where each company operates.

The above deferred tax benefits have not been recognised in the financial statements in accordance with the accounting policy in Note 2.19 (b) of the financial statements as future profitability is uncertain.

8. Inventories

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Balance sheet:				
Raw materials	1,919	4,922	60	633
Work-in-progress	208	140	–	–
Finished goods	132	9	–	–
	2,259	5,071	60	633
Allowance for inventory obsolescence	(1,845)	(3,602)	(60)	(518)
Total inventories at lower of cost and net realisable value	414	1,469	–	115

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Movements in allowance account:				
At 1 January	3,602	2,346	518	470
Charge for the year	458	1,256	–	48
Written off	(2,215)	–	(458)	–
At 31 December	1,845	3,602	60	518

	Group	
	2007	**2006**
	$'000	$'000
Income statement:		
Inventories recognised as an expense in cost of sales	8,196	37,581

9. Amounts due from subsidiaries, trade

Amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

10. Trade receivables

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Third parties	8,914	13,335	6,695	9,731
Allowance for doubtful trade receivables	(2,437)	(2,488)	(2,433)	(2,488)
	6,477	10,847	4,262	7,243

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

10. Trade receivables (cont'd)

Trade receivables are denominated in the following foreign currencies:

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Malaysian Ringgit	–	416	–	416
United States Dollar	7,954	9,197	6,695	9,315
	7,954	9,613	6,695	9,731

Receivables that are past due but not impaired

The Group has trade receivables amounting to $3,766,000 (2006: $3,171,000) that are past due at balance sheet date but not impaired. These receivables are unsecured and the analysis of their ageing at the balance sheet date is as follows:

	Group	
	2007	2006
	$'000	$'000
Trade receivables past due:		
Lesser than 30 days	18	1,174
More than 120 days	3,748	1,997
	3,766	3,171

Receivables more than 120 days were not impaired as they have corresponding credit balances being also suppliers to the Group.

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2007	2006
	$'000	$'000
Trade receivables-nominal amounts	2,437	2,488
Allowance for doubtful trade receivables	(2,437)	(2,488)
	–	–

	2007	2006
	$'000	$'000
Movements in allowance account:		
At 1 January	2,488	892
Charge to income statement for the year	144	1,596
Written off	(195)	–
At 31 December	2,437	2,488

10. Trade receivables (cont'd)

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Allowance for doubtful trade receivables

At the balance sheet date, an impairment loss of $144,000 (2006: $1,596,000) was recognised in the income statement subsequent to a debt recovery assessment performed on trade receivables as at 31 December 2007.

11. Other receivables

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Deposits	258	225	16	74
Advances to suppliers	77	590	77	799
Sundry receivables	–	374	85	214
	335	1,189	178	1,087

12. Cash at bank and on hand

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Cash at bank and on hand	886	1,366	417	792

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Cash at bank and on hand are denominated in the following foreign currencies:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
United States Dollar	434	940	307	777
Others	7	1	–	–
	441	941	307	777

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at balance sheet date:

	Group	
	2007	**2006**
	$'000	$'000
Cash at bank and on hand	886	1,366
Bank overdrafts (Note 13)	(2,919)	(4,131)
Cash and cash equivalents at end of year	(2,033)	(2,765)

Bank overdrafts are included in the determination of cash and cash equivalents because they form an integral part of the Group's cash management.

13. Borrowings

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Current				
Bank overdrafts, unsecured	2,919	4,131	1,490	2,718
Revolving credits, unsecured	3,416	3,392	–	–
Term loans, secured	2,592	4,356	–	–
Loans from a corporate shareholder, subsequently converted into share capital	–	12,474	–	12,474
	8,927	24,353	1,490	15,192
Non-current				
Term loans, secured	292	–	–	–
Loans from a corporate shareholder, unsecured	4,470	4,520	4,470	4,520
	4,762	4,520	4,470	4,520
Total borrowings	13,689	28,873	5,960	19,712

Bank overdrafts and revolving credits

The bank overdrafts of the Group are covered by negative pledge over the Company's and a subsidiary's unencumbered assets and a corporate guarantee from the Company.

The bank overdrafts of the Company are covered by a personal guarantee from a Director of the Company.

The revolving credits for the Group are covered by negative pledge over a subsidiary's unencumbered assets and a corporate guarantee from the Company.

Revolving credits for the Group are entirely denominated in Malaysian Ringgit.

The bank overdrafts and revolving credits bear interest at rates ranging between 4.25% to 8.75% per annum (2006: 6% to 8.75%) and 5.15% to 5.23% per annum (2006: 4.55% to 5.30%) respectively.

As at 31 December 2007, the Group and Company breached certain covenants of the credit facilities agreement with one of its bankers. The bank has not exercised its rights under the credit facilities agreement to recall the credit facilities of $1,458,000 (2006: $2,718,000) and had maintained the credit facilities as status quo. In the event that the breach of covenants is not rectified, the bank may exercise its rights under the credit facilities agreement and the credit facilities may then be repayable at the banks' demand.

At the date of these annual financial statements, the Board of the Company is actively exploring various measures to enhance the Group's financial position such as refinancing its borrowings, seeking new customers with favourable trading terms and seeking new business opportunities.

13. Borrowings (cont'd)

Term loans

The term loan of the Malaysian subsidiary is secured against a specific charge over the machinery and equipment financed by a bank and a corporate guarantee from the Company. The term loan bears interest at 8.25% to 8.75% (2006: 6.8% to 7.5%) per annum and is repayable in 72 equal monthly installments commencing from July 2002.

The term loan of a China subsidiary is secured by a corporate guarantee from the Company. The term loan bears interest at an average of 8.4% (2006: 6.5% to 6.8%) per annum and is rolled-over every 6 months. The loan is for 3 years commencing on 5 March 2007. The bank reserves the right to cancel the loan by giving 7 days notice.

Term loans of the Group denominated in Malaysian Ringgit amounted to $627,000 (2006: $1,001,000)

Loans from a corporate shareholder

The loans from a corporate shareholder are interest-free, have no repayment terms and are repayable only when the cash flow of the Company permits. Accordingly, the fair value of the loan is not determinable as the timing of the future cash flow arising from the repayment of these loans cannot be estimated reliably.

During the year, the corporate shareholder waived a loan amount of $3,000,000, (2006: $5,000,000) resulting in an exceptional gain recognised in the current year income statement.

A debt conversion exercise was approved at the Company's Extraordinary General Meeting on 19 January 2007. Pursuant to this debt conversion exercise, an aggregate amount of $12,474,000 owing by the Company to a corporate shareholder was converted into 155,917,000 shares at an issue price of $0.08 per share.

14. Trade payables

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Third parties	5,405	6,976	3,819	4,913
Accruals for purchases and VAT payable	52	54	–	–
	5,457	7,030	3,819	4,913

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Trade payables of the Group and Company are denominated in the following foreign currencies:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Malaysian Ringgit	107	373	107	373
United States Dollar	4,344	4,183	3,446	4,300
Others	242	228	226	228
	4,693	4,784	3,779	4,901

15. Other payables and accruals

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Accruals	1,978	2,017	475	538
Sundry payables	706	901	515	62
	2,684	2,918	990	600

Other payables and accruals of the Group and Company are denominated in the following foreign currencies:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Singapore Dollar	7	–	–	–
Malaysian Ringgit	367	990	–	–
	374	990	–	–

16. Obligations under finance leases

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Obligations under finance leases (secured)	405	912	256	660
- Repayable within 12 months	(360)	(779)	(256)	(660)
- Repayable after 12 months	45	133	–	–

The Group and Company have finance leases for certain items of motor vehicles and plant, machinery and equipment. These leases have terms of renewal but no purchase option and escalation clauses. There are no restrictions placed upon the Group and Company by entering into these leases. The average discount rate implicit in the leases is 3% (2006: 3%) per annum.

The finance leases of the Company as at 31 December 2007 and 2006 are undertaken on behalf of the subsidiaries in China.

16. Obligations under finance leases (cont'd)

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

Group	2007 Total minimum lease payments	2007 Present value of payments	2006 Total minimum lease payments	2006 Present value of payments
	$'000	$'000	$'000	$'000
Within one year	396	360	814	779
After one year but not more than five years	40	45	157	133
Total minimum lease payments	436	405	971	912
Amount representing finance charges	(31)	–	(59)	–
Present value of minimum lease payments	405	405	912	912

Company	2007 Total minimum lease payments	2007 Present value of payments	2006 Total minimum lease payments	2006 Present value of payments
	$'000	$'000	$'000	$'000
Within one year and total minimum lease payments	278	256	696	660
Amount representing finance charges	(22)	–	(36)	–
Present value of minimum lease payments	256	256	660	660

Obligations under finance leases are denominated in the following foreign currencies:

	Group 2007	Group 2006	Company 2007	Company 2006
	$'000	$'000	$'000	$'000
Malaysian Ringgit	149	252	–	–
United States Dollar	–	10	–	10
	149	262	–	10

17. Share capital

	Group and Company			
	2007		2006	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid				
At 1 January	77,904	6,232	77,904	6,232
Issued during the year (Note 13)	155,917	12,474	–	–
At 31 December	233,821	18,706	77,904	6,232

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

Tri-M Share Option Scheme 2001 ("the Scheme")

The Company has an employee share option plan for the granting of non-transferable options to employees. On 25 June 2002, 5,233,500 options were granted pursuant to the Scheme at the exercise price of $0.30 per share.

The options can only be exercised after 1 year from the date of the offer, in steps of 30% and will expire in 5 years from the date of offer, that is, 25 June 2007.

Information with respect to the number of options granted under the Company's employee option plan is as follows:

	Number of shares 2007	Weighted average exercise price 2007	Number of shares 2006	Weighted average exercise price 2006
	'000	$	'000	$
Outstanding at beginning of year	1,773	0.30	1,773	0.30
Expired	(1,773)	–	–	–
Outstanding at end of year	–	–	1,773	0.30
Exercisable at year end	–	–	1,773	0.30

No option was granted or exercised during the year.

18. Reserves

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Accumulated losses	(13,856)	(1,715)	(6,597)	(10,001)
Asset revaluation reserve	2,373	2,373	–	–
Foreign currency translation reserve	(6,169)	(6,180)	–	–
Capital reduction reserve	3,710	3,710	3,710	3,710
	(13,942)	(1,812)	(2,887)	(6,291)

(a) Asset revaluation reserve

The asset revaluation reserve records increases in the fair value of leasehold land and building and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

(b) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group	
	2007	**2006**
	$'000	$'000
At 1 January	(6,180)	(4,476)
Net effect of exchange differences arising from translation of financial statements of foreign operations	11	(1,704)
At 31 December	(6,169)	(6,180)

(c) Capital reduction reserve

The capital reduction reserve relates to excess on reduction in capital, arising from the reduction in par value of shares from $0.30 to $0.08 each, over the amount of accumulated losses as at 30 September 2005.

19. Other income/(expenses)

	Group	
	2007	**2006**
	$'000	$'000
Other income:		
Interest income on bank deposits	4	2
Gain on disposal of property, plant and equipment	–	70
Miscellaneous income	885	311
Bad debts recovered	209	–
	1,098	383
Other operating expenses:		
Foreign exchange loss	(759)	(435)
Allowance for doubtful trade receivables	(144)	(1,596)
Allowance for inventory obsolescence	(458)	(1,256)
Impairment loss in value of property, plant and equipment	(1,213)	(687)
Directors' fees	(110)	(72)
Bank charges	(115)	(129)
Bad debts written off	(8)	(4)
Loss on disposal of property, plant and equipment	(13)	–
Plant and equipment written off	–	(37)
	(2,820)	(4,216)

20. Finance costs

	Group	
	2007	**2006**
	$'000	$'000
Interest on:		
- bankers' acceptance	–	(38)
- bank overdrafts	(243)	(343)
- factoring of trade receivables	–	(108)
- finance leases	(57)	(779)
- short-term revolving credits	(144)	(508)
- term loans	(317)	(23)
- others	6	(6)
	(755)	(1,805)

21. Exceptional items

	Group 2007	Group 2006
	$'000	$'000
Gain on waiver of loan from a corporate shareholder	3,000	5,000
Gain on waiver of interest on loan from a corporate shareholder	–	644
Impairment loss in value of property, plant and equipment due to relocation of factory (Note 5)	(2,620)	–
Relocation expenses	(484)	–
	(104)	5,644

22. Loss before taxation

Loss before tax included the following:

	Group 2007	Group 2006
	$'000	$'000
Depreciation of property, plant and equipment	7,662	4,305
Non-audit fees paid to auditors of the Company	26	11
Operating lease expense	1,045	823
Staff costs:		
- Salaries and bonuses	6,515	8,017
- Contribution to approved pension schemes	460	584

23. Taxation

(a) Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2007 and 2006 are:

	Group 2007	Group 2006
	$'000	$'000
Current taxation		
Current income taxation	–	224
Underprovision in respect of previous years	46	75
Deferred taxation		
Movement in temporary differences	(26)	(736)
Under/(over)provision in respect of previous years	268	(250)
Effect of reduction in tax rate	(4)	–
Income tax expense recognised in the income statement	284	(687)

23. Taxation (cont'd)

(b) Relationship between income tax expense and accounting loss

The reconciliation between income tax expense and the product of accounting loss multiplied by the applicable tax rate for the years ended 31 December 2007 and 2006 is as follows:

	Group	
	2007	**2006**
	$'000	$'000
Loss before tax	(11,857)	(1,052)
Tax at the domestic rate applicable to profits/losses in the countries where the Group operates	(3,434)	(277)
Adjustments:		
Non-deductible expenses	685	738
Gain/(loss) not subject to tax	1,855	–
Deferred tax assets not recognised	869	179
Effect of reduction in tax rate	(5)	–
Utilisation of temporary differences not recognised in prior year	–	(1,152)
Under/(over) provision in respect of previous years	314	(175)
Income tax expense recognised in income statement	284	(687)

As at 31 December 2007, the Group has unabsorbed tax losses, capital allowances and unutilised reinvestment allowance of approximately $47,227,000 (2006: $43,607,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and unutilized capital allowance is subject to the agreement of the tax authorities, and compliance with certain provisions of tax legislation of the respective countries in which the companies operate.

24. Loss per share

Basic loss per share is calculated by dividing loss for the year that is attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share amounts are calculated by dividing loss for the year that is attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following table reflects the income statement and share data used in the computation of basic and diluted loss per share for the year ended 31 December:

	Group	
	2007	**2006**
Loss for the year attributable to ordinary equity holders of the parent used in computation of basic and diluted loss per share	(12,141,000)	(365,000)
Weighted average number of ordinary shares for basis and diluted loss per share computation	233,821,000	77,904,000

The share options granted under the existing employee share option plans have not been included in the calculation of diluted loss per share because they have lapsed for the current financial period and are anti-dilutive for the previous financial period presented.

25. Contingent liabilities

	Company	
	2007	**2006**
	$'000	$'000
Corporate guarantees provided to banks for granting banking facilities to subsidiaries	7,729	9,173

26. Operating lease commitments

The Group and the Company lease certain properties under lease agreements that are non-cancellable within a year. These leases have remaining non-cancellable lease terms of between 1 to 2 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. Future minimum lease payments payable under non-cancellable operating leases as of 31 December 2007 and 31 December 2006 are as follows:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	$'000	$'000	$'000	$'000
Within 1 year	685	660	111	9
Within 2 to 5 years	1,166	2,189	74	21
After 5 years	–	1,820	–	–
	1,851	4,669	185	30

27. Segment information

Business segments

The Group is principally engaged in one business segment which is contract manufacturing for companies in the electronics and computer related industries and all of its assets, liabilities and capital expenditure of the Group are employed in the Southeast Asia region.

Geographical segments

The following table provides an analysis of the Group's sales by geographical market in which the customers are located, irrespective of the origin of the goods. Total assets and capital expenditure are shown by the geographical areas in which these assets are located.

27. Segment information (cont'd)

	Revenue		Total assets		Total capital expenditure		Depreciation	
	2007	2006	2007	2006	2007	2006	2007	2006
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
United States of America	1,083	1,243	–	–	–	–	–	–
Europe	2,351	10,565	–	–	–	–	–	–
Japan	2,388	2,215	–	–	–	–	–	–
People's Republic of China	5,594	8,262	17,504	29,114	894	5,085	6,954	2,960
Singapore	7,925	32,661	4,886	9,371	1	66	96	75
Malaysia	–	1,262	5,613	6,772	29	175	612	1,270
	19,341	56,208	28,003	45,257	924	5,326	7,662	4,305

28. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amount approximates fair value

Management has determined that the carrying amounts of cash and short term deposits, current trade and other receivables, current trade and other payables, current obligations under finance leases and borrowings, and current loans from a corporate shareholder based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

Financial instruments carried at other than fair value

The non-current loans from a corporate shareholder has no repayment terms and are repayable only when the cash flow of the Group permits. Accordingly, the fair value of the loans is not determinable as the timing of the future cash flow arising from the loans cannot be estimated reliably.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group and Company's financial instruments that are carried in the financial statements at other than fair values as at 31 December.

	Group				Company			
	Carrying amount		Fair value		Carrying amount		Fair value	
	2007	2006	2007	2006	2007	2006	2007	2006
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities:								
Terms loans	2,884	4,356	2,875	4,329	–	–	–	–
Obligations under finance leases	405	912	383	863	256	660	242	625

28. Fair value of financial instruments (cont'd)

Methods and assumptions used to determine fair values

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values as mentioned earlier, are as follow:

Financial assets and liabilities	Methods and assumptions
• Term loans • Obligations under finance leases	Fair value has been determined using discounted estimated cash flow analysis. The discount rates used are the current market incremental lending rates for similar types of lending, borrowing and leasing arrangements.

29. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and cash at bank and on hand, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy to monitor receivable balances on an ongoing basis with the result that the Group's exposure to bad debts is not unduly significant.

As at 31 December 2007, 23% (2006: 50%) of the Group's trade receivables were due from three major customers whom the Group has ongoing business. These multi-industry conglomerates are located in People's Republic of China and Japan.

29. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's gross trade receivables at the balance sheet date is as follows:

	Group			
	2007		2006	
	$'000	% of total	$'000	% of total
By country:				
United States of America	374	4%	36	1%
Europe	4,920	55%	4,812	36%
Japan	381	4%	437	3%
People's Republic of China	1,608	18%	3,729	28%
Singapore	1,631	19%	3,908	29%
Malaysia	–	–	413	3%
	8,914	100%	13,335	100%
By industry sector:				
Electronics	8,914	100%	13,335	100%

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash at bank are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 10.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group currently obtains funding mainly from loans from a corporate shareholder, bank overdrafts, term loans and revolving credits.

29. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	2007			2006		
Group	**1 year or less**	**1 to 5 years**	**Total**	**1 year or less**	**1 to 5 years**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Trade payables	5,405	–	5,405	6,976	–	6,976
Loans from a corporate shareholder	–	4,470	4,470	12,474	4,520	16,994
Bank overdrafts	2,919	–	2,919	4,131	–	4,131
Term loans	2,592	292	2,884	4,356	–	4,356
Revolving credits	3,416	–	3,416	3,392	–	3,392
	14,332	4,762	19,094	31,329	4,520	35,849
Company						
Trade payables	3,819	–	3,819	4,913	–	4,913
Loans from a corporate shareholder	–	4,470	4,470	12,474	4,520	16,994
Bank overdrafts	1,490	–	1,490	2,718	–	2,718
	5,309	4,470	9,779	20,105	4,520	24,625

As at 31 December 2007, the Group and Company breached certain covenants of the credit facilities agreement with one of its bankers. The bank has not exercised its rights under the credit facilities agreement to recall the credit facilities of $1,458,000 (2006: $2,718,000) and had maintained the credit facilities as status quo. In the event that the breach of covenants is not rectified, the bank may exercise its rights under the credit facilities agreement and the credit facilities may then be repayable at the bank's demand.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their borrowings.

Movements in interest rates will therefore have an impact. A change of 100 basis points in interest rate at the reporting date would increase/decrease equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

29. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk (cont'd)

	Group		
	Increase/ decrease in basis points	Effect on loss net of tax	Effect on equity
	$'000	$'000	$'000
2007			
- Singapore dollar	+100	(15)	–
- Ringgit	+100	(54)	–
- RMB	+100	(23)	–
- Singapore dollar	–100	15	–
- Ringgit	–100	54	–
- RMB	–100	23	–
2006			
- Singapore dollar	+100	(27)	–
- Ringgit	+100	(58)	–
- RMB	+100	(34)	–
- Singapore dollar	–100	27	–
- Ringgit	–100	58	–
- RMB	–100	34	–

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group, primarily SGD, U.S. Dollar (USD) and Renminbi (RMB). The foreign currencies in which the Group's transactions are denominated are mainly in the U.S. Dollar (USD) and Malaysian Ringgit (Ringgit). Approximately 37% (2006: 29%) of the Group's sales are denominated in foreign currencies, whilst almost 83% (2006: 82%) of costs are denominated in the respective functional currencies of the Group's entities.

The Group does not enter into forward foreign exchange contracts to hedge against its foreign exchange risk resulting from sale and purchase transactions denominated in foreign currencies.

The Group's foreign currency exposure from its trade receivables and trade payables at balance sheet date are detailed in Notes 10 and 14 respectively.

The Group and the Company also hold cash at bank and on hand denominated in foreign currencies for working capital purposes. Details of such foreign currency balances are set out in Note 12.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, principally in Malaysia and People's Republic of China (PRC).

29. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the USD, RMB and Ringgit exchange rates (with SGD), with all other variables held constant, on the Group's loss/profit net of tax and equity.

		Group			
		2007		2006	
		Loss/Profit net of tax $'000	Equity $'000	Loss/Profit net of tax $'000	Equity $'000
USD	- strengthened 3% (2006: 3%)	+108	–	+150	–
	- weakened 3% (2006: 3%)	–108	–	–150	–
RMB	- strengthened 4% (2006: 4%)	+9	–	+57	–
	- weakened 4% (2006: 4%)	–9	–	–57	–
Ringgit	- strengthened 3% (2006: 4%)	–3	–	+2	–
	- weakened 3% (2006: 4%)	+3	–	–2	–

30. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2007 and 31 December 2006.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's gearing ratio is between 88% and 91% and most of the borrowings are personally guaranteed by a Director who is also a major shareholder. The Group includes within net debt, borrowings, trade and other payables less cash at bank and on hand. Capital relates to equity attributable to the equity holders of the parent.

	Group	
	2007	2006
	$'000	$'000
Borrowings*	9,219	11,879
Trade and other payables	8,141	9,948
Obligations under finance lease	405	912
Less: Cash at bank and on hand	(886)	(1,366)
Net debt	16,879	21,373
Total equity**	2,391	2,047
Capital and net debt	19,270	23,420
Gearing ratio	88%	91%

* Excludes loans from a corporate shareholder
** Excludes asset revaluation reserve

31. Events occurring after the balance sheet

On 13 March 2008, the Company announced the appointment of Tan Sri Datuk Tiong Hiew King as an Executive Director and Executive Chairman of the Company, in place of Dr Tiong Ik King, who was redesignated as an Executive Director of the Company with effect from 13 March 2008.

On 14 March 2008, the Company announced that it has entered into a non-binding memorandum of understanding ("MOU") to indicate its intention to acquire all the ordinary shares of Kingworld Resources Limited, a company incorporated in the British Virgin Islands which will engage in the business of exploration and production of crude oil.

On 17 March 2008, the Company announced that it has entered into a placement agreement dated 17 March 2008 ("Placement Agreement") with HL Bank (the "Placement Agent") and Surreyville Pte Ltd (the "Scrip Lender" or "Surreyville"). Under the terms of the Placement Agreement, the Company will place up to 40,000,000 new Shares (the "New Shares") with the Placement Agent at the price of $0.109 (the "Offer Price") for each New Share. The Scrip Lender has entered into a scrip lending arrangement pursuant to the provisions of the Placement Agreement. Subject to the terms and conditions of the Placement Agreement, the Placement Agent has agreed, on a best commercial endeavour basis, to procure subscription and payment for the 40,000,000 New Shares.

On 25 March 2008, the Company announced that pursuant to the Placement Agreement, Surreyville had on 24 March 2008, lent 40,000,000 ordinary shares to the Placement Agent to facilitate the early settlement of the placement shares to end-placees procured by the Placement Agent. On 25 March 2008, the placement exercise was completed with the issue of 40,000,000 New Shares to Surreyville as fully paid.

32. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2007 were authorised for issue in accordance with a resolution of the Directors on 3 April 2008.

STATISTICS OF SHAREHOLDINGS

As at 19 March 2008

Class of equity securities	Number of equity securities	Voting Rights
Ordinary Shares	233,821,443	One vote per share

There are no treasury shares held in the issued share capital of the Company.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	3	0.19	1,480	0.00
1,000 - 10,000	1,411	91.33	3,073,320	1.32
10,001 - 1,000,000	126	8.16	7,839,500	3.35
1,000,001 AND ABOVE	5	0.32	222,907,143	95.33
TOTAL :	1,545	100.00	233,821,443	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	SURREYVILLE PTE LTD	167,889,486	71.80
2.	HL BANK NOMINEES (S) PTE LTD	40,000,000	17.11
3.	GREENDALE INVESTMENTS PTE LTD	9,037,657	3.87
4.	TIONG KIEW CHIONG	3,480,000	1.49
5.	WONG YIING NGIIK	2,500,000	1.07
6.	LIM MUI CHOO	471,000	0.20
7.	GOH AH TEE @ GOH HUI CHUA	463,000	0.20
8.	OCBC SECURITIES PRIVATE LTD	439,000	0.19
9.	NG TOONG SENG	275,000	0.12
10.	CHANG MENG	258,500	0.11
11.	OCBC NOMINEES SINGAPORE PTE LTD	233,000	0.10
12.	NGIN CHOON KAY	221,000	0.09
13.	TAN KENG SOON	205,000	0.09
14.	LOH KOK WENG	204,000	0.09
15.	CHAI MING HONG	190,500	0.08
16.	CHIA GIM ANN	187,500	0.08
17.	CHIA LAI MEI	184,000	0.08
18.	SIM SOCK HIANG	153,000	0.07
19.	WEE SIAN TIOK	152,000	0.07
20.	DMG & PARTNERS SECURITIES PTE LTD	140,000	0.06
	TOTAL :	226,683,643	96.97

STATISTICS OF SHAREHOLDINGS

As at 19 March 2008

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Surreyville Pte Ltd [1]	207,889,486	88.91	–	–
Woodsville International Limited [2]	–	–	207,889,486	88.91
Dr Tiong Ik King [2]	–	–	207,889,486	88.91
Tan Sri Datuk Tiong Hiew King [2]	–	–	207,889,486	88.91

Note:

(1) 40,000,000 shares are held by HL Bank Nominees (S) Pte Ltd for the beneficial interest of Surreyville Pte Ltd.

(2) The deemed interest results from their shareholdings in Woodsville International Limited, the holding company of Surreyville Pte Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

11.06% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of TRI-M TECHNOLOGIES (S) LIMITED ("the Company") will be held at 25 Kallang Avenue #07-01, Singapore 339416 on Monday, 28 April 2008 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31 December 2007 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring pursuant to Article 106 of the Company's Articles of Association:

   Mr Abbasbhoy Haider Nakhoda **(Resolution 2)**
   Mr Lee Hock Lye **(Resolution 3)**

   Mr Abbasbhoy Haider Nakhoda will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee, a member of the Nominating and Remuneration Committees and will be considered independent.

   Mr Lee Hock Lye will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee, a member of the Audit and Remuneration Committees and will be considered independent.

3. To appoint Tan Sri Datuk Tiong Hiew King, a director of the Company retiring under Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company. [See Explanatory Note (i)] **(Resolution 4)**

4. To approve the payment of Directors' fees of S$100,000 for the year ended 31 December 2007 (2006: S$100,000). **(Resolution 5)**

5. To re-appoint Messrs Ernst & Young as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to issue shares up to 50 per centum (50%) of the issued shares in the capital of the Company**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments. [See Explanatory Note (ii)] **(Resolution 7)**

By Order of the Board

Yeo Poh Noi Caroline
Company Secretary
Singapore, 11 April 2008

Explanatory Notes:

(i) The effect of the Ordinary Resolution 4 proposed in item 3 above, is to re-appoint a director of the Company who is over 70 years of age.

(ii) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue consolidation or subdivision of shares.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 25 Kallang Avenue #07-01, Singapore 339416 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

TRI-M TECHNOLOGIES (S) LIMITED
[Company Registration No. 198701138Z]
(Incorporated In The Republic of Singapore)

IMPORTANT:
1. For investors who have used their CPF monies to buy TRI-M Technologies (S) Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____________________

of ____________________

being a member/members of TRI-M Technologies (S) Limited (the "Company"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above , the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 28 April 2008 at 9.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	**Resolutions relating to:**	**For**	**Against**
1	Directors' Report and Audited Accounts for the year ended 31 December 2007		
2	Re-election of Mr Abbasbhoy Haider Nakhoda as a Director		
3	Re-election of Mr Lee Hock Lye as a Director		
4	Appointment of Tan Sri Datuk Tiong Hiew King as a Director		
5	Approval of Directors' fees amounting to S$100,000		
6	Re-appointment of Messrs Ernst & Young as Auditors		
7	Authority to allot and issue new shares		

Dated this ____________ day of ____________ 2008

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 25 Kallang Avenue #07-01, Singapore 339416 not less than 48 hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

REGIONAL PRESENCE

SINGAPORE
(Corporate Head Office)

Tri-M Technologies (S) Limited
25 Kallang Avenue #07-01
Singapore 339416
Tel: (65) 6293 9293
Fax: (65) 6299 7656
Website: www.tri-m.com.sg

For business, please contact:
Mr David Chia
Email: dchia@tri-m.com.sg

MALAYSIA

TRIM Technologies (M) Sdn Bhd
Lot 16, Jalan Jelawat, Kawasan Perusahaan
Bandar Seberang Jaya
13700 Prai (T), Penang
Malaysia
Tel: (60-4) 399 3252
Fax: (60-4) 399 3261

CHINA

TRIM Technologies (Shenzhen) Co Ltd
TRIM Electronics (Shenzhen) Co Ltd
1-4 Floor, B Building
Shang Li Lang Village Industrial
Buji Town, Shenzhen
People's Republic of China
Postcode: 518112
Tel: (86-755) 8970 1068
Fax: (86-755) 8970 1591

TRI-M TECHNOLOGIES (S) LIMITED
太安科技（新加坡）有限公司

Corporate Registration 198701138Z

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Fax: (65) 6299 7656
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