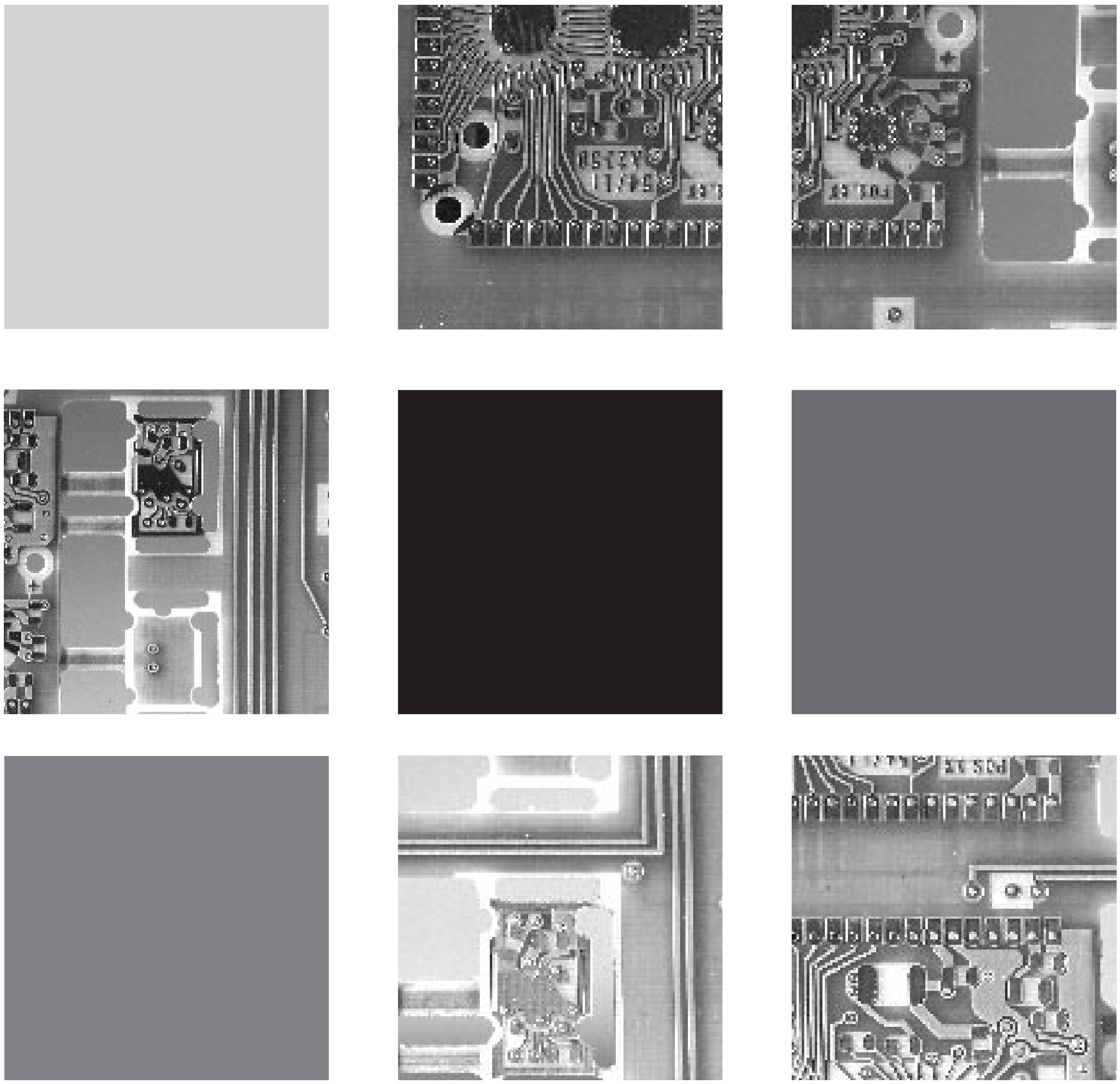

FINANCIAL REVIEW

FINANCIAL SUMMARY

	2004	2003	2002
Financial Ratios			
Loss per share (US cents)			
Basic	**(5.9)[1]**	(8.0)[1]	(6.3)[1]
Diluted	**(5.7)[2]**	(8.0)[1]	(6.3)[1]
Dividend:			
Gross (%)	**-**	-	-
Cover (Times)	**-**	-	-
Net Tangible Asset per share (US cents)	**4.0[2]**	7.3[1]	15.2[1]
Return on average shareholder's funds	**(132%)**	(71%)	(35%)
Return on average assets	**(13%)**	(19%)	(13%)
Gearing Ratio	**1981%**	250%	144%

Note:

(1) Loss per share and the net tangible assets per share are calculated based on 321,060.346 shares.

(2) Loss per share and the net tangible assets per share are calculated base on 332,060,346 shares.

DEBT FINANCING STRUCTURE

AS AT 31 DECEMBER 2004

In dollars term (US$'000)	Fixed rate loans	Fixed and floating loans	Floating rate loans	Banker's Guarantees	Total Facilities
Amount available for drawdown	68,519	23,527	13,896	1,808	107,750
Amount utilised for loans	68,361	23,527	13,896	-	105,784
Amount utilised for banker's guarantees/letters of credit	-	-	-	1,338	1,338
Balance Unutilised	158	-	-	470	628
In percentage terms (%)					
Amount available for drawdown	64%	22%	13%	1%	100%
Amount utilised	64%	22%	13%	1%	100%
Average effective cost of debt during the year 2004					5%
Interest Coverage Ratio					
Net loss before interest and tax (US$'000)					(18,218)
Interest Cost (including interest cost capitalised) (US$'000)					3,909
Debt servicing ratio					(5)
Debt servicing ratio					
Operating cash surplus before interest and tax (US$'000)					4,940
Interest cost (including interest cost capitalised) (US$'000)					3,909
Debt servicing ratio					1
Secured Debt Ratio					
Total secured debt (US$'000)					40,904
Percentage of secured debt over total debt					39%
Gearing Ratio					
Total Debt (US$'000)					105,785
Total Equity (US$'000)					5,339
Gearing Ratio					1981%

VALUE ADDED STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

(US$'000)	2004	2003	2002
Turnover from Operations	83,917	79,189	86,521
Less: Purchase of goods and services	72,943	71,649	70,572
Value Added from Operations	10,974	7,540	15,949
Other Income	2,742	1,581	819
Total value added available for distribution	13,716	9,121	16,768
Distributed as follows:			
To employees:			
(a) Salaries and other staff costs	15,374	16,271	18,028
To government			
(a) Corporate and Property Taxes	(377)	96	84
To suppliers of capital			
(a) Interest to banks & other lenders	2,959	4,086	4,178
(b) Dividends to shareholders	-	-	-
Retained for re-investment and future growth			
(a) Depreciation	14,729	14,274	14,778
(b) Net loss	(18,969)	(25,606)	(20,298)
Total Value added	13,716	9,121	16,768
Average number of employees	1,901	1,587	1,498
Average investment in fixed assets (US$'000)	184,305	157,590	156,437

INTERESTED PERSON TRANSACTIONS

The Audit Committee has reviewed the rationale and terms of the Group's Interested Person Transactions ("IPTs") and is of the view that the IPTs are on normal commercial terms and are not prejudicial to the interests of Gul Technologies Singapore Ltd and its minority shareholders. IPTs carried out during the financial year ended 31 December 2004 by the Group are as follows:

	GROUP			
	Aggregate value of all interested person transactions (excluding transactions less than US$58,823 (S$100,000) and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than US$58,823 (S$100,000))	
Name of interested person	**31.12.2004**	**31.12.2003**	**31.12.2004**	**31.12.2003**
	US$'000	US$'000	US$'000	US$'000
Intercompany loans				
Michelle Liem, David Lee Kay Tuan, William Liem, Liem Mei Kim, Tan Enk Ee, Nuri Holdings (S) Pte Ltd & Tuan Sing Holdings Limited	948	-	-	-
Lim Tek Siong[1], Go Giok Lian, Nuri Holdings (S) Pte Ltd & Tuan Sing Holdings Limited	-	667	-	-
Michelle Liem, David Lee Kay Tuan, William Liem, Liem Mei Kim, Tan Enk Ee & Nuri Holdings (S) Pte Ltd	301	-	-	-
Michelle Liem, David Lee Kay Tuan, William Liem, Liem Mei Kim, Tan Enk Ee & Tuan Sing Holdings Limited	-	-	1,594	-
MIS services				
Michelle Liem, David Lee Kay Tuan, William Liem & Lei Huai Chin	179	-	-	-
Lim Tek Siong[1], Go Giok Lian, Michelle Liem, David Lee Kay Tuan, William Liem & Lei Huai Chin	-	174	-	-

INTERESTED PERSON TRANSACTIONS

	GROUP			
	Aggregate value of all interested person transactions (excluding transactions less than US$58,823 (S$100,000) and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than US$58,823 (S$100,000))	
Name of interested person	**31.12.2004**	**31.12.2003**	**31.12.2004**	**31.12.2003**
	US$'000	US$'000	US$'000	US$'000
Project management fee expenses				
Michelle Liem, David Lee Kay Tuan, William Liem, Liem Mei Kim, Tan Enk Ee, Nuri Holdings (S) Pte Ltd & Tuan Sing Holdings Limited	122	-	-	-
Lim Tek Siong[1], Go Giok Lian, Nuri Holdings (S) Pte Ltd, Tuan Sing Holdings Limited & SP Corporation Ltd	-	249	-	-
Lim Tek Siong[1], Go Giok Lian, Nuri Holdings (S) Pte Ltd & Tuan Sing Holdings Limited	-	118	-	-
Management support services				
Michelle Liem, David Lee Kay Tuan, William Liem, Liem Mei Kim, Tan Enk Ee & Tuan Sing Holdings Limited	-	152	283	-
Capital related activities				
Lim Tek Siong[1], Go Giok Lian & Nuri Holdings (S) Pte Ltd	-	12,114	-	-
Lim Tek Siong[1], Go Giok Lian, Nuri Holdings (S) Pte Ltd & Tuan Sing Holdings Limited	-	6,000	-	-
Total interested persons transactions	**1,550**	**19,474**	**1,877**	**-**

[1] Formerly known as Liem Tek Siong

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2004 and the balance sheet of the Company at 31 December 2004.

DIRECTORS

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

Tan Kim Leong
Tan Enk Ee
William Liem
Cheng Hong Kok
Kaka Singh
David Lee Kay Tuan
Lei Huai Chin (alternate to David Lee Kay Tuan)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholding, none of the directors holding office at the end of the financial year had any interest in the share capital or debentures of the Company and related corporations, except as follows:

	Holdings registered in the name of director			Holdings in which a director is deemed to have an interest		
	At 21.1.2005	At 31.12.2004	At 1.1.2004	At 21.1.2005	At 31.12.2004	At 1.1.2004
The Company						
(Ordinary shares of S$0.20 each)						
Tan Enk Ee	146,000	146,000	-	193,431,996	193,431,996	-
David Lee Kay Tuan	-	-	-	193,431,996	193,431,996	-
(Non-cumulative convertible preference shares of S$0.20 each)						
Tan Enk Ee	-	-	-	11,000,000	11,000,000	-
David Lee Kay Tuan	-	-	-	11,000,000	11,000,000	-
Ultimate holding corporation						
Tuan Sing Holdings Limited						
(Ordinary shares of S$0.25 each)						
Tan Kim Leong	64,000	64,000	64,000	-	-	-
Kaka Singh	923,000	923,000	-	-	-	-

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director 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 he is a member or with a company in which he has a substantial financial interest, except as disclosed in the consolidated financial statements and in this report, and except that Mr William Liem has employment relationship with the ultimate holding corporation and has received remuneration in that capacity.

SHARE OPTIONS

During the financial year, no shares of the Company were allotted and issued by virtue of the exercise of options to take up unissued shares of the Company or any other subsidiary.

There were no options granted by the Company or any subsidiary during the financial year and there were no unissued shares under option at the end of the financial year, except as follows:

Warrants outstanding

The unissued ordinary shares in the Company under warrants at the end of the financial year were as follows:

Date issued	Number of warrants at date of issue	Number outstanding at 31.12.2004	Subscription price	Expiry date
18 September 2000	66,887,576	66,887,576	S$0.185	17 September 2005

The warrants were issued in conjunction with the Transferable Loan Facility granted to the Company on 25 August 2000. Each warrant entitles the warrant holder to subscribe for one new ordinary share in the Company at an exercise price of S$0.681 per share up to 17 September 2005. The new ordinary shares will rank pari passu in all respects with the then existing ordinary shares save for any dividends, rights, allotment or other distributions, the record date for which is on or before the relevant exercise date of the warrants.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

On behalf of the directors

TAN ENK EE
Chief Executive Officer

WILLIAM LIEM
Executive director

28 March 2005

STATEMENT BY DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 31 to 71 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group at 31 December 2004 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) 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.

On behalf of the directors

TAN ENK EE	WILLIAM LIEM
Chief Executive Officer	Executive director

28 March 2005

AUDITORS' REPORT

TO THE MEMBERS OF GUL TECHNOLOGIES SINGAPORE LTD

We have audited the accompanying financial statements of Gul Technologies Singapore Ltd set out on pages 31 to 71 for the financial year ended 31 December 2004, comprising the balance sheet of the Company and the consolidated financial statements of the Group. These financial statements are the responsibility of the Company's directors. 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 plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the accompanying balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Companies Act, Cap 50 ("the Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2004, and the results, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers

PricewaterhouseCoopers
Certified Public Accountants

Singapore, 28 March 2005

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Notes	The Group 2004 US$'000	2003 US$'000
Sales	3	**83,917**	79,189
Cost of sales		**(88,539)**	(82,463)
Gross loss		**(4,622)**	(3,274)
Other operating income	3	**2,742**	1,593
Distribution costs		**(5,501)**	(5,593)
Administrative expenses		**(4,769)**	(4,674)
Other operating expenses		**(6,068)**	(9,843)
Loss from operations	5	**(18,218)**	(21,791)
Finance costs	6	**(3,909)**	(4,452)
Loss before tax		**(22,127)**	(26,243)
Income tax	8	**377**	(19)
Loss from ordinary activities after tax		**(21,750)**	(26,262)
Minority interests	9	**2,781**	656
Net loss for the financial year		**(18,969)**	(25,606)
Loss per share	10		
- Basic		**(5.9 US cents)**	(8.0 US cents)
- Diluted		**(5.7 US cents)**	(8.0 US cents)

The accompanying notes form an integral part of these financial statements.

Auditors' Report - page 30

BALANCE SHEETS
AS AT 31 DECEMBER 2004

	Notes	The Group 2004 US$'000	The Group 2003 US$'000	The Company 2004 US$'000	The Company 2003 US$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**15,696**	7,066	**2,791**	5,458
Trade and other receivables	12	**17,164**	19,805	**12,078**	12,706
Inventories	13	**12,059**	11,509	**7,885**	8,203
Other current assets	14	**1,725**	1,105	**121**	111
		46,644	39,485	**22,875**	26,478
Non-current assets					
Investments in subsidiaries	15	**-**	-	**32,492**	25,840
Other investments	16	**246**	311	**246**	311
Property, plant and equipment	17	**121,824**	81,261	**30,332**	39,112
Intangible assets	18	**1,448**	193	**107**	193
		123,518	81,765	**63,177**	65,456
Total assets		**170,162**	121,250	**86,052**	91,934
LIABILITIES					
Current liabilities					
Trade and other payables	19	**47,918**	26,597	**22,735**	17,961
Current income tax liabilities	8	**34**	33	**-**	-
Borrowings	20	**66,607**	36,572	**6,604**	18,966
		114,559	63,202	**29,339**	36,927
Non-current liabilities					
Trade and other payables	19	**1,787**	-	**5,814**	8,390
Borrowings	20	**39,178**	22,050	**31,271**	15,060
Deferred income tax liabilities	22	**-**	393	**-**	-
		40,965	22,443	**37,085**	23,450
Total liabilities		**155,524**	85,645	**66,424**	60,377
NET ASSETS		**14,638**	35,605	**19,628**	31,557
EQUITY					
Share capital	23	**44,163**	42,822	**44,163**	42,822
Share premium		**671**	671	**671**	671
Other capital reserve		**6,870**	6,870	**6,870**	6,870
Asset revaluation reserve		**1,877**	1,877	**1,877**	1,877
Foreign currency translation reserve		**(1,447)**	(997)	**-**	-
Accumulated losses	24	**(46,795)**	(27,826)	**(33,953)**	(20,683)
Shareholders' equity		**5,339**	23,417	**19,628**	31,557
Minority interests	9	**9,299**	12,188	**-**	-
		14,638	35,605	**19,628**	31,557

The accompanying notes form an integral part of these financial statements.
Auditors' Report - page 30

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Note	Share capital	Share premium	Other capital reserve	Asset revaluation reserve	Foreign currency translation reserve	Accumulated losses	Total
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2004		**42,822**	**671**	**6,870**	**1,877**	**(997)**	**(27,826)**	**23,417**
Net loss recognised directly in equity - Currency translation differences		-	-	-	-	(450)	-	(450)
Net loss for the financial year		-	-	-	-	-	(18,969)	(18,969)
Total recognised gains and losses for the financial year		-	-	-	-	(450)	(18,969)	(19,419)
Issuance of non-cumulative convertible preference shares	23	1,341	-	-	-	-	-	1,341
Balance at 31 December 2004		**44,163**	**671**	**6,870**	**1,877**	**(1,447)**	**(46,795)**	**5,339**
Balance at 1 January 2003		42,822	671	6,870	1,877	(1,320)	(2,220)	48,700
Net loss recognised directly in equity - Currency translation differences		-	-	-	-	323	-	323
Net loss for the financial year		-	-	-	-	-	(25,606)	(25,606)
Total recognised gains and losses for the financial year		-	-	-	-	323	(25,606)	(25,283)
Balance at 31 December 2003		**42,822**	**671**	**6,870**	**1,877**	**(997)**	**(27,826)**	**23,417**

The other capital reserve, asset revaluation reserve and foreign currency translation reserve are non-distributable.

The accompanying notes form an integral part of these financial statements.
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CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Note	2004	2003
		US$'000	US$'000
Cash flows from operating activities			
Loss before tax		**(22,127)**	(26,243)
Adjustments for:			
Amortisation of discount on Transferable Loan Facility		**547**	1,481
Amortisation of deferred financing costs		**86**	86
Depreciation of property, plant and equipment		**14,729**	14,274
Gain on dilution of interest in a subsidiary		**-**	(783)
Impairment of property, plant and equipment		**-**	2,898
Interest income		**(13)**	(12)
Interest expense		**2,412**	2,605
(Gain)/loss on disposal of property, plant and equipment		**(267)**	64
Provision for diminution in value of other investments		**52**	146
Operating loss before working capital changes		**(4,581)**	(5,484)
Change in operating assets and liabilities			
Trade and other receivables		**2,641**	977
Inventories		**(550)**	5,338
Other assets		**(620)**	(627)
Trade and other payables		**8,638**	729
Exchange differences		**(588)**	572
Cash generated from operations		**4,940**	1,505
Income tax paid		**(15)**	(111)
Net cash from operating activities		**4,925**	1,394
Cash flows from investing activities			
Purchase of property, plant and equipment		**(42,242)**	(2,683)
Proceeds from disposal of property, plant and equipment		**1,462**	358
Proceeds from disposal of investments		**11**	-
Interest received		**13**	12
Net cash used in investing activities		**(40,756)**	(2,313)
Cash flows from financing activities			
Repayment of convertible bond		**(1,628)**	-
Proceeds from borrowings		**47,975**	13,081
Proceeds from finance lease		**-**	118
Repayment of borrowings		**(6,384)**	(23,336)
Repayment of lease liabilities		**(291)**	(97)
Loan from a related party		**6,079**	983
(Repayment of loan)/loan from related corporations		**(3,468)**	3,468
Loan from ultimate holding corporation		**184**	4,955
Loan from immediate holding corporation		**3,532**	-
Interest paid		**(1,674)**	(1,701)
Net cash from/(used in) financing activities		**44,325**	(2,529)
Net increase/(decrease) in cash and cash equivalents		**8,494**	(3,448)
Cash and cash equivalents at beginning of financial year		**7,066**	10,105
Effect of exchange rate changes in cash and cash equivalents		**136**	409
Cash and cash equivalents at end of financial year	11	**15,696**	7,066

The accompanying notes form an integral part of these financial statements.

Auditors' Report - page 30

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Gul Technologies Singapore Ltd (the "Company") is incorporated and domiciled in Singapore and is publicly traded on the Singapore Exchange. The address of its registered office is 9 Oxley Rise, #03-02 The Oxley, Singapore 238697. The address of its principal place of business is 149-A Gul Circle, Singapore 629606.

The principal activity of the Company consists of the manufacture and sale of double-sided and multi-layer printed circuit boards. The principal activities of the subsidiaries are set out in Note 15.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of leasehold building.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(b) Revenue recognition

Revenue comprises the fair value for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

(1) *Sale of goods*

Revenue from sale of goods is recognised when a Group entity has delivered the products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(2) *Interest income*

Interest income is recognised on a time proportion basis using the effective interest method.

(3) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(4) *Rental income*

Rental income from operating leases are recognised on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Group accounting

Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are presently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. Please refer to Note 2(e) for the accounting policy on goodwill on acquisition of subsidiaries.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date that control ceases. In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policy with those of the Group.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the parent. It is measured at the minorities' share of post-acquisition fair values of the subsidiaries' identifiable assets and liabilities, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are taken to the consolidated income statement, unless the minority has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority are taken to the consolidated income statement until the minority's share of losses previously taken to the consolidated income statement is fully recovered.

Please refer to Note 2(f) for the Company's accounting policy on investments in subsidiaries.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using a straight-line method to allocate the depreciable amounts of property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

Leasehold land and buildings	50 years or over remaining term of lease
Leasehold improvements	12 – 25 years
Plant and machinery and toolings	5 – 10 years
Motor vehicles	5 years
Furniture, fixtures, computer and office equipment	3 – 5 years

No depreciation is provided on capital work-in-progress.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement; any amount in revaluation reserve relating to that asset is transferred to retained earnings.

(e) Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition of subsidiaries over the fair value of the Group's share of their identifiable net assets at the date of acquisition.

Goodwill recognised as intangible assets is stated at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised using the straight-line method over its estimated useful life. Management determines the estimated useful life of goodwill based on its evaluation of the respective companies at the time of the acquisition, considering factors such as market share, potential growth and other factors inherent in the acquired companies. Goodwill is amortised over a maximum period of 10 years.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(f) Investments

Investments in subsidiaries are stated at cost less accumulated impairment losses in the Company's balance sheet. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Other investments comprise long-term equity and non-equity securities. They are stated at cost less allowance for diminution in value based on a review at the balance sheet date. An allowance for diminution is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments; such reduction being determined and made for each investment individually. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

On disposal of an investment, including subsidiaries, the difference between net disposal proceeds and its carrying amount is taken to the income statement.

(g) Impairment of assets

Assets including property, plant and equipment and other intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purposes of assessing impairment of goodwill, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Trade receivables

Trade receivables are stated at cost less allowance for doubtful receivables based on a review of outstanding amounts at the balance sheet date. An allowance for doubtful receivables is made when there is objective evidence that the Group will not be able to collect amounts due according to the original terms of the receivables. Bad debts are written off when identified.

(i) Borrowings

The Transferable Loan Facility is recognised initially at fair value, net of transaction costs incurred. It is subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is taken to the income statement over the period of the loan using the effective interest method.

Other borrowings are recorded at the proceeds received, net of transaction costs incurred. Interest expense are accounted for on an accrual basis and are added to the carrying amount of the borrowings to the extent that they are not settled in the period in which they arise.

(j) Leases

When a group company is a lessee:

Finance leases

Leases of assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of finished goods and work-in-progress is determined on a weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. For raw materials and spares, cost is determined on a first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(m) Provisions for other liabilities and charges

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

(n) Employee benefits

(1) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employee benefits relating to employee service in the current and preceding financial years. The Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

(2) Employee leave entitlement

Employee entitlements to annual leave is recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(o) Foreign currency translation

(1) Measurement currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the measurement currency"). The consolidated financial statements and balance sheet of the Company are presented in United States dollar, which is the measurement currency of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Foreign currency translation (continued)

(2) Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions. Foreign currency monetary assets and liabilities are translated into the measurement currency at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by forward exchange contracts. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are taken to the income statement.

(3) Translation of Group entities' financial statements

The results and financial position of group entities (none of which has the currency of a hyperinflationary economy) that are in measurement currencies other than United State Dollars are translated into United State Dollars as follows:

(i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) Income and expenses for each income statement are translated at average monthly exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) All resulting exchange differences are taken to the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is disposed of, such exchange differences are taken to the income statement as part of the gain or loss on disposal.

(p) Segment reporting

A business segment is a group of assets and operations 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 engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

(q) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with financial institutions and bank overdrafts. Bank overdrafts are included in borrowings on the balance sheet.

(r) Dividends

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

3. REVENUE

	The Group	
	2004	2003
	US$'000	US$'000
Sale of goods	**83,917**	79,189
Other operating income:		
- Bad trade debts recovered	**670**	-
- Gain on dilution of interest in a subsidiary	**-**	783
- Gain on disposal of property, plant and equipment	**267**	-
- Grant income	**34**	-
- Interest income	**13**	12
- Net foreign exchange gain	**99**	-
- Rebate from suppliers	**123**	38
- Rental income	**2**	115
- Reversal of write-down of inventory	**509**	-
- Scrap sales	**658**	520
- Sundry income	**367**	125
Total other operating income	**2,742**	1,593
	86,659	80,782

4. DISCONTINUED OPERATIONS

On 27 February 2004, the board of directors announced its intention to cease production operations in Gultech North Carolina Inc., a subsidiary located in the United States of America. The production operations of the subsidiary ceased in March 2004 and the subsidiary commenced liquidation in November 2004. The sales, results and cash flows of the discontinued operations were as follows:

	For the financial period ended 30 November 2004 US$'000	For the financial year ended 31 December 2003 US$'000
Net sales	**816**	4,295
Operating expenses	**(1,655)**	(9,280)
Loss from operations	**(839)**	(4,985)
Other income/(expense)	**225**	(124)
Loss before tax	**(614)**	(5,109)
Income tax expense	**-**	-
Loss after tax	**(614)**	(5,109)

4. DISCONTINUED OPERATIONS (continued)

	For the financial period ended 30 November 2004 US$'000	For the financial year ended 31 December 2003 US$'000
Operating cash flows	**(21)**	(643)
Investing cash flows	**-**	(18)
Financing cash flows	**24**	719
Total cash inflows	**3**	58

5. LOSS FROM OPERATIONS

The following items have been included in arriving at loss from operations:

	The Group	
	2004 US$'000	2003 US$'000
Charging/(Crediting):		
Allowance for diminution in value of other investments (included in "Other operating expenses")	**52**	146
Amortisation of deferred financing costs (included in "Other operating expenses")	**86**	86
Auditors' remuneration paid/payable to:		
- Auditors of the Company		
- Current year	**65**	61
- Underprovision in respect of prior year	**10**	-
- Other auditors *	**40**	38
Other fees paid/payable to auditors of the Company	**-**	15
Depreciation of property, plant and equipment:		
- Leasehold land and buildings	**813**	617
- Leasehold improvements	**438**	476
- Plant and machinery and toolings	**12,694**	12,404
- Motor vehicles	**72**	79
- Furniture, fixtures, computer and office equipment	**712**	698
Net foreign exchange loss	**-**	65
Impairment of property, plant and equipment	**-**	2,898
Inventories:		
- Costs of inventories recognised as an expense (included in cost of sales)	**88,539**	82,463
- Write-down of inventory	**727**	1,195
Pre-operating expenses written off	**2,077**	-
Rental expense – operating leases	**602**	574

** Includes PricewaterhouseCoopers firms outside Singapore.*

6. FINANCE COSTS

	The Group	
	2004	2003
	US$'000	US$'000
Interest expense		
- Related party	**311**	723
- Bank loans	**1,780**	1,609
- Overdrafts	**-**	5
- Convertible bonds	**302**	258
- Finance leases	**19**	10
	2,412	2,605
Amortisation of discount on Transferable Loan Facility	**547**	1,481
Net foreign exchange loss	**788**	160
Bank charges	**162**	206
	3,909	4,452

The related party refers to a subsidiary of a substantial shareholder of the ultimate holding corporation of the Company.

7. STAFF COSTS

	The Group	
	2004	2003
	US$'000	US$'000
Wages and salaries	**13,945**	14,921
Employer's contribution to social security schemes and Central Provident Fund	**1,429**	1,350
	15,374	16,271

Average number of persons employed during the financial year:

	The Group	
	2004	2003
Full time	**1,896**	1,574
Part time	**5**	13
	1,901	1,587

8. INCOME TAXES

(a) Income tax

	The Group	
	2004	2003
	US$'000	US$'000
Tax (credit)/expense attributable to loss is made up of:		
Deferred tax	**(393)**	-
	(393)	-
Underprovision in preceding financial years		
- Current income tax	**16**	19
	(377)	19

The tax expense on the results for the financial year differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	The Group	
	2004	2003
	US$'000	US$'000
Loss before tax	**(22,127)**	(26,243)
Tax calculated at a tax rate of 20% (2003: 22%)	**(4,425)**	(5,773)
Effect of different tax rates in other countries	**269**	(195)
Expenses not deductible for tax purposes	**436**	1,988
Deferred tax benefits not recognised	**3,720**	3,980
	-	-

(b) Movements in current income tax liabilities

	The Group		The Company	
	2004	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000
At beginning of financial year	**33**	115	**-**	47
Income tax paid	**(15)**	(111)	**(15)**	(111)
Underprovision in preceding financial years	**16**	19	**15**	64
Translation adjustments	**-**	10	**-**	-
At end of financial year	**34**	33	**-**	-

9. MINORITY INTERESTS

	The Group	
	2004	2003
	US$'000	US$'000
At beginning of financial year	**12,188**	1,689
Share of results of subsidiaries	**(2,781)**	(656)
Share of currency translation differences	**(108)**	(145)
Disposal of a subsidiary	**-**	11,300
At end of financial year	**9,299**	12,188

10. LOSS PER SHARE

	The Group	
	2004	2003
Net loss attributable to members of Gul Technologies Singapore Ltd	**US$(18,969,000)**	US$(25,606,000)
Weighted average number of ordinary shares in issue for basic loss per share	**321,060,346**	321,060,346
Weighted average number of ordinary shares in issue for diluted loss per share	**332,060,346**	321,060,346
Basis loss per share	**(5.9 US cents)**	(8.0 US cents)
Diluted loss per share	**(5.7 US cents)**	(8.0 US cents)

Basic loss per share is calculated by dividing the net loss attributable to members of Gul Technologies Singapore Ltd by the weighted average number of fully paid ordinary shares in issue during the financial year.

For the purpose of calculating diluted loss per share, the weighted average number of ordinary shares has been adjusted for the effects of the dilutive potential ordinary shares: non-cumulative convertible preference shares and warrants. The non-cumulative convertible preference shares are assumed to have been converted into ordinary shares. For the warrants, the dilutive effect arising from the exercise of all outstanding warrants granted, where such shares would be issued at a price lower than the fair value (average share price during the financial year), is computed based on the difference between the number of shares to be issued at the exercise price under the warrants and the number of shares that would have been issued at the fair value based on the assumed proceeds from the issue of these shares and are treated as ordinary shares issued for no consideration. The number of such shares issued for no consideration is added to the number of ordinary shares outstanding in the computation of diluted loss per share. No adjustment is made to net loss attributable to members of Gul Technologies Singapore Ltd.

11. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2004	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000
Cash at bank and on hand	**15,696**	7,066	**2,791**	5,458

The carrying amounts of cash and cash equivalents approximate their fair value and are denominated in the following currencies:

	The Group		The Company	
	2004	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000
United States Dollar	**4,211**	3,077	**2,389**	1,750
Singapore Dollar	**364**	3,689	**333**	3,647
Renminbi	**11,052**	239	**-**	-
Others	**69**	61	**69**	61
	15,696	7,066	**2,791**	5,458

12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2004	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables				
-Third parties	**17,584**	18,957	**12,393**	14,286
-Less: Allowances for doubtful receivables	**(1,126)**	(2,732)	**(1,093)**	(2,300)
Trade receivables – net	**16,458**	16,225	**11,300**	11,986
Due from subsidiaries (trade)	**-**	-	**770**	685
Less: Allowances for doubtful receivables	**-**	-	**-**	(32)
Due from subsidiaries (trade) – net	**-**	-	**770**	653
Value-added tax recoverable	**57**	2,229	**-**	-
Other receivables	**649**	1,351	**8**	67
	17,164	19,805	**12,078**	12,706

The value-added tax recoverable above relates to amounts arising from the purchase of raw materials by a foreign subsidiary.

12. TRADE AND OTHER RECEIVABLES (continued)

The carrying amounts of trade and other receivables approximate their fair value and are denominated in the following currencies:

	The Group		The Company	
	2004 US$'000	2003 US$'000	**2004 US$'000**	2003 US$'000
United States Dollar	**13,632**	13,946	**11,453**	11,897
Singapore Dollar	**1,023**	671	**591**	671
Renminbi	**2,440**	5,050	**-**	-
Others	**69**	138	**34**	138
Total	**17,164**	19,805	**12,078**	12,706

13. INVENTORIES

	The Group		The Company	
	2004 US$'000	2003 US$'000	**2004 US$'000**	2003 US$'000
At cost				
Finished goods	**1,346**	443	**-**	-
Work-in-progress	**1,245**	1,418	**-**	-
Raw materials	**2,063**	1,705	**247**	260
	4,654	3,566	**247**	260
At net realisable value				
Finished goods	**5,199**	5,010	**5,432**	5,010
Work-in-progress	**1,817**	2,456	**1,817**	2,456
Raw materials	**389**	477	**389**	477
	7,405	7,943	**7,638**	7,943
	12,059	11,509	**7,885**	8,203

14. OTHER CURRENT ASSETS

	The Group		The Company	
	2004 US$'000	2003 US$'000	**2004 US$'000**	2003 US$'000
Deposits on purchase of property, plant and equipment	**161**	41	**8**	8
Prepayments	**1,564**	1,064	**113**	103
	1,725	1,105	**121**	111

The carrying amounts of current deposits approximate their fair value.

15. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2004	2003
	US$'000	US$'000
Investments at cost	**14,846**	13,505
Less: Provision for impairment loss	**-@**	-@
	14,846	13,505
Due from subsidiaries (non-trade)	**19,785**	13,890
Less: Allowance for doubtful receivables	**(14,927)**	(13,890)
	4,858	-
Convertible bonds	**12,788**	12,335
	32,492	25,840

@ US$1

(a) Due from subsidiaries (non-trade)

The non-trade amounts due from subsidiaries, denominated in Singapore dollar, are unsecured, interest-free and have no fixed terms of repayment. It is not the Company's intention to seek repayment from the subsidiary within the next twelve months from the balance sheet date. Accordingly, the fair value of this amount cannot be reliably determined.

(b) Convertible bonds

In 2002, a subsidiary, Gultech International Pte Ltd, issued 30,000,000 5% redeemable convertible bonds at a nominal value of US$18,269,000 (S$30,000,000) [2003: US$17,621,000 (S$30,000,000)] to its shareholders in the proportion of their shareholdings for the purpose of providing additional working capital. An amount of US$12,788,000 (S$21,000,000) [2003: US$12,335,000 (S$21,000,000)] was issued to the Company and US$5,481,000 (S$9,000,000) [2003: US$5,285,000 (S$9,000,000)] (Note 20) was issued to the minority shareholder of the subsidiary. The bonds are unsecured and are repayable in twelve equal quarterly instalments of US$1,522,000 (S$2,500,000) with the first instalment being payable on 31 January 2004 and the last instalment on 31 October 2006. The bond holders have the option to convert the bonds into the subsidiary's ordinary shares at the end of the maturity date at the rate of one share of par value US$0.576 (S$1) for every US$0.567 (S$1) in nominal amount of the bond. This option expired on 31 January 2004. As at 31 December 2004, the Company has deferred the subsidiary's repayment of the first eight instalments of the convertible bond due and payable in 2005 for twelve months. Hence as at 31 December 2004, all twelve instalments are due and payable to the Company in 2006. The carrying amounts of convertible bonds approximate their fair value.

15. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Details of the subsidiaries are as follows:

	Name of subsidiaries	Principal activities	Country of incorporation	Equity holding 2004	Equity holding 2003	Cost of investment 2004	Cost of investment 2003
				%	%	US$'000	US$'000
	Held by the Company						
*	Gultech International Pte Ltd	Investment holding	Singapore	**76.3**	70	**13,939**	12,598
*	Teledyne-Gultech Pte Ltd	Dormant	Singapore	**100**	100	**907**	907
*	I-Pro Pte Ltd	Dormant	Singapore	**100**	100	**-@**	-@
*	Gultech China Pte Ltd	Investment holding	Singapore	**100**	100	**-@**	-@
##	Greendale Development Group Limited	Investment holding	British Virgin Islands	**100**	100	**-@@**	-@@
	Held by subsidiaries						
#	Gultech (Suzhou) Electronics Co., Ltd	Manufacture and sale of printed circuit boards	Suzhou, China	**61.4**	61.4	-	-
#	Gultech (Wuxi) Electronics Co., Ltd	Manufacture and sale of printed circuit boards	Wuxi, China	**100**	100	-	-
##	Gultech North America, Inc.	Investment Holding	Delaware, United States of America	**100**	100	-	-
**	Gultech North Carolina, Inc.	Undergoing liquidation	North Carolina, United States of America	**100**	100	-	-
						14,846	13,505

* Audited by PricewaterhouseCoopers, Singapore.

** Ceased operations.

\# Audited by PricewaterhouseCoopers, Shanghai.

\## No statutory audit requirement in the country of incorporation for the financial year ended 31 December 2004 but the financial statements of these subsidiaries were reviewed as part of the audit of the consolidated financial statements.

@ At US$1.

@@ At US$3.

15. INVESTMENTS IN SUBSIDIARIES (continued)

(d) As at 31 December 2004, the Company acquired 2,200,000 ordinary shares at par value of S$1 per share in Gultech International Pte Ltd ("GTI") from GTI's minority shareholder for a consideration of US$1,341,000 (S$2,200,000) via an issuance of 11,000,000 non-cumulative convertible preference shares at par value of S$0.20 per share [Note 23(c)], thereby increasing the Company's equity holding in GTI from 70% to 76.3% as at 31 December 2004.

16. OTHER INVESTMENTS

	The Group and the Company	
	2004	2003
	US$'000	US$'000
At cost		
Marketable securities	**581**	581
Non - marketable securities	**1,072**	1,085
	1,653	1,666
Less: Allowance for diminution in value	**(1,407)**	(1,355)
	246	311
Fair values:		
Marketable securities, at market value	**61**	118
Non-marketable securities, at fair value	**136**	178

The market value of marketable securities is determined by reference to stock exchange quoted bid prices. The fair value of non-marketable securities is estimated by reference to the current market value of similar investments or by reference to the discounted cash flows of the underlying net assets.

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings	Leasehold improvements	Plant and machinery and toolings	Motor vehicles	Furniture, fixtures, computer and office equipment	Capital work-in-progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group							
Cost or valuation							
At 1 January 2004							
Cost	20,622	7,233	111,512	639	4,868	1,238	146,112
Valuation	11,688	-	-	-	-	-	11,688
	32,310	7,233	111,512	639	4,868	1,238	157,800
Additions, at cost	27,260	-	8,512	56	539	19,608	55,975
Disposals, at cost	-	(968)	(2,244)	(209)	(124)	-	(3,545)
Translation adjustment	194	-	350	-	20	15	579
At 31 December 2004	59,764	6,265	118,130	486	5,303	20,861	210,809
Accumulated depreciation and accumulated impairment losses							
At 1 January 2004	4,914	4,079	63,826	417	3,071	232	76,539
Disposals	-	(396)	(1,773)	(149)	(124)	-	(2,442)
Depreciation charge	813	438	12,694	72	712	-	14,729
Translation adjustment	20	-	127	2	10	-	159
At 31 December 2004	5,747	4,121	74,874	342	3,669	232	88,985
Net book value							
At 31 December 2004	54,017	2,144	43,256	144	1,634	20,629	121,824
Net book value							
At 31 December 2003	27,396	3,154	47,686	222	1,797	1,006	81,261

17. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land and buildings	Leasehold improvements	Plant and machinery and toolings	Motor vehicles	Furniture, fixtures, computer and office equipment	Capital work-in-progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Company							
Cost or Valuation							
At 1 January 2004							
Cost	-	6,881	72,402	424	2,630	-	82,337
Valuation	11,688	-	-	-	-	-	11,688
	11,688	6,881	72,402	424	2,630	-	94,025
Additions, at cost	-	-	143	-	171	368	682
Disposals, at cost	-	(969)	(2,241)	(174)	(122)	-	(3,506)
At 31 December 2004	11,688	5,912	70,304	250	2,679	368	91,201
Accumulated depreciation							
At 1 January 2004	1,889	3,726	47,213	289	1,796	-	54,913
Disposals	-	(395)	(1,774)	(113)	(124)	-	(2,406)
Depreciation charge	234	412	7,363	31	322	-	8,362
At 31 December 2004	2,123	3,743	52,802	207	1,994	-	60,869
Net book value							
At 31 December 2004	**9,565**	**2,169**	**17,502**	**43**	**685**	**368**	**30,332**
Net book value							
At 31 December 2003	9,799	3,155	25,189	135	834	-	39,112

(a) The valuation in 1995 of the Company's leasehold building was performed by independent valuers, Knight Frank, Cheong Hock Chye & Baillieu, on a comparable sales basis as at 15 November 1995 for the purposes of acquisition of the Company by TS Technologies Pte Ltd, the Company's holding corporation. The net book value of the leasehold building stated at valuation at 31 December 2004 is US$9,565,000 (2003: US$9,799,000).

Had the leasehold building stated at valuation been included in the financial statements at cost less accumulated depreciation, the net book value at 31 December 2004 would have been US$4,609,000 (2003: US$4,745,000).

The Group does not intend to establish a policy of revaluing its leasehold land and buildings.

17. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) The net book values of assets acquired under finance lease agreements included in property, plant and equipment are as follows:

	The Group and the Company	
	2004	2003
	US$'000	US$'000
Motor vehicles	**57**	135
Computer equipment	**153**	58
Plant and machinery	**101**	129

(c) Certain bank borrowings of the Group of US$11,700,000 (2003: nil) are secured on certain leasehold building, plant and machinery, and furniture, fixtures, computer and office equipment with net book value amounting to US$22,000,000 (2003: nil) (Note 20).

18. INTANGIBLE ASSETS

	The Group		The Company	
	2004	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000
Goodwill arising on consolidation	**1,341**	-	**-**	-
Deferred financing costs	**107**	193	**107**	193
	1,448	193	**107**	193

(a) Goodwill arising on consolidation

	The Group	
	2004	2003
	US$'000	US$'000
At beginning of financial year	**-**	-
Acquisition of a subsidiary [Note 15(d)]	**1,341**	-
At end of financial year	**1,341**	-

18. INTANGIBLE ASSETS (continued)

(b) Deferred financing costs

	The Group and the Company	
	2004	2003
	US$'000	US$'000
Cost	**460**	460
Accumulated amortisation	**(353)**	(267)
	107	193

Movements in unamortised deferred financing costs are as follows:

At beginning of financial year	**193**	279
Amortisation charge	**(86)**	(86)
At end of financial year	**107**	193

Deferred financing costs relate to the costs incurred in obtaining the Transferable Loan Facility (Note 20) and are amortised on a straight-line basis over the duration of the loan period.

19. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2004	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000
Current				
Trade payables:				
- Third parties	**26,296**	16,849	**9,612**	6,261
- Subsidiaries	**-**	-	**9,115**	8,522
	26,296	16,849	**18,727**	14,783
Non-trade payables:				
- Subsidiaries	**-**	-	**798**	-
- Related corporations	**537**	4,291	**-**	-
- Ultimate holding corporation	**-**	967	**-**	967
	537	5,258	**798**	967
Accrued operating expenses	**6,680**	3,817	**3,210**	2,208
Sundry creditors	**2**	3	**-**	3
Purchase of property, plant and equipment	**14,403**	670	**-**	-
	47,918	26,597	**22,735**	17,961
Non-current				
Non-trade payables:				
- Immediate holding corporation	**55**	-	**55**	-
- Ultimate holding corporation	**1,732**	-	**1,732**	-
- Subsidiaries	**-**	-	**4,027**	8,390
	1,787	-	**5,814**	8,390
Total trade and other payables	**49,705**	26,597	**28,549**	26,351

19. TRADE AND OTHER PAYABLES (continued)

(a) The current non-trade amounts due to subsidiaries, related corporations and ultimate holding corporation are unsecured, interest-free and are repayable on demand.

(b) The non-current non-trade amounts due to immediate holding corporation, ultimate holding corporation and subsidiaries are unsecured, interest-free and have no fixed terms of repayment. It is the intention of the immediate holding corporation, ultimate holding corporation and subsidiaries not to call for repayment of these amounts within the next twelve months from 31 December 2004. Accordingly, the fair value of these amounts cannot be reliably determined.

(c) The trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2004	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000
United States Dollar	**25,967**	12,359	**15,115**	12,089
Singapore Dollar	**7,658**	5,628	**13,412**	12,974
Renminbi	**14,857**	5,227	**-**	-
Others	**1,223**	3,383	**22**	1,288
	49,705	26,597	**28,549**	26,351

20. BORROWINGS

	The Group		The Company	
	2004	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000
Current				
Loan from ultimate holding corporation	**-**	4,955	**-**	4,955
Short-term bank loans	**58,175**	17,044	**-**	1,200
Current portion of long-term bank loans	**6,371**	12,755	**6,371**	12,755
Current portion of convertible bonds (unsecured) (Note 15)	**1,828**	1,762	**-**	-
Finance lease liabilities (Note 21)	**233**	56	**233**	56
	66,607	36,572	**6,604**	18,966
Non-current				
Loan from immediate holding corporation	**3,532**	-	**3,532**	-
Loan from ultimate holding corporation	**5,139**	-	**5,139**	-
Loan from a related party	**6,079**	-	**-**	-
Loan from a related corporation	**-**	3,468	**-**	-
Long-term bank loans	**16,021**	9,177	**16,021**	9,177
Convertible bonds (unsecured) (Note 15)	**1,828**	3,522	**-**	-
Discount on Transferable Loan Facility	**6,360**	5,813	**6,360**	5,813
	38,959	21,980	**31,052**	14,990
Finance lease liabilities (Note 21)	**219**	70	**219**	70
	39,178	22,050	**31,271**	15,060
Total borrowings	**105,785**	58,622	**37,875**	34,026

(a) Loan from immediate holding corporation

The loan from the immediate holding corporation is unsecured and interest-bearing at 3.85% per annum. This loan is not expected to be repaid within the next twelve months from 31 December 2004. Accordingly, the fair value of this amount cannot be reliably determined.

(b) Loan from ultimate holding corporation

The loan from the ultimate holding corporation is unsecured and interest-bearing at 3.85% (2003: 3.18%) per annum. As at 31 December 2004, this loan is subordinated to the bank loans. This loan is not expected to be repaid within the next twelve months from 31 December 2004. Accordingly, the fair value of this amount cannot be reliably determined.

20. BORROWINGS (continued)

(c) Loan from a related party

The loan extended by a related party to a subsidiary, Gultech (Wuxi) Electronics Co., Ltd is unsecured and interest-bearing at 6% per annum. This loan is not expected to be repaid within the next twelve months from 31 December 2004. Accordingly, the fair value of the amount cannot be reliably determined.

The related party refers to a subsidiary of a substantial shareholder of the ultimate holding corporation of the Company.

Subsequent to the financial year end, the directors of the Company announced the proposed capitalisation of the loan and interest thereon granted by the related party [Note 30(c)].

(d) Short-term bank loans

Included in short-term bank loans as at 31 December 2004 are the following:

(i) An amount of US$11,700,000 (2003: Nil) secured on certain property, plant and equipment of a subsidiary (Note 17);

(ii) An amount of US$3,040,000 (2003: US$13,462,000) guaranteed by a subsidiary; and

(iii) An amount of US$43,435,000 (2003: Nil) being entrusted bank loans borrowed from related corporations through banks. The short-term bank loans are unsecured and interest-bearing at 6% per annum.

(e) Long-term bank loans

Details of long-term bank loans outstanding as at 31 December 2004 are as follows:

(i) An amount of US$5,225,000 (S$8,580,000) [2003: US$4,068,000 (S$6,926,000)] Transferable Loan Facility granted to the Company which is secured on all assets of the Company (except for its shares in the subsidiary Gultech International Pte Ltd), bears interest at swap rate plus 2.5% per annum, and has the following repayment terms:

Period	Repayment dates	Repayment amounts S$'000
26.08.2003 – 27.08.2004	24.03.2004	89*
	28.08.2004	267*
28.08.2004 – 31.08.2005	01.03.2005	1,234
	01.09.2005	1,234
01.09.2005 – 31.08.2006	01.03.2006	2,469
	01.09.2006	2,469
01.09.2006 – 31.08.2007	01.09.2007	1,174
		8,936

* As at 31 December 2004 these amounts have been repaid by the Company.

20. BORROWINGS (continued)

(e) Long-term bank loans (continued)

(ii) An amount of US$17,167,000 (2003: US$17,864,000) Transferable Loan Facility with a maturity value of US$34,770,000 issued to the Company at a discount of 20.62% is secured on all assets of the Company (except for its share in the subsidiary Gultech International Pte Ltd), bears interest at LIBOR plus 2.5% per annum, and has the following repayment terms:

Period	Repayment dates	Repayment amounts
		US$'000
26.02.2001 – 25.08.2002	25.08.2002	2,782*
26.08.2002 – 25.08.2003	26.02.2003	3,477*
	25.08.2003	3,477*
26.08.2003 – 27.08.2004	28.02.2004	174*
	28.08.2004	522*
28.08.2004 – 31.08.2005	01.03.2005	2,434
	01.09.2005	2,434
01.09.2005 – 31.08.2006	01.03.2006	4,868
	01.09.2006	4,868
01.09.2006 – 31.08.2007	01.03.2007	4,868
	01.09.2007	4,866
		34,770

* As at 31 December 2004, these amounts have been repaid by the Company.

(f) Discount on Transferable Loan Facility

The Discount on Transferable Loan Facility is accrued over 5 years on a compounded basis to the income statement.

Movements in Discount on Transferable Loan Facility are as follows:

	The Group and the Company	
	2004	2003
	US$'000	US$'000
At beginning of financial year	**5,813**	4,303
Amortisation during the financial year	**547**	1,481
Translation adjustment	**-**	29
At end of financial year	**6,360**	5,813

(g) Maturities of non-current borrowings

Maturities of non-current borrowings (excluding finance lease liabilities) are as follows:

	The Group		The Company	
	2004	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000
Later than one year and not later than five years	**38,959**	21,980	**31,052**	14,990

20. BORROWINGS (continued)

(h) Currency risk

The carrying amount of total borrowings are denominated in the following currencies:

	The Group		The Company	
	2004	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000
United States Dollar	**23,527**	28,592	**23,527**	24,877
Singapore Dollar	**18,002**	14,436	**14,348**	9,149
Renminbi	**64,256**	15,594	**-**	-
	105,785	58,622	**37,875**	34,026

(i) Interest rate risks

The weighted average effective interest rates of total borrowings at the balance sheet date are as follows:

	2004			2003		
	US$	**S$**	**Renminbi**	**US$**	**S$**	Renminbi
The Group						
Short-term bank loans	**-**	**-**	**5.83%**	2.53%	-	5.31%
Long-term bank loans	**4.48%**	**3.92%**	**-**	-	1.93%	-
Convertible bonds	**-**	**5.00%**	**-**	-	5.00%	-
Loans from immediate holding corporation	**-**	**3.85%**	**-**	-	-	-
Loan from ultimate holding corporation	**-**	**3.85%**	**-**	-	3.18%	-
Loan from a related party	**-**	**-**	**6.0%**	-	-	-
Loan from related corporation	**-**	**-**	**-**	-	-	6.0%
Finance lease liabilities	**-**	**8.76%**	**-**	-	3.05%	-
The Company						
Short-term bank loans	**-**	**-**	**-**	2.53%	-	-
Long-term bank loans	**4.48%**	**3.92%**	**-**	-	1.93%	-
Finance lease liabilities	**-**	**8.76%**	**-**	-	3.05%	-
Loan from immediate holding corporation	**-**	**3.85%**	**-**	-	-	-
Loan from ultimate holding corporation	**-**	**3.85%**	**-**	-	3.18%	-

(j) Carrying amounts and fair values

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the directors expect would be available to the Group at the balance sheet date. The carrying amounts of convertible bonds, current borrowings, finance lease liabilities and long-term bank loans including the discount on the Transferable Loan Facility recognised approximate their fair values.

21. FINANCE LEASE LIABILITIES (SECURED)

	The Group and the Company	
	2004	2003
	US$'000	US$'000
Minimum lease payments due:		
- Not later than one year	**239**	60
- Later than one year but not later than five years	**217**	79
	456	139
Less: Future finance charges	**(4)**	(13)
Present value of finance lease liabilities	**452**	126
The present value of finance lease liabilities may be analysed as follows:		
Not later than one year (Note 20)	**233**	56
Later than one year but not later than five years (Note 20)	**219**	70
	452	126

The liability is secured on property, plant and equipment acquired under finance lease agreements (Note 17).

22. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown in the balance sheets as follows:

	The Group		The Company	
	2004	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000
Deferred income tax assets to be recovered:				
- Within twelve months	**-**	-	**-**	-
- After more than twelve months	**(958)**	(958)	**(958)**	(958)
	(958)	(958)	**(958)**	(958)
Deferred income tax liabilities to be settled:				
- Within twelve months	**-**	393	**-**	-
- After more than twelve months	**958**	958	**958**	958
	958	1,351	**958**	958
	-	393	**-**	-
The movement in the deferred income tax account is as follows:				
At beginning of financial year	**393**	393	**-**	-
Credited to income statement	**(393)**	-	**-**	-
At end of financial year	-	393	-	-

22. DEFERRED INCOME TAXES (continued)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. As at 31 December 2004, the Group has unrecognised tax losses and capital allowances of US$22,748,000 and US$15,706,000 respectively (2003: US$35,917,000 and US$16,659,000 respectively) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and unutilised capital allowances do not have any expiry dates.

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

The Group

Deferred income tax liabilities

	Accelerated tax depreciation	Total
	US$'000	US$'000
At 31 December 2003	1,351	1,351
Credited to income statement	(393)	(393)
At 31 December 2004	958	958

Deferred income tax assets

	Provisions	Tax losses	Total
	US$'000	US$'000	US$'000
At 31 December 2003	(444)	(514)	(958)
Charged/(credited) to income statement	140	(140)	-
At 31 December 2004	(304)	(654)	(958)

The Company

Deferred income tax liabilities

	Accelerated tax depreciation	Total
	US$'000	US$'000
At 31 December 2003 and at 31 December 2004	958	958

Deferred income tax assets

	Provisions	Tax losses	Total
	US$'000	US$'000	US$'000
At 31 December 2003 and at 31 December 2004	(304)	(654)	(958)

23. SHARE CAPITAL OF GUL TECHNOLOGIES SINGAPORE LTD

(a) Authorised ordinary share capital

The total authorised share capital comprise of 1,000,000,000 (2003: 1,000,000,000) ordinary shares with a par value of S$0.20 per share (2003: S$0.20 per share) and 52,500,000 (2003: Nil) non-cumulative convertible preference shares with a par value of S$0.20 per share.

(b) Issued and fully paid share capital

	2004	2003	**2004**	2003	**2004**	2003	**2004**	2003
	Ordinary Shares	Ordinary shares	**Non-cumulative convertible preference shares**	Non-cumulative convertible preference shares	**S$'000**	S$'000	**US$'000**	US$'000
At beginning of financial year	**321,060,346**	321,060,346	**-**	-	**64,212**	64,212	**42,822**	42,822
Issued during financial year	**-**	-	**11,000,000**	-	**2,200**	-	**1,341**	-
At end of financial year	**321,060,346**	321,060,346	**11,000,000**	-	**66,412**	64,212	**44,163**	42,822

(c) Non-cumulative convertible preference shares ("NCCPS")

During the financial year, the Company issued 11,000,000 NCCPS at par value of S$0.20 per share as consideration for additional investment in a subsidiary, Gultech International Pte Ltd [Note 15(d)].

The NCCPS rank pari passu in all respects with the ordinary shares except in the event of liquidation of the Company which the holders of the NCCPS have priority in the repayment of capital over the holders of ordinary shares.

The holders of the NCCPS are entitled to one vote per share as if the NCCPS were ordinary shares and are entitled to dividends that may from time to time be payable in respect of the ordinary shares. Each NCCPS shall be convertible at the sole discretion of the holder of such NCCPS into one ordinary share ranking pari passu in all respects with the existing ordinary shares of the Company. If the holders of such NCCPS fail to convert their NCCPS into ordinary shares by 31 December 2013, all the NCCPS held by the holders shall be automatically converted into ordinary shares ranking pari passu in all respects with the existing ordinary shares of the Company on 31 December 2013.

(d) Warrants outstanding

As at 31 December 2004, there are 66,887,576 (2003: 66,887,576) outstanding warrants to subscribe for ordinary shares of S$0.20 each, exercisable at S$0.681 each at any time up to expiry date of 17 September 2005. The warrants were issued in conjunction with the Transferable Loan Facility granted to the Company. The new ordinary shares will rank pari passu in all respects with the then existing ordinary shares save for any dividends, rights, allotment or other distributions, the record date for which is on or before the relevant exercise date of the warrants.

24. (ACCUMULATED LOSSES)/RETAINED EARNINGS

Movements in (accumulated losses)/retained earnings for the Company are as follows:

	The Company	
	2004	2003
	US$'000	US$'000
At beginning of financial year	**(20,683)**	3,264
Net loss during financial year	**(13,270)**	(23,947)
At end of financial year	**(33,953)**	(20,683)

Movement in accumulated losses for the Group is shown in the Consolidated Statement of Changes in Equity.

25. COMMITMENTS

(a) Capital commitments

	The Group		The Company	
	2004 **US$'000**	2003 US$'000	**2004** **US$'000**	2003 US$'000
Capital expenditure not provided for in respect of plant and machinery is as follows:				
Commitments in respect of contracts placed	**3,281**	7,733	**-**	45
Amounts approved by directors in addition to commitments	**1,852**	6,108	**697**	1,071
	5,133	13,841	**697**	1,116
Investment commitments not provided for are as follows:				
Commitments in respect of contracts signed	**214**	214	**214**	214
	5,347	14,055	**911**	1,330

25. COMMITMENTS (continued)

(b) Operating lease commitments – where a group company is a lessee

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	The Group and the Company	
	2004	2003
	US$'000	US$'000
Not later than one year	**216**	269
Later than one year and not later than five years	**863**	1,074
Later than five financial years	**863**	1,612
	1,942	2,955

The leasehold land on which the Company's buildings are situated is under a non-cancellable operating lease for a term of 30 years expiring in 2013. The annual rental payable is subject to a revision every year. The revised rental will be based on the market rent prevailing at the time of revision subject to any increase being not more than 7.6% of the rental for the immediate preceding year. The rental charged for the current financial year amounted to US$215,751 (2003: US$170,000).

In addition, the Company has exercised its option to extend the lease for a further 30 years expiring in 2043 and the basis of determining rental payable is similar to the original lease.

The Company has been granted an option to exercise a second further lease term of 4 years, 10 months and 2 days after the expiry of the lease in 2043 on payment of a premium for the buildings and structure and the basis of determining rental payable is similar to the original lease.

26. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: price risk (including currency risk, fair value interest rate risk and market risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain exposures. Financial risk management is carried out in accordance with the policies approved by the Board of Directors.

(i) Price risk

Foreign exchange risk

The Group operates internationally. Majority of the sales and purchases of the Group are transacted using United States dollar. Exposure to foreign exchange risk is not significant as the Company has adopted the United States dollar as its measurement currency. Forward foreign exchange contracts are used to hedge the net position of foreign currencies when exposures are large.

26. FINANCIAL RISK MANAGEMENT (continued)

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group and the Company's interest risk mainly arises from borrowings. Borrowings at variable rates expose the Group and the Company to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group and the Company to fair value interest rate risk.

The table below sets out the Group and the Company's exposure to interest rate risks. Included in the table are the borrowings at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Variable rates				Fixed rates				Total
	Less than 6 months	6 to 12 months	1 to 5 years	Total	Less than 6 months	6 to 12 months	1 to 5 years	Total	
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Group									
31 December 2004	3,186	3,186	31,052	37,424	10,248	49,987	8,126	68,361	105,785
31 December 2003	8,474	11,332	14,990	34,796	11,280	8,952	3,594	23,826	58,622
The Company									
31 December 2004	3,186	3,186	31,051	37,423	117	117	218	452	37,875
31 December 2003	7,578	11,332	14,990	33,900	28	28	70	126	34,026

(iii) Credit risk

Although the Group has significant concentration of credit risk, it has policies in place to ensure that sales are made to customers with an appropriate credit history.

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to finance the Group's operations and the availability of funding through an adequate amount of committed credit facilities, as well as funding from the immediate holding corporation, ultimate holding corporation and other related parties.

27. IMMEDIATE AND ULTIMATE HOLDING CORPORATIONS

The Company's holding corporation is TS Technologies Pte Ltd, incorporated in Singapore. The Company's ultimate holding corporation is Tuan Sing Holdings Limited, incorporated in Singapore.

28. RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the financial statements, the following transactions between the Group and related parties took place during the year on terms agreed between the parties concerned:

(a) *Sales and purchases of goods and services*

	The Group	
	2004	2003
	US$'000	US$'000
Management fee charged by ultimate holding corporation	**283**	152
Purchases from ultimate holding corporation	**-**	76
Services rendered by related corporations	**295**	793
Interest expense charged by immediate holding corporation	**53**	-
Interest expense charged by ultimate holding corporation	**183**	143

(b) Key management's remuneration

The key management's remuneration include fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or Company did not incur any costs, the value of the benefit. The key management's remuneration is as follows:

	The Group	
	2004	2003
	US$'000	US$'000
Key management of the Group:		
- Directors of the Company	**275**	296
- Directors of subsidiaries	**-**	138

29. SEGMENT INFORMATION

Primary reporting format - Geographical segments by location of assets

Financial year ended 31 December 2004

	Singapore	China	United States of America	Group
	US$'000	US$'000	US$'000	US$'000
Sales				
External sales	65,314	17,787	816	83,917
Inter-segment sales	(23,552)	23,552	-	-
	41,762	41,339	816	83,917
Segment result	(10,928)	(6,625)	(665)	(18,218)
Finance costs				(3,909)
Loss before tax				(22,127)
Income tax				377
Loss from ordinary activities after tax				(21,750)
Minority interests				2,781
Net loss				(18,969)
Segment assets	53,404	115,114	56	168,574
Unallocated corporate assets				1,588
Consolidated total assets				170,162
Segment liabilities	13,573	33,774	34	47,381
Unallocated corporate liabilities				108,143
Consolidated total liabilities				155,524
Capital expenditure	683	55,292	-	55,975
Depreciation	8,362	6,367	-	14,729
Amortisation	86	-	-	86

29. SEGMENT INFORMATION (continued)

Primary reporting format - Geographical segments by location of assets (continued)

Financial year ended 31 December 2003

	Singapore	China	United States of America	Group
	US$'000	US$'000	US$'000	US$'000
Sales				
External sales	68,511	6,383	4,295	79,189
Inter-segment sales	(27,258)	27,258	-	-
	41,253	33,641	4,295	79,189
Segment result	(16,779)	(125)	(4,887)	(21,791)
Finance costs				(4,452)
Loss before tax				(26,243)
Income tax				(19)
Loss from ordinary activities after tax				(26,262)
Minority interests				656
Net loss				(25,606)
Segment assets	65,253	54,957	729	120,939
Unallocated corporate assets				311
Consolidated total assets				121,250
Segment liabilities	9,467	16,611	519	26,597
Unallocated corporate liabilities				59,048
Consolidated total liabilities				85,645
Capital expenditure	269	2,405	9	2,683
Depreciation	8,677	4,886	711	14,274
Amortisation	86	-	-	86
Impairment	-	-	2,898	2,898

29. SEGMENT INFORMATION (continued)

Primary reporting format – Geographical segments by location of assets (continued)

The Group is organised into three geographical segments by location of assets:

- Singapore operations
- China, Suzhou and Wuxi operations
- United States of America, North Carolina operations (ceased operations in 2004)

Other operations of the Group mainly comprise investment holding, which does not constitute a separate reportable segment.

In Singapore, where the Company is headquartered, the Company manufactures and sells double-sided, multi-layered and rigid-flex Printed Circuit Boards ("PCBs") and advanced interconnect substrates for industrial applications.

In China, Suzhou and Wuxi, the Group manufactures and sells double-sided and multi-layered PCBs.

In United States of America, North Carolina, the Group manufactures quick-turn prototypes and low volume PCBs for sales within the United States. The operations in this geographical segment ceased during 2004.

Secondary reporting format – business segments

As the Group operates substantially in one business segment which is the manufacture and sale of PCBs, no other segment information by business segment is presented.

Geographical market of the customers

The following details show the distribution of the Group's consolidated sales based on the countries in which the customers are located, regardless of where the goods are produced.

	2004	2003
	US$'000	US$'000
External sales revenue		
Singapore	**14,433**	11,316
Americas	**25,415**	36,378
Europe	**5,387**	6,547
Malaysia	**13,660**	12,527
China/Hong Kong	**17,623**	8,628
Others	**7,399**	3,793
	83,917	79,189

29. SEGMENT INFORMATION (continued)

Geographical market of the customers (continued)

Inter-segment sales represent revenue from sales of products within the Group, determined on terms agreed between the parties.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash, and exclude investments. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment, and intangible assets.

30. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

(a) Financial restructuring

The Group incurred a net loss of US$18,969,000 for the financial year ended 31 December 2004. As at 31 December 2004, the net current liabilities of the Company and the Group amount to US$6,464,000 and US$67,915,000 respectively. The directors are of the opinion that the going concern assumption on which the financial statements of the Company and the Group have been prepared is appropriate due to the following matters set forth below:

Included in the Company and the Group's borrowings as set out in Note 20 are bank borrowings amounting to US$28,752,000 and US$86,927,000 respectively as at 31 December 2004. Associated with the Company's bank borrowings amounting to US$28,752,000 are certain financial covenants for which the Company is required to comply at all times. As at 31 December 2004, the Company has not complied with certain of these financial covenants. As at the date of these financial statements, waivers on non-compliance of these financial covenants have been obtained from the banks for the next twelve months from 31 December 2004.

On 28 March 2005, the Company entered into supplemental agreements with the banks to restructure the repayment schedule, as well as the terms and conditions as set out in the restructuring agreements dated 30 March 2004. These supplemental agreements contain certain financial covenants, security undertakings and financial performance indicators which the Company and the Group are required to comply with at all times, including inter alia, an undertaking to raise additional funds of no less than US$12,000,000 (S$20,000,000) on or before 30 June 2005.

The holding corporation, Tuan Sing Holdings Limited, has also indicated its intention to provide financial support when the Company raises additional funds through the issue of shares and to provide financial support for at least the next twelve months from the date of these financial statements to enable the Company and the Group to pay its debts as and when they fall due.

(b) Capital reduction exercise

On 24 February 2005, the directors of the Company announced the intention of the Company to effect a proposed capital reduction exercise to reduce the par value of each issued and unissued ordinary share in the share capital of the Company from S$0.20 to S$0.01. The capital reduction exercise will involve, inter alia, the following steps:

(i) Cancellation of the issued and paid-up share capital of the Company to the extent of S$0.19 on each of the 321,060,346 shares totalling approximately US$40,680,445 (S$61,001,466);

(ii) Reduction of the par value of all shares, both issued and unissued, from S$0.20 to S$0.01; and

30. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE (continued)

(b) Capital reduction exercise (continued)

(iii) Applying the credit arising from the capital reduction exercise in writing off an amount of approximately US$40,680,445 (S$61,001,466) of the issued and unissued paid-up share capital of the Company, of which US$33,952,517 (S$52,416,370) represents issued and unissued paid-up share capital which has been lost or is unrepresented by available assets as at 31 December 2004, and the balance amount of US$6,727,928 (S$8,585,096) shall be credited to a separate capital reduction reserve in the accounting records of the Company, to the extent to which such credit is not applied in writing off the accumulated losses.

Following the capital reduction exercise, the authorised share capital of the Company will be restored to its former capital of S$210,500,000 by the creation of an additional 19,000,000,000 new ordinary shares of S$0.01 each in the capital of the Company.

The capital reduction exercise is subject to the approval of the shareholders of the Company at an extraordinary general meeting of the Company to be convened on 31 March 2005.

(c) Capitalisation of convertible loan

On 1 March 2005, the directors of the Company announced the proposed capitalisation by Gultech (Wuxi) Electronics Co., Ltd ("Gultech Wuxi"), an indirect wholly-owned subsidiary of the Company, of a Rmb50,000,000 (US$6,079,000) convertible loan and the interest thereon granted by Shanghai G.T. Micro Fiber Co., Ltd. ("Shanghai Micro Fiber"), a subsidiary of a substantial shareholder of the ultimate holding corporation. The capitalisation is effected by way of a transfer of 49% ownership in Gultech Wuxi from Gultech China Pte Ltd ("Gultech China"), a wholly-owned subsidiary of the Company, to Shanghai Micro Fiber. The equity interest transfer agreement and equity joint venture contract between Gultech China and Shanghai Micro Fiber were signed on 8 March 2005.

The proposed capitalisation, equity interest transfer agreement and equity joint venture contract are subject to the approval of the shareholders of the Company at an extraordinary general meeting of the Company to be convened on 31 March 2005.

(d) Contingent liabilities (unsecured)

On 28 March 2005, the Company has given an undertaking to provide continuing financial support to enable the following subsidiaries to meet their obligations as and when they fall due:

(i) Gultech International Pte Ltd and its subsidiary, Gultech (Suzhou) Electronics Co., Ltd; and

(ii) I-Pro Pte Ltd.

31. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of directors of Gul Technologies Singapore Ltd on 28 March 2005.

LETTER TO SHAREHOLDERS

GUL TECHNOLOGIES SINGAPORE LTD
(Incorporated in the Republic of Singapore)

11 April 2005

Directors:

Mr Tan Kim Leong *(Chairman)*
Dr Tan Enk Ee *(Chief Executive Officer)*
Mr William Liem
Mr Cheng Hong Kok
Mr Kaka Singh
Mr David Lee Kay Tuan
Mr Lei Huai Chin (*alternate to Mr David Lee Kay Tuan*)

Registered Office:

9 Oxley Rise
#03-02 The Oxley
Singapore 238697

To:The Shareholders of Gul Technologies Singapore Ltd

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR TRANSACTIONS WITH INTERESTED PERSONS OF THE COMPANY (THE "SHAREHOLDERS' MANDATE")

1. BACKGROUND

We refer to (a) the Notice of Annual General Meeting of Gul Technologies Singapore Ltd ("**GTS**" or the "**Company**") dated 11 April 2005 (the "**Notice of AGM**") accompanying the Annual Report of the Company for financial year ended 31 December 2004 (the "**2004 Annual Report**"), in relation to convening the Annual General Meeting (the "**2005 AGM**") of the Company which is scheduled to be held on 26 April 2005, and (b) Ordinary Resolution 7 in relation to the renewal of the Shareholders' Mandate under the heading "Special Business" set out in the Notice of AGM.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE

2.1 **The Existing Shareholders' Mandate.** At the extraordinary general meeting of the Company held on 26 April 2004 ("**2004 EGM**"), shareholders of the Company ("**Shareholders**") approved a mandate (the "**Shareholders' Mandate**") to enable the Company and its subsidiaries which are considered "entities at risk" within the meaning of Rule 904(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to enter into certain interested person transactions. Further details of the Shareholders' Mandate are set out in the Company's Circular to Shareholders dated 7 April 2004.

2.2 **Proposed Renewal of the Shareholders' Mandate.** The Shareholders' Mandate was expressed to take effect until the conclusion of the next annual general meeting of the Company, being the forthcoming 2005 AGM. Accordingly, the directors of the Company (the "**Directors**") propose that the Shareholders' Mandate be renewed at the forthcoming 2005 AGM. The particulars of the interested person transactions in respect of which the Shareholders' Mandate is sought to be renewed remains unchanged.

2.3 **Details of the Shareholders' Mandate.** Details of the Shareholders' Mandate, including the rationale for, and the benefits to, the company, the review procedures for determining transaction prices with interested persons and other general information in relation to Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**"), are set out in the Appendix to this Letter.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE (continued)

2.4 **Confirmation of Audit Committee.** Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee of the Company (save for Mr David Lee Kay Tuan) confirms that:

(a) the methods or procedures for determining the transaction prices under the Shareholders' Mandate have not changed since the annual general meeting of the Company dated 26 April 2004 ("**2004 AGM**"); and

(b) the methods or procedures referred to in paragraph 2.4(a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 **Interest in Shares.** Save for Mr David Lee Kay Tuan and Dr Tan Enk Ee (as disclosed below) and based on the Company's Register of Directors' Shareholdings, none of the Directors has any direct or deemed interest in the Shares as at 28 March 2005 (the "**Latest Practicable Date**").

Details of the substantial shareholders' interests in the ordinary shares of the Company of par value S$0.20 each (The "**Shares**") and the non-cumulative convertible preference shares of the Company ("**CPS**") as at the Latest Practicable Date, are set out as follows:-

	Direct Interest			Indirect Interest			Total Interest		
Name of Substantial Shareholders	**No. of Shares**	**No. of CPS**	**%**	**No. of Shares**	**No. of CPS**	**%**	**No. of Shares**	**No. of CPS**	**%**
TS Technologies Pte Ltd	193,431,996	11,000,000	61.56	NA	NA	0	193,431,996	11,000,000	61.56
Tuan Sing Holdings Limited[1]	NA	NA	0	193,431,996	11,000,000	61.56	193,431,996	11,000,000	61.56
Nuri Holdings (S) Pte Ltd[2]	NA	NA	0	193,431,996	11,000,000	61.56	193,431,996	11,000,000	61.56
Ms Michelle Liem Mei Fung[3]	NA	NA	0	193,431,996	11,000,000	61.56	193,431,996	11,000,000	61.56
Ms Liem Mei Kim[4]	NA	NA	0	193,431,996	11,000,000	61.56	193,431,996	11,000,000	61.56
Mr David Lee Kay Tuan[5]	NA	NA	0	193,431,996	11,000,000	61.56	193,431,996	11,000,000	61.56
Dr Tan Enk Ee[6]	146,000	NA	0.04	193,431,996	11,000,000	61.56	193,577,996	11,000,000	61.60

Note:-

1. Tuan Sing Holdings Limited ("**TSH**") is deemed to be interested in 193,431,996 shares and 11,000,000 Non-cumulative convertible preference shares ("**CPS**") held by TS Technologies Pte Ltd ("TS Technologies") by virtue of its interests in TS Technologies.

2. Nuri Holdings (S) Pte Ltd ("**Nuri**") is deemed to be interested in 193,431,996 shares and 11,000,000 CPS held by TS Technologies by virtue of its interests in TSH.

3. Ms Michelle Liem Mei Fung ("**Michelle Liem**") is deemed to be interested in 193,431,996 shares and 11,000,000 CPS held by TS Technologies by virtue of (i) TSH's interest in TS Technologies; (ii) Nuri's interest in TSH; and (iii) her interest in Nuri.

LETTER TO SHAREHOLDERS

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

4. Ms Liem Mei Kim is deemed to be interested in 193,431,996 shares and 11,000,000 CPS held by TS Technologies by virtue of (i) TSH's interest in TS Technologies; (ii) Nuri's interest in TSH; and (iii) her interest in Nuri.

5. Mr David Lee Kay Tuan, a Director, is deemed to be interested in 193,431,996 shares and 11,000,000 CPS held by TS Technologies by virtue of his spouse, Ms Michelle Liem's interest in Nuri.

6. Dr Tan Enk Ee, a Director, is deemed to be interested in 193,431,996 shares and 11,000,000 CPS held by TS Technologies by virtue of his spouse, Ms Liem Mei Kim's interest in Nuri.

3.2 Absention from Voting. Based on the issued share capital of the Company as at the Latest Practicable Date, TS Technologies, a controlling shareholder of the Company, holds 193,431,996 Shares and 11,000,000 CPS representing 61.56% of the issued share capital of the Company. Accordingly, TSH is deemed to be interested in the proposed renewal of the Shareholders' Mandate, and will abstain from voting on the proposed renewal of the Shareholders' Mandate at the 2005 AGM in respect of its shareholdings in the Company. TSH will also procure that its associates will abstain from voting on the proposed Shareholders' Mandate at the 2005 AGM.

Ms Michelle Liem, Ms Liem Mei Kim and Nuri are deemed, by virtue of their shareholding interests in TSH, to be interested in TSH's shareholding in the Company. By reason of their interests through TSH, they and their associates are deemed Interested Persons and will therefore abstain and procure that their respective associates will abstain from voting on the proposed renewal of the Shareholders' Mandate at the 2005 AGM.

3.3 Interests of Directors. Certain Directors, namely, Mr Tan Kim Leong, Dr Tan Enk Ee, Mr William Liem, Mr David Lee Kay Tuan and Mr Lei Huai Chin (collectively, the "**Interested Directors**") are deemed to be interested in the proposed renewal of the Shareholders' Mandate for the following reasons:

- Dr Tan Enk Ee is the spouse of Ms Liem Mei Kim, who is a substantial shareholder of the Company;
- Mr Tan Kim Leong is the father of Dr Tan Enk Ee, and is therefore deemed to be an associate of Dr Tan Enk Ee;
- Mr William Liem is an executive director of TSH, non-executive director of SP Corporation Ltd ("**SP Corp**") and brother of Ms Michelle Liem and Ms Liem Mei Kim, who are the substantial shareholders of the Company;
- Mr David Lee Kay Tuan is the Chief Executive Officer and a director of TSH, non-executive director of SP Corp, a director of Nuri and the spouse of Ms Michelle Liem, who is a substantial shareholder of the Company; and
- Mr Lei Huai Chin is a non-executive director of TSH and SP Corp and a director of Nuri and the joint venture partner of GTI.

The Interested Directors will therefore abstain from making any recommendation to the Shareholders on the proposed renewal of the Shareholders' Mandate. They and their respective associates will also abstain from voting, whether in person or by representative or proxy, at the 2005 AGM on Resolution 6 in respect of their shareholdings (if any) in GTS.

Save as disclosed above, none of the substantial shareholders or the Directors of the Company has any direct or indirect interest in the Shareholders' Mandate.

4. DIRECTORS' RECOMMENDATION

The Independent Directors are of the opinion that it is in the interests of the Company and its subsidiaries (the "**Group**" or the "**GTS Group**") to enter into Recurrent Transactions in its normal course of business with the Classes of Interested Persons (as defined herein) described in paragraph 3 of the Appendix to this Letter provided that such transactions are made at arms' length, and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders and in accordance with the guidelines set out in paragraph 6 of the Appendix to this Letter. The Independent Directors (Mr Cheng Hong Kok and Mr Kaka Singh) accordingly recommend that Shareholders vote **IN FAVOUR** of Resolution 7 set out in the Notice of AGM.

Mr Tan Kim Leong, Dr Tan Enk Ee, Mr William Liem, Mr David Lee Kay Tuan and Mr Lei Huai Chin are associates of the Classes of Interested Persons. Accordingly, they and their associates are deemed to be interested in the Shareholders' Mandate, as proposed to be renewed and as set out under Paragraph 3 of the Appendix to this Letter. The Interested Directors will therefore abstain from making any recommendation to the Shareholders on the Shareholders' Mandate, as proposed to be renewed. They and their associates will also abstain from voting, whether in person or by representative or proxy, at the 2005 AGM on the Resolution in respect of their shareholdings (if any) in GTS.

5. DIRECTORS' RESPONSIBILITY STATEMENT

This Letter has been reviewed and approved by all the Directors (including those who have delegated detailed supervision of this Letter) and they collectively and individually, accept full responsibility for the accuracy of the information contained in this Letter. The Directors also confirm that, having made all reasonable enquiries and to the best of their knowledge and belief, the facts stated and opinions expressed in this Letter are fair and accurate in all material respects as at the date hereof and that there are no material facts the omission of which would make any statement in this Letter misleading.

6. ADVICE TO SHAREHOLDERS

Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

7. SGX-ST

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Letter.

Yours faithfully

Mr Tan Kim Leong
Chairman
Gul Technologies Singapore Ltd

THE APPENDIX

1. CHAPTER 9 OF THE LISTING MANUAL

1.1 Chapter 9 of the Listing Manual ("**Chapter 9**") governs transactions in which a listed company or any of its subsidiaries or associated companies proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its minority shareholders.

1.2 For the purposes of Chapter 9:-

(a) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9;

(b) an "**associate**" in relation to any director, chief executive officer or controlling shareholder (being an individual) means his immediate family (i.e., spouse, child, adopted child, step-child, sibling and parent), the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. An "associate" in relation to a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(c) an "**associated company**" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;

(d) a "**controlling shareholder**" is a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in a listed company (unless otherwise excepted by SGX-ST) or in fact exercises control over the listed company;

(e) an "**entity at risk**" means a listed company, a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange, or an associated company of the listed group that is not listed on the SGX-ST or an approved exchange, provided that the listed group or the listed group and its interested person(s) has control over the associated company;

(f) an "**interested person**" means a director, chief executive officer or controlling shareholder of a listed company, or an associate of such director, chief executive officer or controlling shareholder;

(g) an "**interested person transaction**" means a transaction between an entity at risk and an interested person; and

(h) a "**transaction**" includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether or not entered into directly or indirectly.

1.3 Save for transactions which are not considered to put the listed company at risk and which are therefore excluded from the ambit of Chapter 9, an immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds. In particular, an immediate announcement is required where:-

(a) the value of a proposed transaction is equal to or exceeds 3% of the listed group's latest audited consolidated NTA; or

1. CHAPTER 9 OF THE LISTING MANUAL (continued)

(b) the aggregate value of all transactions entered into with the same interested person during the same financial year, is equal to or more than 3% of the listed group's latest audited consolidated NTA. An announcement will have to be made immediately of the latest transaction and all future transactions entered into with that same interested person during the financial year,

and shareholders' approval (in addition to an immediate announcement) is required where:-

(c) the value of a proposed transaction is equal to or exceeds 5% of the listed group's latest audited consolidated NTA; or

(d) the aggregate value of all transactions entered into with the same interested person during the same financial year, is equal to or more than 5% of the listed group's latest audited consolidated NTA. The aggregation will exclude any transaction that has been approved by shareholders previously, or is the subject of aggregation with another transaction that has been previously approved by shareholders.

For the purposes of aggregation, interested person transactions below S$100,000 (US$ 60,824[1]) each are to be excluded.

1.4 For illustration purposes, based on the Group's latest audited accounts for the financial year ended 31 December 2004, the Group's latest audited NTA as at 31 December 2004 was US$3,891,787. Accordingly, in relation to the Group, for the purposes of Chapter 9 in the current financial year, Shareholders' approval would be required where:-

(a) the transaction is of a value equal to, or more than, US$194,589, being 5% of the Group's latest audited consolidated NTA; or

(b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, US$194,589. The aggregation will exclude any transaction that has been approved by Shareholders previously, or is the subject of aggregation with another transaction that has been approved by Shareholders.

1.5 Part VIII of Chapter 9 allows a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate granted by shareholders is subject to annual renewal.

2 RATIONALE FOR THE SHAREHOLDERS' MANDATE

2.1 It is envisaged that in the normal course of the GTS Group's businesses, transactions between the Company, its subsidiaries and associated companies with counter-parties who are the Company's controlling shareholders and/or their associates are likely to occur, and may arise from time to time or at any time. It is anticipated that such transactions are likely to arise and to recur with some frequency following the completion of the financial restructuring exercise of the GTS Group.

2.2 In view of the time-sensitive nature of commercial transactions, the Company is proposing to seek the renewal of its Shareholders' Mandate to enable the Company, its subsidiaries and associated companies (the "**Entity at Risk Group**") to enter into certain types of transactions with specified classes of the Company's Interested Persons, provided that such transactions are entered into in the ordinary course of business of the Entity at Risk Group, and are on normal commercial terms.

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[1] The above values are translated into US$/S$ using the exchange rate as at the Latest Practicable Date of US$1 : S$ 1.6441

2 RATIONALE FOR THE SHAREHOLDERS' MANDATE (continued)

2.3 The Shareholders' Mandate, if renewed, is intended to enhance the Entity at Risk Group's ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion of such Interested Person Transactions to seek Shareholders' prior approval for, the entry by the relevant company in the Entity at Risk Group into such transactions. This will substantially improve administrative efficacy considerably, reduce expenses associated with the convening of general meetings on an *ad hoc* basis and allow manpower resources and time to be channelled towards attaining other corporate objectives.

3. CLASSES OF INTERESTED PERSONS

The Shareholders' Mandate, if renewed, will apply to the transactions (as described in paragraph 4 of the Appendix to this Letter) between any company within the GTS Group and the following classes of Interested Persons (the "**Classes of Interested Persons**"):-

Classes of Interested Persons	**Relationship**
(a) Nuri	A substantial shareholder of TSH with an interest of approximately 45.55% in TSH as at the Latest Practicable Date. Ms Michelle Liem (spouse of Mr David Lee Kay Tuan, a Director of GTS) and Ms Liem Mei Kim (spouse of Dr Tan Enk Ee, Chief Executive Officer of GTS) hold in aggregate the entire issued and paid-up share capital of Nuri.
(b) TSH	The holding company of GTS via its wholly-owned subsidiary, TS Technologies. As of the Latest Practicable Date, TS Technologies has an interest of approximately 61.56% in GTS.
(c) SP Corp	A subsidiary of TSH of which TSH has a direct interest of approximately 80.19%.
(d) Asia Idea Pte Ltd ("**Asia Idea**")	Ms Michelle Liem holds 70.00% interest in Asia Idea and the balance 30.00% interest is held by GT Asia Pacific Holdings Pte Ltd, a wholly owned subsidiary of Nuri.
(e) Dr Tan Enk Ee	He is the Chief Executive Officer and a director of GTS and TS Matrix Berhad. He is the spouse of Ms Liem Mei Kim.
(f) Ms Michelle Liem	The substantial shareholder of Asia Idea with a shareholding of 70.00%. She is a substantial shareholder of Nuri, TSH, SP Corp and GTS. She is a director of Nuri and a non-executive Director of TSH. She is also the spouse of Mr David Lee Kay Tuan and sister of Ms Liem Mei Kim and Mr William Liem.
(g) Ms Liem Mei Kim	She is a substantial shareholder of Nuri, TSH, SP Corp and GTS. She is also the spouse of Dr Tan Enk Ee and sister of Ms Michelle Liem and Mr William Liem.
(h) Mr William Liem	Brother of Ms Michelle Liem and Ms Liem Mei Kim. He is an Executive director of GTS and TSH, and a Director of SP Corp and Nuri.

Classes of Interested Persons		Relationship
(i)	Mr David Lee Kay Tuan	He is the Chief Executive Officer and a director of TSH, a non-executive Director of GTS and SP Corp and a director of Nuri. He is the spouse of Ms Michelle Liem.
(j)	Mr Lei Huai Chin	He is the alternate director to Mr David Lee Kay Tuan at GTS and a non-executive director of TSH and SP Corp. He is also a Director of Nuri.
(k)	Any other associate(s)	Any person or company which, at the point in time when the transaction is proposed to be entered into, is an *associate* of any one or more of the persons named in (a) to (j). The term *"associate"* has the meaning set out in paragraph 1.2 of the Appendix to this Letter.

4. NATURE AND SCOPE OF THE RECURRENT TRANSACTIONS

The Shareholders' Mandate, if renewed will not apply to any transaction by a company in the GTS Group with an Interested Person as specified in paragraph 3 of the Appendix to this Letter, that is below S$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 would not apply to such a transaction.

Transactions by the GTS Group with Interested Persons as specified in paragraph 3 of the Appendix to this Letter that do not fall within the ambit of the Shareholders' Mandate will be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

The Shareholders' Mandate, if renewed, will apply to the following categories of transactions ("**Recurrent Transactions**") which certain members of the GTS Group are likely to enter into with the Classes of Interested Persons set out in paragraph 3 of the Appendix to this Letter, in the normal course of the business of the GTS Group:-

(a) <u>Treasury Transactions</u>

The GTS Group may, from time to time, in the normal course of business enter into Recurrent Transactions under this category which involves the provision of loans and/or financial assistance from/to Interested Persons as specified in paragraph 3 of the Appendix to this Letter, for general working capital and capital expenditure purposes.

This category of transaction also includes the subscription of debt securities issued by any Interested Person and the issue of debt securities to any Interested Person, and the buying from, or selling to, any Interested Person of debt securities.

The Recurrent Transactions under this category will allow GTS to earn additional income from the expected yields derived from the provision of such treasury transactions and allow the Group to draw from its Interested Persons additional working capital required to finance the GTS Group's operations and its capital expenditure in an expedient manner. The GTS Group will also be able to benefit from competitive rates or quotes offered by its Interested Persons, as well as leverage on the financial strength and credit standing of the Interested Persons.

4. NATURE AND SCOPE OF THE RECURRENT TRANSACTIONS (continued)

(b) Management Information System ("**MIS**") Services

GTS Group may from time to time, in the normal course of its business, engage in Recurrent Transactions with the Interested Persons as specified in paragraph 3 of the Appendix to this Letter for the provision of MIS implementation and enhancement services (including repair, maintenance and technical services) in relation to GTS Group's operations. This category of transaction also includes the provision or obtaining of information technology products and accessories.

The GTS Group will benefit from transacting with Interested Persons, in addition to non-Interested Persons, in an expeditious manner, and will also benefit from having access to competitive quotes from Interested Persons. The GTS Group may also derive operational and financial leverage through savings in terms of economies of scale, such as bulk discounts accorded to the GTS Group on a group basis.

(c) Expansion-based Transactions

This category of transactions are related to the Group's expansion activities as described in paragraph 1.1 of the Circular to Shareholders dated 7 April 2004 for which the GTS Group may, from time to time, in the normal course of business engage in Recurrent Transactions with Interested Persons as specified in paragraph 3 of the Appendix to this Letter for the following types of services:

(i) the award of contracts to main contractors, nominated sub-contractors, nominated suppliers and consultants for projects;

(ii) the appointment of consultants in relation to construction or expansion of manufacturing and related facilities of the GTS Group;

(iii) the obtaining of project management services;

(iv) the obtaining of property management services; and

(v) the provision or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in subparagraphs (i) to (iv) above.

The Recurrent Transactions under this category shall allow the GTS Group to benefit from having access to competitive quotes from Interested Persons and to transact in an expedient and efficient manner.

(d) PCB Assembly and Testing Services

In view of GTS's plans to become a one-stop solutions provider, the Group may offer PCB assembly and testing services to its customers in the future.

The GTS Group may, from time to time, enter into purchases and/or contract transactions with Interested Persons as specified in paragraph 3 of the Appendix to this Letter for the assembly and testing of printed circuit boards ("**PCBs**") manufactured by the GTS Group. The GTS Group may also supply manufactured PCBs to its Interested Persons as specified in paragraph 3 of the Appendix to this Letter in connection with the Interested Persons' PCB assembly, testing and turnkey business.

The supply of manufactured PCBs to its Interested Persons by the GTS Group will also bring in additional income for the GTS Group. Further, in view of GTS Group's plan to initiate its own PCB assembly and testing services in the future, it is also envisioned that GTS Group may benefit from the expertise and technical assistance of the Interested Persons of the GTS Group.

4. NATURE AND SCOPE OF THE RECURRENT TRANSACTIONS (continued)

(e) Management Support Services

This category relates to corporate management, administration and support services that the GTS Group may, from time to time, receive from, or provide to its Interested Persons as specified in paragraph 3 of the Appendix to this Letter. Such support and services relate to the areas of corporate finance, investment review and management, strategic business evaluation, legal and corporate secretarial/administration, corporate communications and investor relations.

By having access to such support, the GTS Group will enjoy sharing of resources and economies of scale, and eliminate duplication of efforts.

(f) Trading Activities

The GTS Group is principally engaged in the manufacture and sale of double-sided, multi-layered, rigid and rigid-flex PCBs.

This category relates to transactions with Interested Persons involving the purchase of raw materials, spare parts, machineries and equipment for its manufacturing activities and/or the sale of the Group's products to Interested Persons. The GTS Group may, from time to time, in the normal course of business, engage in the purchase of raw materials, spare parts, machineries and equipment and sale of its products with Interested Persons as specified in paragraph 3 of the Appendix to this Letter.

The GTS Group will benefit from transacting with Interested Persons, in addition to non-Interested Persons, in an expeditious manner, and will also benefit from having access to competitive quotes from Interested Persons. The GTS Group may also derive operational and financial leverage through savings in terms of economies of scale.

5. REVIEW PROCEDURES FOR RECURRENT TRANSACTIONS

5.1 Review Guidelines. To ensure that the Recurrent Transactions are carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will put in place the following guidelines for the review and approval of Recurrent Transactions under the proposed Shareholders' Mandate:-

(a) Treasury Transactions

Any Recurrent Transactions under this category is proposed to be transacted at interest rates which are in accordance with the prevailing market rates and/or the quoted interest rates of unrelated financial institutions for the same or similar terms or tenure, and on terms which are generally no more favourable to the Interested Persons than the usual commercial terms extended by unrelated third parties or otherwise in accordance with applicable industry norms and practices. In respect of loans and/or financial assistance obtained from Interested Persons, the procedure requires that quotations be obtained from such Interested Persons and from at least two other unrelated financial institutions for interest rates on loans together with other terms for an equivalent amount and/or tenure.

In respect of loans and/or financial assistance provided to Interested Persons, the procedures require that interest rates on loans together with other terms for an equivalent amount and/or tenure be based on at least two other recent loans and/or financial assistance provided to unrelated third parties for the same and/or substantially similar nature.

The Audit Committee will satisfy itself that the terms of such loans and/or financial assistance obtained and/or provided have been arrived at on an arm's length basis and on normal commercial terms based on the comparison process of the abovementioned quotations.

5. REVIEW PROCEDURES FOR RECURRENT TRANSACTIONS (continued)

However, in the case that the prevailing market rates and/or the quotations of unrelated financial institutions or unrelated third parties are not readily available or ascertainable, the Recurrent Transactions under this category will be determined based on the Company's regular cost of funds and/or other non-price factors such as, *inter alia,* tenure, security and terms, which will ultimately be scrutinised by the Audit Committee.

(b) MIS Services

Any Recurrent Transactions under this category is proposed to be transacted at rates which are in accordance with the prevailing market and/or the quotations from unrelated independent professional service providers for the same or similar terms of service, and on terms which are generally no more favourable to the Interested Persons than the usual commercial terms extended by unrelated third parties or otherwise in accordance with applicable industry norms and practices. The procedure requires that quotations be obtained from such Interested Persons and from at least two other unrelated third-party service providers for the same and/or substantially similar type of MIS Services.

The Audit Committee will satisfy itself that the pricing of such MIS services has been arrived at on an arm's length basis and on normal commercial terms based on the comparison process of the abovementioned quotations.

However, in the case that the prevailing market rates and/or quotations of other unrelated third-party service providers are not readily available or ascertainable, the Recurrent Transactions under this category will be determined based on other non-price factors such as, *inter alia,* quality of work, track record and delivery timeframe, which will ultimately be scrutinised by the Audit Committee.

(c) Expansion-based Transactions

Any Recurrent Transactions under this category is proposed to be transacted at rates which are in accordance with the prevailing market and/or the quotations from unrelated independent professional service providers for the same or similar terms of service, and on terms which are generally no more favourable to the Interested Persons than the usual commercial terms extended by unrelated third parties or otherwise in accordance with applicable industry norms and practices. The procedure requires that quotations be obtained from such Interested Persons and from at least two other unrelated third-party service providers for the same and/or substantially similar type of expansion-based transactions.

The Audit Committee will satisfy itself that the pricing of such expansion-based transactions has been arrived at on an arm's length basis and on normal commercial terms based on the comparison process of the abovementioned quotations.

However, in the case that the prevailing market rates and/or quotations of other unrelated third-party service providers are not readily available or ascertainable, the Recurrent Transactions under this category will be determined based on other non-price factors such as, *inter alia,* quality of work, track record and delivery timeframe, which will ultimately be scrutinised by the Audit Committee.

(d) PCB Assembly and Testing Services

Any Recurrent Transactions under this category in relation to the purchase of services is proposed to be transacted at rates which are in accordance with the prevailing market and/or the quotations from unrelated independent professional service providers for the same or similar terms of service, and on terms which are generally no more favourable to the Interested Persons than the usual commercial terms extended by unrelated third parties or otherwise in accordance with applicable industry norms and practices. The procedure requires that quotations be obtained from such Interested Persons and from at least two other unrelated third-party service providers for the same and/or substantially similar type of PCB assembly and testing services.

5. REVIEW PROCEDURES FOR RECURRENT TRANSACTIONS (continued)

Any Recurrent Transactions under this category in relation to the sale of manufactured PCBs by the GTS Group for assembly and testing services will be transacted at rates which are in accordance with the prevailing market rates and/or based on the last two most recent sales of similar terms and nature to two unrelated third parties, and on terms which are generally no more favourable to the Interested Persons than the usual commercial terms extended to unrelated third parties or otherwise in accordance with applicable industry norms and practices. The procedure requires that prices and terms be based on at least two other recent sales to unrelated third parties for the same and/or substantially similar nature.

The Audit Committee will satisfy itself that the pricing of purchasing such PCB assembly and testing services and/or the sale of manufactured PCBs for PCB assembly and testing services have been arrived at on an arm's length basis and on normal commercial terms based on the comparison process of the abovementioned quotations.

However, in the case that the prevailing market rates and/or quotations of other unrelated third-party service providers (or the prices and terms of two most recent sales of the same or similar nature) are not readily available or ascertainable, the Recurrent Transactions under this category will be determined based on other non-price factors such as, *inter alia,* quality of work, track record and delivery timeframe, which will ultimately be scrutinised by the Audit Committee.

(e) Management Support Services

Any Recurrent Transactions under this category is proposed to be transacted at rates which are in accordance with the prevailing market and/or the quotations from unrelated independent professional service providers for the same or similar terms of service, and on terms which are generally no more favourable to the Interested Persons than the usual commercial terms extended by unrelated third parties or otherwise in accordance with applicable industry norms and practices. The procedure requires that quotations be obtained from such Interested Persons and from at least two other unrelated third-party service providers for the same and/or substantially similar type of management support services.

The Audit Committee will satisfy itself that the pricing of such management support services has been arrived at on an arm's length basis and on normal commercial terms based on the comparison process of the abovementioned quotations.

However, in the case that the prevailing market rates and/or quotations of other unrelated third-party service providers are not readily available or ascertainable, the Recurrent Transactions under this category will be determined based on other non-price factors such as, *inter alia,* quality of work, track record and delivery timeframe, which will ultimately be scrutinised by the Audit Committee.

(f) Trading Activities

Any Recurrent Transactions under this category in relation to the purchase of raw materials, spare parts, machineries and equipments is proposed to be transacted at rates which are in accordance with the prevailing market and/or the quotations from unrelated independent suppliers for the same or similar terms for such raw materials, spare parts, machineries and equipment, and on terms which are generally no more favourable to the Interested Persons than the usual commercial terms extended by unrelated third parties or otherwise in accordance with applicable industry norms and practices. The procedure requires that quotations be obtained from such Interested Persons and from at least two other unrelated independent suppliers for the same and/or substantially similar type of raw materials, spare parts, machineries and equipments.

Any Recurrent Transactions under this category in relation to the sale of the Group's products to Interested Persons will be transacted at rates which are in accordance with the prevailing market rates and/or based on the last two most recent sales of similar products to unrelated third parties, and on terms which are generally no more favourable to the Interested Persons than the usual commercial

5. REVIEW PROCEDURES FOR RECURRENT TRANSACTIONS (continued)

terms extended to unrelated third parties or otherwise in accordance with applicable industry norms and practices. The procedure requires that prices and terms be based on at least two other recent sales to unrelated third parties for the same and/or substantially similar products.

The Audit Committee will satisfy itself that the pricing of purchasing such raw materials and/or the sale of such products have been arrived at on an arm's length basis and on normal commercial terms based on the comparison process of the abovementioned quotations.

However, in the case that the prevailing market rates and/or quotations of other unrelated third-party suppliers (or the prices and terms of two most recent sales of the Group's products of the same or similar nature) are not readily available or ascertainable, the Recurrent Transactions under this category will be determined based on other non-price factors such as, *inter alia,* quality, track record, credit terms and delivery timeframe, which will ultimately be scrutinised by the Audit Committee.

5.2 Approval Process. All Recurrent Transactions as set out under paragraph 4 of the Appendix to this Letter will require some form of ratification and/or approval process as outlined below:-

(i) Recurrent Transactions equal to or exceeding S$100,000 will be subject to the review and approval by the Audit Committee before the Recurrent Transactions are entered into; and the approval shall be given if the Recurrent Transactions are conducted in accordance with the Group's usual practices and policies, are consistent with similar type of transactions made by the Group with unrelated third parties and are in compliance with the established guidelines and procedures for the Recurrent Transactions as prescribed in paragraph 5.1 of the Appendix to this Letter. The review and approval process will be carried out by the independent members of the Audit Committee who has no interest in the Recurrent Transactions. In the event that any member of the Audit Committee is deemed to have an interest in a Recurrent Transaction, he will abstain from participating in the review and approval process and voting on that Recurrent Transaction. For instance, Mr Kaka Singh and Mr Cheng Hong Kok, are Interested Persons in certain Recurrent Transactions as follows:-

   (i) Mr Kaka Singh is an independent director of TSH and will therefore abstain from participating in the review and approval process in relation to any Recurrent Transactions between the GTS Group and TSH; and

   (ii) Mr Cheng Hong Kok is an independent director of SP Corp and will therefore abstain from participating in the review and approval process in relation to any Recurrent Transactions between the GTS Group and SP Corp;

(ii) The Audit Committee shall consider from time to time the appropriateness of the established guidelines and procedures for transactions with Classes of Interested Persons or the adequacy in ensuring that the transactions will be transacted on normal commercial terms and will not be prejudicial to the interests of the GTS Group and minority Shareholders. The Audit Committee will revert to Shareholders for a fresh Shareholders' Mandate based on revised guidelines and procedures with Interested Persons should there be any inappropriateness and/or inadequacy to the Shareholders' Mandate;

(iii) The Audit Committee may request for additional information pertaining to the transaction under review from independent sources, advisers or valuers as deemed fit;

(iv) In the event that any member of the Audit Committee is deemed to have an interest in a Recurrent Transaction, he will abstain from participating in the review and approval process and voting on that Recurrent Transaction;

(v) For the purpose of the category of Recurrent Transactions as set out in paragraph 4 of the Appendix to this Letter, in the event that any member of the Audit Committee is specifically a common independent director of both the Company and the Interested Person, that Audit Committee member

5. REVIEW PROCEDURES FOR RECURRENT TRANSACTIONS (continued)

will be deemed interested in that Recurrent Transaction. Should such a situation arise that would result in no Audit Committee member being eligible to participate in the review and approval process and vote on that relevant Recurrent Transaction for GTS, the said Audit Committee member will have the option of abstaining from being involved in any discussion, participation and voting on that Recurrent Transaction in his capacity as an independent director of the Interested Person.

A declaration (in the form and content acceptable by the Company) shall be required to be made by the said Audit Committee member to the effect that he is/will be abstaining from being involved in any discussion, participation and voting of the Recurrent Transaction.

In the event that no Audit Committee member decides to abstain from being involved in the deliberations in his capacity as an independent director of the Interested Person as mentioned above, the relevant Recurrent Transaction will not fall within the ambit of the Shareholders' Mandate, if renewed; and

(vi) Any Recurrent Transactions that do not fall within the ambit of the proposed Shareholders' Mandate, if renewed (including any subsequent renewals thereof) will be subject to the applicable provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

5.3 Internal Control. In addition to the above, the Company will impose additional internal controls to support the Shareholders' Mandate as follows:

(i) The Company will maintain a register of Recurrent Transactions that are undertaken and the basis on which they are entered into pursuant to the proposed Shareholders' Mandate ("Recurrent IPT Register"). All Recurrent Transactions will be duly documented and the records thereof will be reviewed half-yearly by or at the direction of the Audit Committee;

(ii) The Recurrent IPT Register will outline all the Recurrent Transactions entered into by the GTS Group and will include all information pertinent to the evaluation of such Recurrent Transactions such as, but not limited to, the identity of the Interested Person, the amount of the Recurrent Transactions, the basis of determining the transaction prices and supporting evidence (where available) as to whether such Recurrent Transactions are conducted in line with guidelines as outlined above;

(iii) The Audit Committee will include the review of Recurrent Transactions as part of the standard procedures during the Audit Committee's examination of the adequacy of the Company's internal control to ascertain that the guidelines and review procedures established to monitor the Recurrent Transactions have been complied with; and

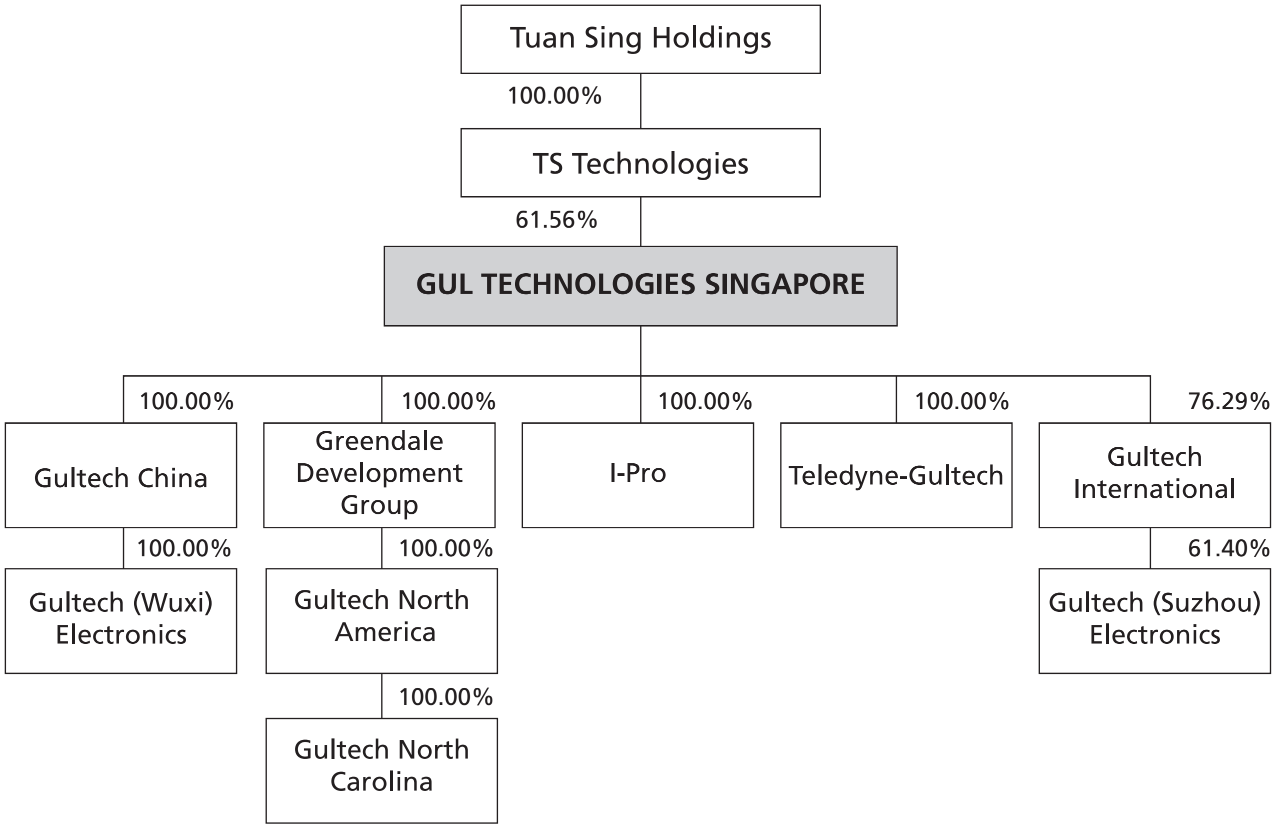
(iv) If during these reviews, the Audit Committee is of the view that the established guidelines and review procedures are not sufficient to ensure that the Recurrent Transactions will be at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to the Shareholders for a fresh Shareholders' Mandate based on revised guidelines and procedures with interested persons.

6. DISCLOSURE IN ANNUAL REPORT

Disclosure has been made in the section on Interested Person Transactions in the 2004 Annual Report of the aggregate value of transactions in excess of S$100,000 conducted with Interested Persons (as described in paragraph 3 of the Appendix to this Letter) pursuant to the existing Shareholders' Mandate during the financial year ended 31 December 2004, and disclosure shall be made in the Annual Reports for subsequent financial years that the Shareholders' Mandate continues in force, in accordance with the requirements of Chapter 9.

CORPORATE STRUCTURE

AS AT 15 MARCH 2005



CORPORATE DATA

Board of Directors
Tan Kim Leong, *Chairman*
Tan Enk Ee, *Chief Executive Officer*
William Liem
Cheng Hong Kok
Kaka Singh
David Lee Kay Tuan
Lei Huai Chin (alternate of David Lee Kay Tuan)

Company Secretary
Chia Hue Siew

Share and Warrant Registrar
B.A.C.S Private Limited
63 Cantonment Road
Singapore 089758
Telephone : (65) 6323 6200
Facsimile : (65) 6323 6990

Auditors
PricewaterhouseCoopers
Certified Public Accountants
8 Cross Street
#17-00 PWC Building
Singapore 048424
Partner-in-charge: Soh Kok Leong
(Appointed during the financial year ended 31 December 2002)

Solicitor
Allen & Gledhill

Principal Bankers
Standard Chartered Bank
The Development Bank of Singapore
KBC Bank N.V.

SHAREHOLDING STATISTICS

AS AT 15 MARCH 2005

Authorised Share Capital	:	$200,000,000.00
Issued and fully paid-up share capital	:	$64,212,069.20
Equity Security issued by the Company	:	Ordinary Shares Of S$0.20
Voting Rights of Ordinary Shareholders	:	On a show of hands : One vote On a poll : One vote for each ordinary share

Distribution of shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of shares	%
1 - 999	209	3.18	72,586	0.02
1,000 - 10,000	4,505	68.46	19,233,620	5.99
10,001 - 1,000,000	1,851	28.13	72,047,018	22.44
1,000,001 & ABOVE	15	0.23	229,707,122	71.55
TOTAL	**6,580**	**100.00**	**321,060,346**	**100.00**

Top Twenty Shareholders

Name	No. of Shares	%
United Overseas Bank Nominees Pte Ltd	197,848,150	61.62
DBS Nominees Pte Ltd	5,460,800	1.70
Overseas Union Bank Nominees Pte Ltd	3,700,000	1.15
UOB Kay Hian Pte Ltd	2,921,000	0.91
Liu Nam Meow	2,520,762	0.79
Koh Sai Huat	2,466,157	0.77
Merrill Lynch (S'pore) Pte Ltd	2,312,024	0.72
OCBC Nominees Singapore Pte Ltd	1,875,000	0.58
Chong Wye Cheong	1,798,204	0.56
Kim Eng Securities Pte Ltd	1,657,400	0.52
Phillip Securities Pte Ltd	1,509,713	0.47
Rodrigues Gerard William	1,504,692	0.47
OCBC Securities Private Ltd	1,485,600	0.46
Chang Aloysius	1,462,220	0.46
DBS Vickers Securities (S) Pte Ltd	1,185,400	0.37
Mayban Nominees (S) Pte Ltd	700,000	0.22
Soo Bon Han	550,000	0.17
Goh Teow Hee	500,000	0.16
Lim Ban Leong	474,000	0.15
TS Technologies Pte Ltd	431,996	0.13
Total	232,363,118	72.38

Substantial Shareholders

Name	No. of shares	%
TS Technologies Pte Ltd	193,431,996*	60.25

Shareholdings held in the hands of the public

Based on information available to the Company as at 15 March 2005, 39.75% of the issued shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

Note to the Secretary : The "Substantial Shareholder" is the registered shareholders as shown in the Register of Members and does not include shares in which they are deemed to have interest.

Notes:

* By virtue of (i) Tuan Sing Holdings Limited's ("TSH") interests in TS Technologies Pte Ltd ("TS Technologies"); (ii) Nuri Holdings (Pte) Ltd's ("Nuri") interest in TSH, and (iii) their interests in Nuri, Ms Michelle Liem Mei Fung and Ms Liem Mei Kim are deemed to be interested in the 193,431,996 shares of the Company. Dr Tan Enk Ee, the Chief Executive Officer and Executive Director of the Company is deemed to be interested in the said 193,431,996 shares by virtue of the interest of his spouse, the said Ms Liem Mei Kim. Mr David Lee Kay Tuan, the Non-Executive Director of the Company is deemed to be interested in the said 193,431,996 shares by virtue of the interest of his spouse, the said Ms Michelle Liem Mei Fung.

SHAREHOLDING STATISTICS
AS AT 15 MARCH 2005

Authorised Share Capital	:	$10,500,000.00
Issued and fully paid-up share capital	:	$2,200,000.00
Equity Security issued by the Company	:	Non-Cumulative Convertible Preference Shares ("CPS") Of S$0.20
Voting Rights of CPS holders	:	On a show of hands : One vote On a poll : One vote for each CPS

Distribution of shareholdings

Size of Shareholdings	No. of CPS holders	%	No. of CPS	%
1,000,001 & ABOVE	1	100.00	11,000,000	100.00
TOTAL	**1**	**100.00**	**11,000,000**	**100.00**

Top Twenty CPS holders

Name	No. of CPS	%
TS Technologies Pte Ltd	11,000,000	100.00
TOTAL	**11,000,000**	**100.00**

WARRANTHOLDINGS STATISTICS

AS AT 15 MARCH 2005

Distribution of warrantholdings

Size of Warrantholdings	No. of Warrantholders	%	No. of warrants	%
1 - 999	555	31.77	268,060	0.40
1,000 - 10,000	844	48.31	3,091,952	4.62
10,001 - 1,000,000	345	19.75	20,465,088	30.60
1,000,001 & ABOVE	3	0.17	43,062,476	64.38
Total	**1,747**	**100.00**	**66,887,576**	**100.00**

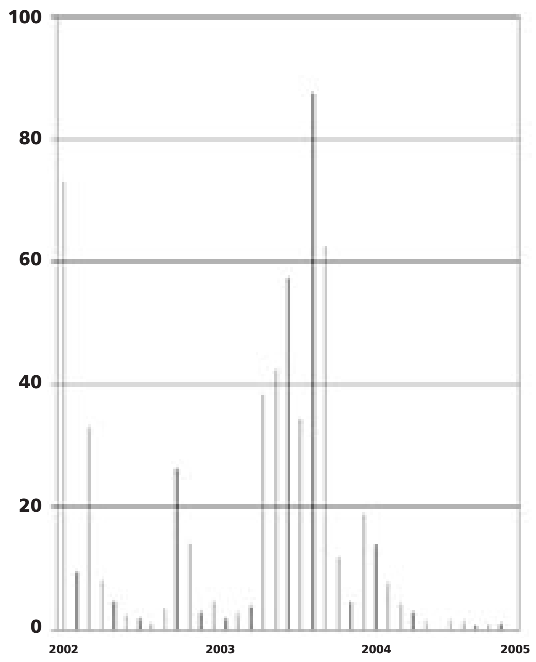
Top Twenty Warrantholders

Name of Warrantholder	No. of Warrants	%
TS Technologies Pte Ltd	40,298,332	60.25
Phillip Securities Pte Ltd	1,501,500	2.24
Rodrigues Gerard William	1,262,644	1.89
Ang Ah Seng	962,000	1.44
Chan Kok Khoon	710,000	1.06
UOB Kay Hian Pte Ltd	548,000	0.82
Lioe Kyun Jin	367,000	0.55
Chong Wye Cheong	320,251	0.48
Seah Cheng San	317,000	0.47
Lim Seng Wah	300,000	0.45
Szu Ming Chuan	300,000	0.45
Tan Eng Huat	269,000	0.40
Jin Yuan Investment Holding Pte Ltd	260,000	0.39
Kartik Narayan	254,000	0.38
Arne Wink	249,000	0.37
OCBC Securities Private Ltd	226,250	0.34
Citibank Nominees S'pore Pte Ltd	225,000	0.34
DBS Vickers Securities (S) Pte Ltd	206,000	0.31
Yang Jun	206,000	0.31
Ng Seng Choo	200,000	0.30
Total	48,981,977	73.24

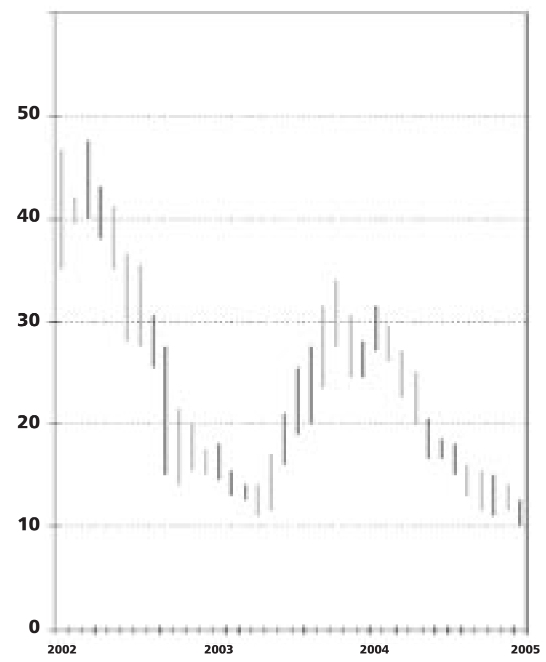
SHARE PRICE PERFORMANCE

AS AT 15 MARCH 2005

Turnover
(Million shares)



Share Prices
(Cents)



Share Prices (cents)	2000	2001	2002	2003	2004
(Denominated in Singapore Currency)					
Last Transacted	87	36	16	27	**12.5**
High	158	94	47.5	34	**31.5**
Low	79	25	14	11	**10.0**
Average	119	59	31	22.5	**21.0**
Turnover (Million shares)	1735	1447	183	351	**53**

NOTICE OF ANNUAL GENERAL MEETING

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

NOTICE IS HEREBY GIVEN that the 16th Annual General Meeting of Gul Technologies Singapore Ltd (the "Company") will be held at 9 Oxley Rise, 1st Storey Foyer, Podium Block, The Oxley, Singapore 238697 on Tuesday, 26 April 2005 at 10.00 a.m. :

A) Ordinary Business

1. To receive and adopt the Director's Report and the Audited Accounts for the year ended 31 December 2004 with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of US$87,388 for the year ended 31 December 2004 (2003: US$84,822). **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Article 95 of the Articles of Association of the Company:

   (a) Mr Cheng Hong Kok **(Resolution 3a)**
   (b) Mr Tan Kim Leong **(Resolution 3b)**

4. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

5. To transact any other ordinary business that may properly be transacted at an Annual General Meeting. **(Resolution 5)**

B) Special Business:

6. **Authority to allot and issue shares up to 10 per centum (10%) of the issued share capital**

   That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be empowered to allot and issue shares in the capital of the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be allotted and issued pursuant to this Resolution shall not exceed ten per cent (10%) of the issued share capital of the Company at the time of the passing of this resolution and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 6)**

7. **Renewal of the Shareholders' Mandate for Interested Person Transactions**
   That:
   a. approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in the Appendix to the Company's letter to shareholders dated 11 April 2005 (the "Letter"), with any party who is of the Classes of Interested Persons described in the Appendix to the Letter, provided that such transactions are carried out in the ordinary course of business and on normal commercial terms and in accordance with the guidelines and review procedures for Interested Person Transactions as set out in the Appendix to the Letter (the " Shareholder Mandate");

   b. such Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

c. the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders' Mandate and/or this Resolution. **(Resolution 7)**

By Order of the Board

Chia Hue Siew
Group Company Secretary

11 April 2005

Singapore

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

2. An instrument appointing a proxy must be deposited at the registered office of the Company at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697 not less than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof.

3. Statement pursuant to Clause 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

   Mr Cheng Hong Kok will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered as independent.

4. Statement pursuant to Article 58 of the Articles of Association of the Company.

   a) The effect of the Ordinary Resolution proposed in item 6 above, if passed is to allow the directors to issue shares in the Company up to an amount not exceeding in aggregate 10 percent of the issued share capital of the Company for the time being.

   b) The effect of the Ordinary Resolution proposed in item 7 above, if passed, is to renew effective up to the next Annual General Meeting (unless earlier revoked or varied by the Company in general meeting) the Shareholders' Mandate for the Company, its subsidiaries and associated companies that are considered "entities at risk" to enter in the ordinary course of business into certain types of transactions with specified classes of the Company's interested persons. The Shareholders' Mandate, previously approved by shareholders at the Extraordinary General Meeting of the Company on 26 April 2004, will be expiring at the 16th Annual General Meeting. Particulars of the Shareholders' Mandate, and the Audit Committee's confirmation (pursuant to Rule 920(1) of the Listing Manual) in respect of its proposed renewal, are contained in the Letter.

PROXY FORM

GUL TECHNOLOGIES SINGAPORE LTD

The Company Secretary
Gul Technologies Singapore Ltd
9 Oxley Rise
#03-02 The Oxley
Singapore 238697

IMPORTANT

1. For investors who have used their CPF monies to buy Gul Technologies Singapore Ltd shares, the Annual Report is forwarded to them at the request of their 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.

I/We____(Name)

of____(Address)

being a member/members of Gul Technologies Singapore Ltd (the "Company"), hereby appoint the Chairman of the Meeting* or:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll, at the 16th Annual General Meeting of the Company to be held at 9 Oxley Rise, 1st Storey Foyer, Podium Block, The Oxley, Singapore 238697 on Tuesday, 26 April 2005 at 10.00 a.m. and at any adjournment thereof.

**A member may appoint not more than two proxies to attend and vote at the same Meeting. If you wish to appoint some person other than the Chairman of the Meeting to be your proxy, please delete the words "Chairman of the Meeting".*

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

Ordinary Business	**For**	**Against**
1. Adoption of Directors' and Auditors' Reports and Accounts		
2. Approval of Directors' Fees		
3. (a) Re-election of Mr Cheng Hong Kok as Director		
(b) Re-election of Mr Tan Kim Leong as Director		
4. Re-appointment of Auditors		
5. Any other ordinary business		
Special Business		
6. Authority to allot and issue new shares		
7. Renewal of Shareholders' Mandate for Interested Person Transactions		

Dated this _____ day of _____________ 2005

Number of shares held:	
Register of Members	
Depository Register	

____

Signature(s) of Member(s) or Common Seal

Important: Please read notes overleaf

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), 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 the Annual General Meeting is entitled to appoint one or two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

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

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697 not less than 48 hours before the time appointed for the Annual General Meeting.

5. 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.

6. 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 Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

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 Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.