

**CHEW YAK MONG-SYNERPAC LIMITED**

**ARBN 113 245 819**  
**(Australian Registration No.)**

**199708608N**  
**(Singapore Company Registration No.)**

# CHEW YAK MONG - SYNERPAC LIMITED

## Annual Financial Report for the Financial Year Ended 31 December 2005

### Contents Page

Item	Topic	Page No.
1.	<b>Company Particulars</b>	3
2.	<b>CEO Report</b>	4
3.	<b>Directors' Report</b>	6
	Director's Report	
4.	<b>Corporate governance</b>	13
5.	<b>Statement of Financial Performance</b>	20
	Auditor's Report to Members	
	Balance Sheet	
	Income Statement	
	Statement of Changes in Equity	
	Cash Flow Statement	
	Notes to the Financial Statements	
6.	<b>Directors' Declaration</b>	40
	Statement of Directors	
7.	<b>Newcastle Stock Exchange Information</b>	42
8.	<b>ATTACHMENT - Information Memorandum</b>	20

# Company Particulars

## Chew Yak Mong - Synerpac Limited

<b>Directors</b>	Mr CHEW, Song Hock (Peter)	Chairman
	Mr CHEW, Soo Chun (Charlie)	Managing Director & CEO
	Mr WILSON, Ron	Non-Executive Director
<b>Registered Office</b> (Singapore)	151 Pasir Panjang Distripark, #01-07, Pasir Panjang Disripark Singapore 118480	
<b>Registered Office</b> (Australia)	Unit 1, 85 Bourke Rd, Alexandria, NSW Australia 2015	
<b>Telephone</b>	+ (65) 65451331	+ 61.(0) 2. 93175066
<b>Auditors</b> (Singapore)	Chew Whye Lee & Co 209, New Upper Changi Road #03-635 Bedok Town Centre. Singapore 460209	
<b>Auditors</b> (Australia)	Rothsay Chartered Accountants Level 1, 2 Barrack Street Sydney NSW 2000	
<b>Bankers</b>	<b>OCBC BANK LIMITED</b> <b>65 Chulia Street</b> <b>Singapore</b>  <b>Bangkok Bank Limited</b> <b>Cecil Street, Singapore</b>  <b>United Overseas Bank Limited</b> Rochorb Road Branch, 149 Rochor Road #01-26 Fu Shou Complex, Singapore 188425	
<b>Solicitors</b>	<b>M/S Christopher Bridges</b> 9-a Mosque Street, Singapore 059489	
<b>Share Register</b>	Newcastle Capital Registries Pty Limited 10 Murray Street, Hamilton NSW 2303	
<b>Stock Exchange Listing</b>	CYM - Synerpac Limited shares are listed on the Newcastle Stock Exchange (NSX) - Code CYM.	

**NSX NOMAD**

Whittens Lawyers & Consultants

Level 5, 137-139 Bathurst Street, Sydney, NSW 2000

**NSX Facilitator**

SIBCO Australia Pty Limited  
Suite 545, 5<sup>th</sup> Floor, Edgecliff Centre,  
203-233 New South Head Road,  
Edgecliff, NSW 2027, Australia

**Annual General Meeting**

The annual general meeting of CYM-Synerpac Limited will be held in Singapore on the following date (refer to Notice of Meeting).

Time 4.00pm (Singapore Time)

Date 30<sup>th</sup> June 2006

# CEO Report

Dear Shareholders,

2005 has been a year of great change due to the preparation and listing of CYM-Synerpac. Efforts were focused on getting the company structured and setting the foundation for expansion into the international market.

Although our listing on the Newcastle Stock Exchange has not yet resulted in high volume share sales, we believe the company is now truly prepared to move forward and capture greater market share in each of the nominated business segments.

Since listing in end August 2005, the company has been pleased to be able to announce to the market the following significant events.

- The opening of a sales and marketing office in Georgia, Atlanta in the United States of America. This office acts as a point of entry in to this market and also sources new products and suppliers. While it is still very early to clinically measure outcomes CYM-Synerpac is pleased with the results from this decision and anticipated a strengthening of this strategic position over the next 12 months.
- Chew Yak Mong-Synerpac has been granted the exclusive distribution rights for Fruxano Krings Juices to the markets of Singapore, Malaysia, Thailand, Indonesia, Cambodia and Myanmar. Fruxano Krings Juices is a market leader in the manufacture of natural juice products and has sales of greater than 300 million Euros annually.
- Chew Yak Mong-Synerpac has assumed direct control of its Malaysian market by absorbing the operation that was previously set within an agency agreement. This change allows for improved distribution and market penetration into new market segments not previously serviced by the agency.

Internally, a review of operational functions has resulted in some positive changes including an upgrading of the companies software. This new software gives improved reporting of all areas of the company and will greatly assist the management in making informed day to day decisions.

On behalf of the Board and Management I would like to take this opportunity to thank all CYM-Synerpac stakeholders including our staff, clients, suppliers and shareholders for supporting the company through this transitional period. At CYM-Synerpac we look forward to an exciting year ahead.



Charlie Chew  
CEO

# Directors' Report

31 December 2005

Your directors present their report on the entity CYM- Synerpac Limited ('CYM') and the entities it controlled at the end of, or during the year ended 31 Dec 2005

## Directors

The following persons were directors of CYM -Synerpac Limited during the whole of the financial year and up to the date of this report:

Mr Chew Song Hock (Peter) - Chairman

Mr Chew Soo Chun (Charlie) – CEO & Managing Director

Mr Wilson Ron – Independent Director

## Information on Directors in office during the year

Mr Chew Song Hock    Chairman.

(Peter)

Appointed a director on 23-12-1997, Mr Chew resides in Singapore and is responsible for overseeing and implementation of all Board strategies and directives.

Mr Chew Soo Chun    Managing Director and CEO

(Charlie)

Appointed a director on 23-12-1997, Mr Chew resides in Singapore and is responsible for the day to day management of the company as well as development and implementation of marketing and sales strategies.

Mr Wilson Ron

Non-Executive Director

Appointed a director on 01-06-2005, Mr Wilson resides in Australia. Mr Wilson is the companies Australian Independent Director and also assist source new products and strategic alliances within the Australian market.

The above named directors held office during and since the end of the financial year.

- i. The Directors attendances at Directors' meetings held during the year were;
- ii. The number of shares and options in the Company in which each director, at the date of this report, has a relevant interest are:

	No Attended	No Held*	Ordinary Shares held directly**	Indirectly* *	Options**
Mr Chew Song Hock	2	2	34,750,000	0	0
Mr Chew Soo Chun	2	2	38,770,000	0	0
Mr Wilson Ron	2	2	10,000	0	0

\*Reflects the maximum number of meetings each director was eligible to attend

\*\*As at the date of this report

Due to dispersed locations of board members, board meetings were held either in person or by means of conference telephone communication via landline or Internet.

### **Retirement, Election and Continuation in Office of Directors**

No retirements or resignations were effected during the period

### **Company Secretary**

Mr Ng Siew Hung, remains Company Secretary

### **Principal Activities**

The principal activity of the Company during the year was related to trading of supplies and the development of the Market for its products.

### **Operating Results**

The consolidated profit of the economic entity after providing for income tax and eliminating outside equity interests amounted to: S\$638,655

### **Dividends CYM-Synerpac Limited**

No dividends were paid or recommended for payment during or since the end of the financial year

### **Review of Operations**

In April 2005, the Company moved into a bigger warehouse and office due to the expansion of the business.

The Directors report that at the end of the financial year 2005, the company made a profit of S\$638,655 after tax.

	2005	2004
	Cents	Cents
Basic Earnings/(Loss) per share	0.00638	0.1278
Diluted Earnings/(Loss) per share	0.00638	0.1278

### **Significant Changes in the State of Affairs**

Since the balance date the following events have occurred:

NIL

### **Likely Developments and Expected Results of Operations**

The directors consider that the cash reserves of the company at the time of signing this report are sufficient to enable the consolidated entity to pursue current opportunities. Disclosure of additional information regarding likely developments in the operations and expected results is likely to result in unreasonable prejudice to the company.

### **Environmental Regulations**

The company's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory

### **Directors and Executive Emoluments**

The Board of Directors decides the remuneration and terms of employment for executive directors, non-executive directors and other senior executives.

Remuneration packages are set at levels intended to attract and retain executives capable of managing the consolidated entity's operations. It is the Board's intention that all executive directors and executives terms of employment be formalised in service agreements.

The Board within the maximum amount approved by the shareholders from time to time determines remuneration of non-executive directors.

### **Directors of CYM-Synerpac Limited: -**

During the period the Directors of CYM-Synerpac have received the following remunerations

Name	Salary	Directors Fee	Superannuation	Other Benefit	Options	Total
Mr Chew Song Hock	-	-	-	-	-	-
Mr Chew Soo Chun	10,000	-	-	-	-	\$120,000.00
Mr Wilson	-	\$3,000	-	-	-	\$3,000



**Officers of CYM-Synerpac Limited:**

Officers of CYM-Synerpac Limited have drawn remuneration in the reporting period to 30 Dec 2005.

Name	Base Salary	Motor Vehicle	Superannuation	Other Benefits	Options	Total
Ng Siew Hung As Co Hungmpany Secretary	- -	-	-	-	-	-

No options were granted over un-issued shares or interest during or since the financial year by the company to directors or any of the five most highly remunerated officers as part of their remuneration:

**Indemnifying Officers or Auditors**

During or since the end of the financial year, the Company has not, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, other than costs and expenses of successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings

Signed in accordance with a resolution of the directors made pursuant to sE298 (2) of the Corporations Act 2001

On behalf of the Directors

  
\_\_\_\_\_

Mr Chew Song Hock Dated June 1<sup>st</sup> 2006

## DIRECTORS' REPORT

The directors submit this annual report to the members together with the audited financial statements of the company for the financial year ended 31st December 2005.

### 1. Names of directors

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

<b>Chew Song Hock</b>	(Appointed 23 <sup>rd</sup> Dec 1997)
<b>Chew Soo Chun</b>	(Appointed 23 <sup>rd</sup> Dec 1997)
<b>Ronald Patrick Wilson</b>	(Appointed on 1 June 2005)

### 2. Arrangements to acquire shares or debentures

During and at the end of the financial year, the company was not a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the company or of any other corporate body.

### 3. Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the company under Section 164 of the Companies Act, Cap. 50, the following directors who held office at the end of the financial year were interested in shares of the company as follows :

	No. of ordinary shares of \$0.002 each fully paid	
	As at 01/01/05	As at 31/12/05
<b>Chew Song Hock</b>	140,000	34,750,000
<b>Chew Soo Chun</b>	60,000	38,770,000
<b>Ronald Patrick Wilson</b>	-	10,000

**4. Directors' benefits**

Except as disclosed in the financial statements, since the end of the previous financial year, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50.

**5. Share options**

No options were granted during the financial year to take up unissued shares of the company.

No shares were issued by virtue of the exercise of options.

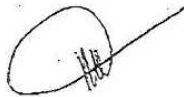
There were no unissued shares under option at the end of the financial year.

**6. Auditors**

The Auditors, Chew Whye Lee & Co., Certified Public Accountants, have expressed their willingness to accept re-appointment.

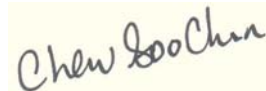
Independent Auditors Rothsay Chartered Accountants have expressed their willingness to accept re-appointment

On behalf of the Board of Directors



---

**CHEW SONG HOCK**



---

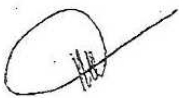
**CHEW SOO CHUN**

Dated : 1<sup>st</sup> June 2006

## STATEMENT BY DIRECTORS

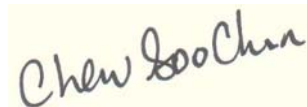
In the opinion of the directors, the accompanying balance sheet, income statement, statement of changes in equity and the cash flow statement, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the company as at 31st December 2005 and of the results of the business, changes in equity and the cash flows of the company for the financial year ended on that date and 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 Board of Directors



---

**CHEW SONG HOCK**



---

**CHEW SOO CHUN**

Corporate governance

### 3. The Board of Directors and Corporate Governance

#### 3a) Membership and expertise of the Board

The Board has a broad range of relevant financial and other skills, experience and expertise to meet its objectives. The current Board composition, with details of individual Director's backgrounds, is set out below.

	Director & Chairman	Managing Director & CEO	Independent Director
Name:	Mr Chew Song Hock	Mr Chew Soo Chun	Mr Wilson Ron
Age	68	38	63
Term or office	Director since 23/12/1997 Chairman since 23/12/1997	Director since 23/12/1997 CEO since 01/06/2004	Director since 01/06/2005
Independent	No	No	Yes
External Directorships	Yes	Yes	nil
Skills, experience and expertise	Business management & development	Management , Marketing and Sales	Management consulting , Trading & Commerce Administration.

### Corporate Governance

#### 3b) Board role and responsibility

The Board is accountable to shareholders for CYM-Synerpac's performance.

In summary, the Board's responsibilities include:

- \* providing strategic direction and approving corporate strategic initiatives;
- \* planning for Board and executive succession;
- \* selecting and evaluating future Directors, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), if and when appointed,
- \* setting CEO and Director remuneration within shareholder approved limits;
- \* approving budget and monitoring management and financial performance;
- \* considering and approving Annual Financial Report (including the Directors' Declaration) and the interim and final financial statements);
- \* approving CYM-Synerpac's risk management strategy monitoring its effectiveness and maintaining a direct and ongoing dialogue with CYM-Synerpac's v auditors and regulators; and
- \* considering and reviewing the social and ethical impact of CYM-Synerpac's activities, setting standards for social and ethical practices and monitoring compliance with CYM-Synerpac's social responsibility policies and practices.

The Board has delegated to management responsibility for:

- \* developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- \* maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- \* developing CYM-Synerpac's annual budget, recommending it to the Board for approval and managing day-to-day operations within the budget: and
- \* managing day-to-day operations in accordance with standards for social and ethical practices which have been set by the Board.

### **3c) Board size and composition**

The Board determines its size and composition, subject to the limits imposed by CYM-Synerpac's Constitution. The Constitution requires a minimum of three and a maximum of 10 Directors.

### **3d) The selection and role of the Chairman**

The Chairman is selected by the Board.

The Chairman's role includes:

- \* providing affective leadership on formulating the Board's strategy;
- \* representing the views of the Board to the public;
- \* ensuring that, when all Board members take office, they are fully briefed on the terms of their appointment, their duties and responsibilities;
- \* ensuring that the Board meets at regular intervals throughout the year, and that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual Directors;
- \* guiding the agenda and conduct of all Board meetings; and
- \* reviewing the performance of Board Directors.

The current Chairman, Mr Chew Song Hock, is a Director appointed by the Board. He has been a Director of CYM-Synerpac since 23<sup>rd</sup> Dec 1997 and Chairman since 23<sup>rd</sup> Dec 1997.

### **3e) Directors' independence**

The Board assesses each of the Directors against specific criteria to decide whether they are in a position to exercise Independent judgement. Directors are considered to be independent if they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. Materiality is assessed on a case-by-case basis by reference to each Director's individual circumstances rather than general materiality thresholds. In assessing independence, the Board considers whether the Director has a business or other relationship with CYM-Synerpac, either directly, or as a partner, shareholder or officer of a company or other entity that has an interest, or a business or other relationship, with CYM-Synerpac or another CYM-Synerpac member. It is the Board's view that its Non-executive Directors is independent. CYM-Synerpac currently has one executive director.

### **3f) Avoidance of conflicts of interest by a Director**

In accordance with the Corporations Act 2001, any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered and may not vote on the matter.

### **3g) Meetings of the Board and their conduct**

The Board meets normally at least two times a year. In addition it meets whenever necessary to deal with specific matters needing attention between the scheduled meetings. This year the full Board has met two times. The Chairman and the Company Secretary establish meeting agendas to ensure adequate coverage of financial, strategic and major risk areas throughout the year. The Directors and Company Secretary also maintain informal communications via email and phone.

### **3h) Succession planning**

The Board plans succession of its own members taking into account the skills experience and expertise required and currently represented and CYM-Synerpac's future direction. The Board is also responsible for CEO and CFO succession planning (if appointed).

### **3i) Review of Board performance**

The Board reviews its overall performance, as well as the performance of individual Directors.

The performance of Non-executive Directors (including the Chairman) is subject to annual peer review.

### **3j) Nomination and appointment of new Directors**

Recommendations for nominations of new Directors are made by the Board as a whole. Those nominated are assessed by the Board against a range of criteria including background, experience, professional skills, personal qualities, whether their skills and experience will augment the existing Board and their availability to commit themselves to the Board's activities. If the Board appoints a new Director during the year that person will stand for election by shareholders at the next annual general meeting. Shareholders are provided with relevant information on the candidates for election,

### **3k) Retirement and re-election of Directors**

CYM-Synerpac's Constitution states that one-third of our Directors must retire each year. The maximum time that each Director can serve in any single term is three years. Any Director who has been appointed during the year must retire at the next annual general meeting. Eligible Directors who retire each year may offer themselves for re-election by shareholders at the next annual general meeting.

### **3l) Compulsory retirement of Directors**

The Board has no limit on the number of terms of office which any Director may serve.

### **3m) Board access to information and advice**

All Directors have unrestricted access to company records and information and receive regular detailed financial and operational reports. CYM-Synerpac Limited Company Secretary provides Directors with ongoing guidance on issues such as corporate governance, CYM-Synerpac's Constitution and the law. The Board collectively, and each Director individually, has the right to seek independent professional advice at CYM-Synerpac's expense to help them carry out their responsibilities. While the Chairman's prior approval is needed, it may not be unreasonably withheld and, in its absence, Board approval may be sought.

## **Board committees**

### **4a) Board committees and membership**

There are currently no Board Committees. CYM-Synerpac's size and operations do not allow for separate Board Committees. All issues are considered by all the Directors, unless a Director is unable to exercise independence. CYM-Synerpac does not comply with NSX recommendations on these issues-

### **4b) Audit Committee**

CYM-Synerpac does not have an Audit Committee; it does not comply with this recommendation

### **4c) Board Risk Oversight Committee**

CYM-Synerpac does not have a Board Risk Oversight Committee; it does not comply with this recommendation

### **4d) Board Nominations Committee**

CYM-Synerpac does not have a Board Nominations Committee and any appointment would be considered by all directors. It does not comply with this recommendation

#### **4e) Board Remuneration Committee**

CYM-Synerpac does not have a Board Remuneration Committee. It does intend to form one when Directors begin to receive monetary benefits. In the future, Directors will be paid a fixed remuneration for attending Board meetings, and allowed to claim for out-of-pocket expenses and any time spent on special issues. In the reporting period to 30 June 2005, there are no payments to Directors.

### **Audit governance and independence**

#### **5a) Approach to audit governance**

The Board is committed to three basic principles:

- \* CYM-Synerpac must produce true and fair financial reports;
- \* its accounting methods are comprehensive and relevant and comply with applicable accounting rules and policies; and
- \* the external auditors are independent and serve shareholder interests by ensuring that shareholders know CYM-Synerpac's true financial position

#### **5b) Engagement and rotation of external auditor**

CYM-Synerpac's independent external auditor is Rothsay Consulting Services Pty Ltd.

#### **5c) Discussions with external auditor on Independence**

The Board Audit and Compliance Committee require the external auditor to confirm that they have maintained their independence.

#### **5d) Relationship with external auditor**

CYM-Synerpac's current policies on employment and other relationships with our external auditor are:

- \* the audit partners and any audit firm employee on the CYM-Synerpac audit are prohibited from being an officer
- \* an immediate family member of an audit partner or any audit firm employee on the CYM-Synerpac audit is prohibited from being a Director or an officer in a significant position at CYM-Synerpac;
- \* a former audit firm partner or employee on the CYM-Synerpac audit is prohibited from becoming a Director or officer in a significant position at CYM-Synerpac for at least five years and after the five years can have no continuing financial relationship with the audit firm;
- \* members of the audit team and firm are prohibited from having a business relationship with CYM-Synerpac or any officer of CYM-Synerpac unless the relationship is clearly insignificant to both parties;
- \* the audit firm its partners its employees on the CYM-Synerpac audit and their immediate family members are prohibited from having a direct or material indirect investment in CYM-Synerpac;
- \* officers of CYM-Synerpac are prohibited from receiving any remuneration from the audit firm;
- \* the audit firm is prohibited from having a financial interest in any entity with a controlling interest in CYM-Synerpac; and
- \* the audit firm engagement team in any given year cannot include a person who had been an officer of CYM-Synerpac during that year



#### **5e) Restrictions on non-audit services by the external auditor**

The external auditor is not restricted in the provision of non-audit services to CYM-Synerpac except as required by the Corporations Act or the NSX Listing Rules

#### **5f) Attendance at Annual General Meeting**

CYM-Synerpac's external auditor (or its direct representative) attends the annual general meeting and is available to answer shareholder questions

### **Controlling and managing risk**

#### **6a) Approach to risk management**

Taking and managing risk are central to business and to building shareholder value. CYM-Synerpac's approach is to identify, assess and control the risks which affect its business. The intention is to enable risks to be balanced against appropriate rewards. The risk management approach links CYM-Synerpac's vision and values, objectives and strategies, and procedures and training

#### **6b) Risk management roles and responsibilities**

The Board is responsible for approving and reviewing CYM-Synerpac's risk management strategy and policy. The Company Secretary is responsible for implementing the Board-approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of CYM-Synerpac activities.

#### **6c) Company Secretarial assurance**

The Board receives regular reports about the financial condition and operational results of CYM-Synerpac and its controlled entities. The Company Secretary periodically provides formal statements to the Board that in all material respects:

- the company's financial statements present a true and fair view of CYM-Synerpac's financial condition and operational results, and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

### **Remuneration framework**

CYM-Synerpac does not pay its Non-Executive Directors a fixed remuneration. These Officers can claim reimbursement of out-of-pocket expenses incurred on behalf of CYM-Synerpac and time spent on specific issues. The Company Secretary is paid for all his time on an hourly basis. Directors are only paid for work additional to their general duties. The Directors are committed to minimising outgoings while examining future business options for CYM-Synerpac.

### **Corporate responsibility and sustainability**

#### **8a) CYM-Synerpac's approach to corporate responsibility and sustainability**

CYM-Synerpac's aim is to manage its business in a way that produces positive outcomes for all stakeholders and maximises economic, social and environmental value simultaneously. In doing so, CYM-Synerpac accepts that the responsibilities flowing from this go beyond both strict legal obligations and just the financial bottom line. Transparency, the desire for fair dealing, and positive links into the community underpin our everyday activities and corporate responsibility practices.

#### **8b) CYM-Synerpac's Code of Conduct**

CYM-Synerpac's Code of Conduct applies to all Directors, executives and employees without exception. The Code governs workplace and human resource practices, risk management and legal compliance, and is aligned to CYM-Synerpac's core values of teamwork, integrity and performance..

#### **8c) Insider trading policy and trading in CYM-Synerpac shares**

Both Directors and employees of a Corporation are subject to restrictions under the law relating to dealing in certain financial products, including securities in a company (including Chew Yak Mong- Synerpac Ltd), if they are in possession of inside information,

Inside information is information that is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the securities of the company.

#### **8d) Market disclosure policy and practices**

The Company Secretary has responsibility for ensuring compliance with the continuous disclosure requirements in the NSX Listing Rules, and overseeing and co-ordinating information disclosure to the NSX, analysts, brokers, shareholders, the media, and the public.

CYM-Synerpac is committed to giving all shareholders comprehensive and equal access to information about our activities, and to fulfil continuous disclosure obligations to the broader market. CYM-Synerpac policy is designed to ensure compliance with NSX Listing Rules on continuous disclosure requirements. It ensures any information that a reasonable person would expect to have a material effect on the price of CYM-Synerpac's securities is disclosed.

## **AUDITORS' REPORT TO THE MEMBERS OF CHEW YAK MONG - SYNERPAC LTD**

We have audited the accompanying financial statements of Chew Yak Mong - Synerpac Ltd for the year ended 31st December 2005. 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 the audit to obtain reasonable assurance about 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 financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the Act) and Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the company as at 31st December 2005 and of the results, changes in equity and cash flows of the company for the year then ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

*CHEW W. LEE*

---

**CHEW WHYEE LEE & CO.**  
Certified Public Accountants

Singapore, 31<sup>st</sup> May 2006

## BALANCE SHEET

	NOTE	2005 S\$	2004 S\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	139,556	204,236
<b>Current Assets</b>			
Inventories	5	2,202,352	1,345,238
Trade receivables	6	2,726,882	512,709
Other receivables	7	113,844	86,590
Amount owing by directors	8	-	842,390
Cash and cash equivalents	9	12,946	12,265
		5,056,024	2,799,192
<b>Total Assets</b>		<u>5,195,580</u>	<u>3,003,428</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital And Reserves</b>			
Share capital	10	200,000	200,000
Retained profit		655,309	16,654
		855,309	216,654
<b>Non-Current Liabilities</b>			
Obligations under finance leases	11	6,650	110,149
<b>Current Liabilities</b>			
Trade payables	12	2,057,947	1,001,209
Other liabilities	13	136,595	57,477
Provision for taxation		196,860	55,337
Bank loans and borrowings	14	1,880,845	1,517,272
Amount owing to directors	15	26,574	-
Obligations under finance leases	11	34,800	45,330
		4,333,621	2,676,625
<b>Total Equity And Liabilities</b>		<u>5,195,580</u>	<u>3,003,428</u>

## INCOME STATEMENT

	NOTE	2005 S\$	2004 S\$
Revenue	3	7,224,395	6,882,364
Cost of sales		(5,594,688)	(5,840,006)
Gross profit		<u>1,629,707</u>	<u>1,042,358</u>
Distribution costs		(3,932)	(112)
Administrative expenses		(726,893)	(849,642)
Other operating expenses		(4,879)	(63,912)
Profit from operations		<u>894,003</u>	<u>128,692</u>
Finance costs	16(b)	(104,348)	(59,579)
Profit before taxation	17	<u>789,655</u>	<u>69,113</u>
Taxation	18	(151,000)	(43,549)
Profit after taxation		<u><u>638,655</u></u>	<u><u>25,564</u></u>

## STATEMENT OF CHANGES IN EQUITY

	Share Capital S\$	(Accumulated Loss) / Retained Profit S\$	Total S\$
Balance at 1st January 2004	200,000	(8,910)	191,090
Net profit for the year	-	25,564	25,564
Balance at 31st December 2004	<u>200,000</u>	<u>16,654</u>	<u>216,654</u>
Balance at 1st January 2005	200,000	16,654	216,654
Net profit for the year	-	638,655	638,655
Balance at 31st December 2005	<u>200,000</u>	<u>655,309</u>	<u>855,309</u>

## CASH FLOW STATEMENT

	NOTE	2005 S\$	2004 S\$
<b>Cash Flows From Operating Activities</b>			
Cash receipts from customers		5,010,219	6,734,803
Cash paid to suppliers		(6,699,557)	(6,272,818)
Tax paid		(9,477)	(4,048)
<b>Net Cash (Used in) / From Operating Activities</b>		(1,698,815)	457,937
<b>Cash Flows From Investing Activities</b>			
Purchase of property, plant and equipment (Note A)		(141,643)	(680)
Proceed from disposal of property, plant & equipment		26,590	-
<b>Net Cash Used In Investing Activities</b>		(115,053)	(680)
<b>Cash Flows From Financing Activities</b>			
Repayment of hire purchase creditors		(52,690)	(51,861)
Hire purchase creditor obtained		69,600	-
Amount owing to directors		868,964	(906,827)
<b>Net Cash Used In Financing Activities</b>		885,874	(958,688)
Net decrease in cash and cash equivalents		(927,994)	(501,431)
Cash and cash equivalents at beginning of year		(939,905)	(438,474)
<b>Cash And Cash Equivalents At End Of Year</b>	9	<u>(1,867,899)</u>	<u>(939,905)</u>

### A. Property, plant and equipment

During the financial year, the company acquired property, plant and equipment with an aggregate cost of S\$141,643 (2004 : S\$680) of which S\$69,600 (2004 : S\$Nil) was acquired by means of finance leases.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

The financial statements of the company for the year ended 31st December 2005 were authorised for issue in accordance with a resolution of the directors on the date of the Statement By Directors.

The company is incorporated as a limited liability company and domiciled in the Republic of Singapore. During the financial year, the company was converted to a public listed company, listed in the Stock Exchange of Newcastle Limited. As a result of such listing, the nominal value of the company was revised from S\$1 per share to S\$0.002 per share.

The authorised share capital of the company was also increased to S\$50,000,000 divided into 25,000,000,000 ordinary shares of S\$0.002 each by the creation of an additional 24,750,000 new shares of S\$0.002 each.

The registered office and principal place of business is located at 157 Pasir Panjang Road, #01-02 Pasir Panjang Distripark, Singapore 118492.

### 2. Summary of significant accounting policies

#### (a) Basis of preparation

The financial statements, expressed in Singapore dollars, are prepared in accordance with the historical cost convention.

The financial statements are prepared in accordance with the Singapore Financial Reporting Standards as required by the Singapore Companies Act, Chapter 50.

In 2005, the company adopted the following revised FRSs which are relevant to its operations:

FRS 1 (revised)	Presentation of Financial Statements
FRS 2 (revised)	Inventories
FRS 8 (revised)	Accounting Policies, Changes in Accounting
Estimates and Errors	
FRS 10 (revised)	Events After the Balance Sheet Date
FRS 16 (revised)	Property, Plant and Equipment



FRS 17 (revised)	Leases
FRS 24 (revised)	Related Party Disclosures
FRS 36 (revised)	Impairment of Assets
FRS 39 (revised)	Financial Instruments: Recognition and Measurement

The adoption of the revised FRSs has not given rise to any adjustments to the opening balances of the Retained profit of the prior and current year or to changes in comparative figures.

**(a) Basis of preparation (cont'd)**

The preparation of financial statements in conformity with FRSs requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts assets and liabilities that are not readily apparent from other sources.

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these properties, plant and equipment to be within 3 to 5 years. The carrying amount of the company's property, plant and equipment at 31 December 2005 was \$139,556 (2004: \$204,236).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**(b) Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows :

Motor vehicles	5 years
Furniture and office equipment	3 years
Computers	3 years
Containers	5 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The useful lives and residual values, if not significant, are reassessed annually.

**(c) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and weighted average method, and includes freight and handling charges. Allowance is made, where necessary, for obsolete, slow-moving and defective inventory in arriving at the net realisable value.

**(d) Receivables**

Receivables are recognised and carried at cost, which is the original invoiced amount less provision for doubtful debts. The carrying value approximates the fair value of receivables.

All known bad debts are written off and specific provision is made for those debts which are considered to be doubtful.

**(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and bank deposits, and highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

**(f) Leased assets**

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the present value of the total rental payable during the periods of the leases and the corresponding lease commitments are included under liabilities. The excess of the lease payments over the recorded lease obligations is treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rentals on operating leases are charged to the income statement on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the income statement when incurred.

### **(g) Payables**

Payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

### **(h) Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### **(i) Employee benefits**

#### **(i) Pension obligations**

The company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The company's contributions to CPF are charged to the income statement in the period to which the contributions relate.

#### **(ii) Employee leave entitlements**

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the balance sheet date.

### **(j) Income taxes**

The liability method of tax effect accounting is adopted by the company. Current taxation is provided at the current taxation rate based on the tax payable on the income for the financial year that is chargeable to tax. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry forward of unused tax assets and unused tax losses to be utilised, can be utilised.

The statutory tax rates enacted at the balance sheet date are used to determine deferred income tax.

**(k) Impairment of assets**

The carrying amounts of the company's assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is defined as the higher of value in use and net selling price.

Any impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

**(l) Revenue recognition**

Revenue from the sale of goods is recognised upon passage of title to the customers and services rendered which generally coincide with their delivery and acceptance.

**(m) Conversion of foreign currencies**

Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at balance sheet date. Exchange differences arising from such transactions are recorded in the income statement in the period in which they arise.

**(n) Financial instruments**

Financial instruments carried on the balance sheet include cash and cash equivalents, trade receivables and payables, other receivables and payables, finance leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

**(o) Functional currency**

The functional currency of the company is Singapore dollars. As sales and purchases are denominated primarily in Singapore dollars and receipts from operations are usually retained in Singapore dollars, the directors are of the opinion that the Singapore dollar reflects the economic substance of the underlying events and circumstances relevant to the company.

**3. Principal activities and revenue**

The principal activities of the company are those of general exporters, wholesalers and retailers of provisions and sundry goods.

Revenue representing income from sales of goods, excluding applicable goods and services tax, is detailed as follows :

	2005 S\$	2004 S\$
Sales of goods	<u>7,224,395</u>	<u>6,882,364</u>

#### 4. Property, plant and equipment

	Motor vehicles S\$	Furniture and office equipment S\$	Computers S\$	Containers S\$	Total S\$
<b>Cost</b>					
As at 01/01/05	632,102	19,014	29,407	50,000	730,523
Additions	104,350	13,926	23,367	-	141,643
Disposals	(529,421)	-	-	-	(529,421)
As at 31/12/05	<u>207,031</u>	<u>32,940</u>	<u>52,774</u>	<u>50,000</u>	<u>342,745</u>
<b>Accumulated depreciation</b>					
As at 01/01/05	441,112	19,014	26,161	40,000	526,287
Depreciation for the year	38,051	2,165	7,366	10,000	57,582
Disposals	(380,680)	-	-	-	(380,680)
As at 31/12/05	<u>98,483</u>	<u>21,179</u>	<u>33,527</u>	<u>50,000</u>	<u>203,189</u>
Depreciation for 2004	<u>112,276</u>	<u>5,589</u>	<u>7,427</u>	<u>10,000</u>	<u>135,292</u>
<b>Carrying value</b>					
As at 31/12/05	<u>108,548</u>	<u>11,761</u>	<u>19,247</u>	<u>-</u>	<u>139,556</u>
As at 31/12/04	<u>190,990</u>	<u>-</u>	<u>3,246</u>	<u>10,000</u>	<u>204,236</u>

#### 4. Property, plant and equipment (cont'd)

The company had motor vehicles under finance leases with net book value of S\$104,033 (2004 : S\$174,536).

#### 5. Inventories

	2005 S\$	2004 S\$
At cost :		
Household consumer products, provision goods, etc	<u>2,202,352</u>	<u>1,345,238</u>

#### 6. Trade receivables

	2005 S\$	2004 S\$
Related party	734	734
Others	<u>2,726,148</u>	<u>511,975</u>
	<u>2,726,882</u>	<u>512,709</u>

Related party represents a company in which there are common shareholders and directors.

The amount owing by a related party on trade transactions are unsecured, interest-free and has no fixed terms of repayment.

## 7. Other receivables

	2005 S\$	2004 S\$
Deposits	47,888	49,938
Prepayments	4,600	-
Goods and services tax	37,276	-
Loan to staffs	21,140	28,259
Others	2,940	8,393
	<u>113,844</u>	<u>86,590</u>

## 8. Amount owing by directors

	2005 S\$	2004 S\$
Non-trade	<u>-</u>	<u>842,390</u>

The amount owing by directors is unsecured, interest-free and has no fixed repayment terms.

## 9. Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts :

	2005 S\$	2004 S\$
Cash and bank balances	12,946	12,265
Bank overdraft - secured (Note 14)	(1,880,845)	(952,170)
	<u>(1,867,899)</u>	<u>(939,905)</u>

## 10. Share capital

	2005 S\$	2004 S\$
Authorised :		
25,000,000,000 ordinary shares of S\$0.002 each	<u>50,000,000</u>	<u>500,000</u>
Issued and fully paid :		
100,000,000 ordinary shares of S\$0.002 each	<u>200,000</u>	<u>200,000</u>

## 11. Obligations under finance leases

	2005 S\$	2004 S\$
Minimum lease payments payable :		
Due not later than one year	36,710	53,235
Due later than one year and not later than five years	<u>7,015</u>	<u>130,458</u>
	43,725	183,693
Finance charges allocated to future periods	<u>(2,275)</u>	<u>(28,214)</u>
Present value of minimum lease payments	<u>41,450</u>	<u>155,479</u>
Present value of minimum lease payments		
Due not later than one year	34,800	45,330
Due later than one year and not later than five years	<u>6,650</u>	<u>110,149</u>
	<u>41,450</u>	<u>155,479</u>

## 12. Trade payables

	2005 S\$	2004 S\$
Included in trade payables are :		
Related party	49,952	49,952
Others	<u>2,007,995</u>	<u>951,257</u>
	<u>2,057,947</u>	<u>1,001,209</u>

Related party represents a company in which there are common shareholders and directors.

Amount due to a related party is unsecured, interest-free and with no fixed terms of repayment.



### 13. Other liabilities

	2005 S\$	2004 S\$
Goods and services tax	-	44,379
Customers deposits	73,206	-
Accruals	63,389	13,098
	<u>136,595</u>	<u>57,477</u>

### 14. Bank loans and borrowings

	2005 S\$	2004 S\$
Bank overdraft - secured	1,880,845	952,170
Bills payable	-	565,102
	<u>1,880,845</u>	<u>1,517,272</u>

The company's bank overdraft and other banking facilities granted to the extent of S\$2,950,000 (2004 : S\$2,000,000) are secured as follows :

- (i) by way of a legal mortgage of the freehold property belonging to directors of the company; and
- (ii) by a guarantee given by all directors of the company jointly and severally.
- (iii) by a fixed and floating charge on all of the company's assets and undertakings, both present and future including goodwill and uncalled capital.

### 15. Amount owing to directors

	2005 S\$	2004 S\$
Non-trade	<u>26,574</u>	<u>-</u>

The amount owing to directors is unsecured, interest-free and has no fixed repayment terms.

### 16. (a) Staff costs

	2005 S\$	2004 S\$
Director's fee	29,000	60,000
Director's remuneration		
- Salaries	-	60,000
- CPF contributions	-	7,800
Other than directors		
- Salaries, bonuses and other related costs	232,088	212,891
- CPF and SDL contributions	35,148	28,801
	<u>296,236</u>	<u>369,492</u>

**(b) Finance costs**

	2005 S\$	2004 S\$
Interest expense		
- Bank overdraft	66,835	36,278
- Finance leases	15,347	7,915
- Trust receipts	22,166	15,386
	<u>104,348</u>	<u>59,579</u>

**17. Profit before taxation**

	2005 S\$	2004 S\$
This is stated after charging :		
Audit fee	8,000	4,000
Bad debts written off - trade	1,539	3,694
Depreciation of property, plant and equipment	57,582	135,292
Director's fee	29,000	60,000
Director's remuneration		
-salaries	-	60,000
-CPF contributions	-	7,800
Finance leases interest	15,347	7,915
Foreign exchange loss - realised	2,730	40,721
Foreign exchange loss - unrealised	-	19,497
Interest on bank overdraft	66,835	36,278
Interest on trust receipts	22,166	15,386
Operating lease rentals	218,740	225,096
Staff cost (excluding director's remuneration)		
salaries, bonuses and related costs	232,088	212,891
CPF and SDL contributions	<u>35,148</u>	<u>28,801</u>
After crediting:		
Gain on disposal of property, plant & equipment	<u>(8,785)</u>	<u>-</u>

**18. Taxation**

	2005 S\$	2004 S\$
Current taxation	151,000	31,280
Underprovision of current taxation in respect of prior year	-	12,269
	<u>151,000</u>	<u>43,549</u>

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on company's profits as a result of the following :

	2005 S\$	2004 S\$
Profit before taxation	<u>789,655</u>	<u>69,113</u>
Tax at statutory rate of 20% (2004 : 20%)	157,931	13,823
Tax effect on non-deductible expenses	4,526	23,864
Excess of tax written down value over net book value of property, plant and equipment	(957)	4,093
Underprovision of prior year taxation	-	12,269
Singapore statutory stepped income exemption	<u>(10,500)</u>	<u>(10,500)</u>
	<u>151,000</u>	<u>43,549</u>

Net deferred tax asset has not been recognised in respect of the following :

	2005 S\$	2004 S\$
Excess of net book value over tax written down value of property, plant and equipment	<u>(957)</u>	<u>4,093</u>

These potential deferred tax benefits have not been recognised in the financial statements because of the uncertainty of its realisation within the foreseeable future.

## 19. Contingencies

### Contingent liabilities – secured

There are contingent liabilities for guarantees given outstanding amounting to S\$2,000 (2004 : S\$2,000).

## 20. Operating lease commitments

At the balance sheet date, the company was committed to making the following lease rental payments under operating leases for its equipment and premises :

	2005 S\$	2004 S\$
Not later than one year	27,600	48,257
Later than one year and not later than five years	<u>36,800</u>	<u>-</u>

## 21. Financial risk management

### (a) Objectives and policies

The company is exposed to credit risk, interest rate risk, foreign currency risk and liquidity risk which arise in the normal course of the company's business. The company has risk management policies and guidelines which set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

**(b) Credit risk**

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over the recommended limit set by management.

**(c) Interest rate risk**

The company is exposed to fluctuation in interest rates which relate primarily to its debt obligations with financial institutions.

**(d) Foreign currency risk**

The company has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading. The company ensures that the net exposure to currency fluctuation is kept to an acceptable level.

**(e) Liquidity risk**

The company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuation in cash flow.

**22. Financial instruments**

**Fair value**

The carrying amounts of the financial assets and financial liabilities as reflected in the balance sheet approximate to their fair values.

## TRADING, PROFIT AND LOSS ACCOUNT

	2005 S\$	2004 S\$
REVENUE	7,224,395	6,882,364
Less COST OF GOODS SOLD		
Opening inventories	1,345,238	1,119,358
Purchases	6,313,105	5,858,055
Depreciation of property, plant and equipment	48,050	30,536
Foreign workers' salaries	1,711	42,000
Handling charges	88,936	135,295
	7,797,040	7,185,244
Less Closing inventories	(2,202,352)	(1,345,238)
	5,594,688	5,840,006
GROSS PROFIT	1,629,707	1,042,358
Less TOTAL EXPENSES	(840,052)	(973,245)
NET PROFIT	<u>789,655</u>	<u>69,113</u>

These schedules provide additional information and do not form part of the audited financial statements.

## Expenses

	2005 S\$	2004 S\$
Distribution costs		
Advertising expenses	-	112
Commission	3,932	-
	3,932	112
Finance costs		
Finance lease interest	15,347	7,915
Interest on bank overdraft	66,835	36,278
Interest on trust receipts	22,166	15,386
	104,348	59,579
Administrative expenses		
Accountancy fee	16,300	3,813
Audit fee	8,000	4,000
Bank and trust receipts charges	12,843	12,065
CPF and SDL	35,148	36,601
Depreciation of property, plant and equipment	9,532	104,756
Director's fee	29,000	60,000
Director's remuneration	-	60,000
Entertainment and refreshment	6,949	10,703
Foreign workers' levies	7,031	6,725
Gain on disposal of property, plant & equipment	(8,785)	-
General expenses	15,765	4,430
Insurance	3,502	16,976
Legal fee	30,834	-
Medical expenses	1,937	868
Penalty	5,797	3,509
Postages and stamps	2,496	1,940
Printing and stationery	3,159	13,330
Rentals	218,740	225,096
Repairs and maintenance	14,042	4,053
Salaries and bonuses	232,088	212,891
Telephone charges	29,314	22,769
Travelling expenses	2,537	137
Upkeep of motor vehicles	35,833	29,860
Water and electricity	14,831	15,120
	726,893	849,642
Other operating expenses		
Bad debts written off - trade	1,539	3,694
Consultancy fee	610	-
Foreign exchange loss - realised	2,730	40,721
Foreign exchange loss - unrealised	-	19,497
	4,879	63,912
<b>TOTAL EXPENSES</b>	<b>840,052</b>	<b>973,245</b>

These schedules provide additional information and do not form part of the audited financial statements.

## Index to the financial statements

	Page
Directors' report	1
Statement by directors	3
Auditors' report to the members	4
Balance sheet	5
Income statement	6
Statement of changes in equity	7
Cash flow statement	8
Notes to the financial statements	9

---

# Directors' Declaration

The Directors declare that:

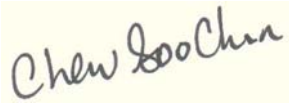
1. The attached financial statements comprising the Statement of Financial Performance Position and Cash Flows and accompanying notes are in accordance with the Corporations Act 2001 and:

- a) Comply with Accounting Standards and the Corporations Regulations 2001; and
- b) Give a true and fair view of the financial position as at 31<sup>st</sup> Dec 2005 and of the performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

On behalf of the Board

A handwritten signature in dark ink, reading "Chew Soo Chun", is written over a light yellow rectangular background.

Mr Chew Soo Chun  
Managing Director & CEO

Singapore

Dated:

---



# Newcastle Stock Exchange Information

The following additional information is required by the Newcastle Stock Exchange Limited in respect of listed public companies.

## 1 (a) Distribution of Shareholder Numbers

The distribution of shareholders and their shareholdings at 31<sup>st</sup> Dec 2005 was as follows: -

Range	Shareholders	Fully Paid Shares	% Owned
1 - 10,000	40	400,000	0.40
10,001 - 100,000	0	0	0
100,001 - 500,000	1	500,000	0.50
500,001 - 1,000,000	1	1,000,000	1.00
1,000,001 - 2,000,000	1	1,250,000	1.25
2,000,001 - 3,000,000	0	0	0
3,000,001 - 5,000,000	5	23,330,000	23.33
5,000,001 - 6,000,000	0	0	0
6,000,001 - 7,000,000	0	0	0
7,000,001 - 8,000,000	0	0	0
8,000,001 - 9,000,000	0	0	0
9,000,001 +	2	73,520,000	73.52
<b>TOTAL</b>	<b>50</b>	<b>100,000,000</b>	<b>100.00</b>

(b) The number of shareholders holding less than a marketable parcel of 10,000 shares is **nil**.

(c) The names of substantial shareholders listed in the holding company's register as at 31<sup>st</sup> Dec 2005 are:

Shareholders Name	Number of Shares	%
Ms Chew Soo Chun	38,770,000	38.77
Mr Chew Song Hock	34,750,000	34.75

### (d) Voting Rights

All issued shares are of one class being ordinary shares. Each shareholder is entitled to one vote on a show of hands on any matter put to a vote by show of hands at a meeting of shareholders.

Each shareholder is entitled to one vote per share on any matter put to a poll at a meeting of shareholders.

---

## 2. Substantial Shareholders

The top 20 shareholders and their shareholding at 31<sup>st</sup> Dec 2005 were as follows: -

#	Shareholder	No. of Shares held	% of Capital
1	CHARLIE CHEW SOO CHUN	38,770,000	38.77
2	PETER CHEW SONG HOCK	34,750,000	34.75
3	SIBCO AUSTRALIA PTY LTD	4,830,000	4.83
4	AH KUAN POH	4,750,000	4.75
5	HOUY LEE THONG	4,750,000	4.75
6	LENG LENG CHEW	4,500,000	4.50
7	LIAN LE CHEW	4,500,000	4.50
8	CHANDRA KRISHNAN	1,250,000	1.25
9	RAMESH TULSIDAS WADHWANI	1,000,000	1.00
10	RICHARD HU HOI TUCK	500,000	0.5
11	SHAREERA HOLDINGS PTY LTD	10,000	0.01
12	GILLIAN MACINTOSH	10,000	0.01
13	BRETT JONES	10,000	0.01
14	PETER O'KEEFE	10,000	0.01
15	KIM BLANCH	10,000	0.01
16	MR COLIN NOEL ARCHER	10,000	0.01
17	MS KIRSTEN ARCHER	10,000	0.01
18	DAVID COBCROFT	10,000	0.01
19	CHRISTOPHER DAW	10,000	0.01
20	MICHAEL MATCHETT	10,000	0.01

As at the date of this Annual report, the options held are: **Nil**