

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

HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2007.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement for the financial period ended 30 June 2007. These figures have not been audited.

	Group		
	30/06/07 (6 months)	30/06/06 (6 months)	% Change
	\$'000	\$'000	
Revenue	9,121	33,376	(72.67)
Cost of goods sold	(9,736)	(28,976)	(66.40)
Gross (Loss)/Profit	(615)	4,400	N.M.
Other operating income	138	141	(2.13)
Selling and distribution expenses	(353)	(943)	(62.57)
Administrative expenses	(1,909)	(2,580)	(26.01)
Other operating expenses	(745)	(667)	(11.69)
(Loss)/Profit from operations	(3,484)	351	N.M.
Finance costs	(390)	(1,280)	(69.53)
Loss before taxation	(3,874)	(929)	317.01
Income tax	-	(120)	N.M.
Loss attributable			
to shareholders of the Company	(3,874)	(1,049)	269.30
Loss per share (cents)	(1.66)	(1.35)	

NM: Not Meaningful

1(a)(i) Loss before taxation is arrived after crediting (charging) the following :

	Group	
	30/06/07	30/06/06
	(6 months)	(6 months)
	\$'000	\$'000
Interest expense	(390)	(1,280)
Interest income	1	-
Gain on disposal of property, plant and equipment (net)	8	50
Foreign exchange loss	(148)	(272)
Depreciation expense	(2,070)	(2,153)
Provision for inventory obsolescence	-	(200)
Provision for doubtful debt	(400)	-
Provision for impairment of fixed assets	(86)	-
Bad debts written off	(6)	-

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/06/07	31/12/06	30/06/07	31/12/06
	\$'000	\$'000	\$'000	\$'000
Assets				
Non-Current assets				
Property, plant and equipment	28,693	29,308	68	104
Investments in subsidiary companies	-	-	12,685	12,682
Deferred tax assets	398	862	-	-
	29,091	30,170	12,753	12,786
Current assets				
Inventories	894	1,469	360	115
Amount due by subsidiaries	-	-	8,148	3,917
Trade receivables *	4,624	7,664	3,687	5,315
Other receivables and prepayments	1,812	1,405	709	1,117
Cash and bank balances	677	1,366	95	792
	8,007	11,904	12,999	11,256
Current liabilities				
Borrowings	10,826	24,353	2,108	15,192
Trade payables *	2,871	3,847	2,787	2,985
Other payables and accruals	2,206	2,918	452	600
Obligations under finance leases	379	779	258	660
Income tax payable	388	480	144	144
	16,670	32,377	5,749	19,581
Net current (liabilities)/assets	(8,663)	(20,473)	7,250	(8,325)
Non-current liabilities				
Borrowings	5,820	4,520	5,820	4,520
Obligations under finance leases	338	133	255	-
Deferred tax liabilities	160	624	-	-
	6,318	5,277	6,075	4,520
Net Assets/ (Liabilities)	14,110	4,420	13,928	(59)
Share capital and reserves				
Share capital	18,705	6,232	18,705	6,232
Reserves	(4,595)	(1,812)	(4,777)	(6,291)
	14,110	4,420	13,928	(59)

* The trade receivables and related trade payables of key customers have been netted off for clarity for both current half-year reporting and prior year's financial statements to enhance comparability.

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

Amount repayable in one year or less, or on demand

As at 30/06/07		As at 31/12/06	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,833	6,993	4,356	7,524

Amount repayable after one year

As at 30/06/07		As at 31/12/06	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	5,820	-	4,520

Breakdown of Borrowings	Group		Company	
	30/06/07	31/12/06	30/06/07	31/12/06
	\$'000	\$'000	\$'000	\$'000
Borrowings (Current)				
Bank Overdrafts, unsecured	3,537	4,131	2,108	2,719
Revolving Credits, unsecured	3,456	3,393	-	-
Term Loan, secured	3,833	4,356	-	-
Loan from a Corporate Shareholder, subsequently converted into share capital (see note below)	-	12,473	-	12,473
Total Borrowings (Current)	10,826	24,353	2,108	15,192
Borrowings (Non-Current)				
Loan from a Corporate Shareholder, unsecured	5,820	4,520	5,820	4,520
Total Borrowings (Non-Current)	5,820	4,520	5,820	4,520
Total Borrowings	16,646	28,873	7,928	19,712

Note : The EGM held on 19th Jan. 2007, approved the conversion of this loan into 155,917,000 ordinary shares at the issue price of \$0.08 per share.

Details of any collateral

The secured debts of the Group comprise overdrafts, term loan and hire-purchase. Overall, these borrowings were reduced with additional shareholder loans.

A major portion of the Group's banking facilities is secured by the joint personal guarantees of a Director and a related party.

The Group and the Company have motor vehicles, plant & machineries under hire-purchase agreements with several major financial institutions incurred in years prior to 2005 in line with its business strategy of investing in its mobile telecommunications capabilities in China. A portion of this financing is personally guaranteed by a Director. These outstandings are being repaid as scheduled.

A portion of the outstanding term loan is secured against a specific charge over the machineries and equipment financed by a bank.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (6 months period).

	Group	
	30/06/07	30/06/06
	\$'000	\$'000
Cash flow from operating activities		
Loss before income tax	(3,874)	(929)
Adjustment for :		
Provision for inventory obsolescence	-	200
Provision for doubtful debt	400	-
Bad debts written off	6	-
Depreciation expense	2,070	2,153
Interest expense	390	1,280
Interest Income	(1)	-
Write back of other provision	-	(13)
Provision for impairment of fixed assets	86	-
Gain on disposal of plant and equipment	(8)	(50)
Operating cash flow before working capital changes	(931)	2,641
Decrease/(Increase) in inventories	575	(1,187)
Decrease/(Increase) in trade and other receivables	2,227	(2,500)
(Decrease)/Increase in trade and other payables	(1,688)	1,296
Cash generated from operations	183	250
Income tax (paid)/refund	(92)	15
Interest paid	(390)	(1,142)
Interest received	1	-
Net cash used in operating activities	(298)	(877)
Cash flow from investing activities		
Proceeds from disposal of plant and equipment	53	50
Purchase of plant and equipment	(835)	(194)
Net cash used in investing activities	(782)	(144)
Cash flow from financing activities		
Repayment of term loan	(460)	(2,014)
Repayment of hire purchase liabilities	(195)	(3,734)
Loan from shareholders	1,300	6,562
Net cash generated from financing activities	645	814
Net effect of exchange rate changes	340	(76)
Net decrease in cash and cash equivalents	(435)	(207)
Cash and cash equivalents at beginning of period	1,366	1,497
Bank overdraft (Opening Balance)	(4,131)	(4,929)
Cash and cash equivalents at end of period	(2,860)	(3,715)

Breakdown of Cash & Cash Equivalent at end of period

	30/06/07 \$'000	30/06/06 \$'000
Cash and Bank Balance	677	1,009
Fixed Deposits	-	41
	<hr/>	<hr/>
Total Cash and Bank Balance and Fixed Deposits	677	1,050
Bank Overdrafts	(3,537)	(4,765)
	<hr/>	<hr/>
Cash and cash equivalents at end of period	(2,860)	(3,715)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Capital Reduction Reserves	Assets revaluation reserve	Currency translation adjustment	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2006	6,232	3,710	2,373	(4,476)	(1,350)	6,489
Net effect of exchange differences	-	-	-	(1,551)	-	(1,551)
Net loss for the period	-	-	-	-	(1,049)	(1,049)
Balance as at 30 June 2006	6,232	3,710	2,373	(6,027)	(2,399)	3,889
Balance as at 1 January 2007	6,232	3,710	2,373	(6,180)	(1,715)	4,420
Capitalization of shareholder loan	12,473	-	-	-	-	12,473
Net effect of exchange differences	-	-	-	1,091	-	1,091
Net loss for the period	-	-	-	-	(3,874)	(3,874)
Balance as at 30 June 2007	18,705	3,710	2,373	(5,089)	(5,589)	14,110
Company	Share capital	Capital Reduction Reserves	Assets revaluation reserve	Currency translation adjustment	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2006	6,232	3,710	-	-	(10,474)	(532)
Net loss for the period	-	-	-	-	(1,849)	(1,849)
Balance as at 30 June 2006	6,232	3,710	-	-	(12,323)	(2,381)
Balance as at 1 January 2007	6,232	3,710	-	-	(10,001)	(59)
Capitalization of shareholder loan	12,473	-	-	-	-	12,473
Net gain for the period	-	-	-	-	1,514	1,514
Balance as at 30 June 2007	18,705	3,710	-	-	(8,487)	13,928

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Ordinary Shares
Balance as at 1 Jan 2007	77,904,443
Debt Conversion of Shareholder Loan	155,917,000
Balance as at 30 June 2007	233,821,443

No option was exercised during the period from 1 January 2007 to 30 June 2007.

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

Figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

N.A.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation as the audited financial statements for the financial year ended 31 December 2006.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

N.A.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	30/06/07	30/06/06
Earnings per ordinary share of the group, after deducting any provision for preference dividends (in cents):		
(a) Based on weighted average number of ordinary shares on issue; and	(1.66) cents	(1.35) cents
(b) On a fully diluted basis	(1.66) cents	(1.35) cents

Basic loss per share is calculated on the net loss attributable to shareholders on ordinary shares of 233,821,443 (30/06/06: 77,904,443)

There are no potential dilutive ordinary shares outstanding during the period.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**
- (a) **current financial period reported on; and**
 - (b) **immediately preceding financial year.**

	Group		Company	
	30/06/07	31/12/06	30/06/07	31/12/06
Net asset value per ordinary share based on issued share capital at the end of:	6.03 cents	5.67 cents	5.96 cents	(0.08) cents

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

1. Income Statement

For the six months ended 30th June 2007, the Group incurred a loss before tax of \$3.87 million. This loss was due to the continuing decline from revenue contribution.

1.1 Revenue

Because of the change in the Group's strategy of switching from turnkey to consignment sales, it is not meaningful to compare revenue figures for the two periods; the current revenue figures include a much larger proportion of manufacturing fees earned on consignment sales than those of the previous period. Both categories of sales have declined due to the loss of major customers during this period.

1.2 Gross Profit

Contribution from sales has declined substantially in line with the fall in revenues. The negative figure for Gross Profit is due to depreciation and other indirect manufacturing costs included in "Cost of goods sold" which have not been covered by contribution from sales.

1.3 Operating Expenses

Operating expenses have reduced commensurate with the reduction in business activity and tighter cost control.

1.4 Finance Costs

These have reduced in line with reduction in bank borrowings and also because interest is no longer charged on shareholder loans.

2. Balance Sheet

The Group's net inventories, accounts receivables and trade payables have decreased due to the switch from turnkey to consignment sales and decrease in business volume. Reduction in bank borrowings and trade payables have been funded by shareholder loans; however the latter in turn have also reduced significantly as these were partly converted into share capital in January 2007.

3. Cash Flow

During the period, the Group's operating cash deficit, purchase of plant and equipment and repayment of part of its short term borrowings from banks and financial institutions were funded by additional shareholder loans.

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

In the Letter to Shareholders in the 2006 Annual Report it was stated that the Group should achieve better results, before exceptional items, than that of 2006. This has not been the case owing to the loss of major customers during this period and for which continuous effort is being made to find new replacement business.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Effort is being made by Management to source new business with some early success recorded at this stage. However the Board is of the opinion that the Group would continue to operate at a loss for the rest of 2007.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

N.A.

(d) Books closure date

N.A.

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

N.A.

13. INTERESTED PERSON TRANSACTIONS

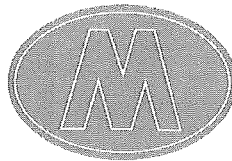
N.A.

14. CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4)

See attachment.

BY ORDER OF THE BOARD

Dr Tiong Ik King
Non-Executive Chairman
14th August 2007



Tri-M Technologies (S) Limited
(198701138Z)

BOARD NEGATIVE ASSURANCE CONFIRMATION

Confirmation by the Board Pursuant to Rule 705(4)

We, Dr Tiong Ik King and Foo Sac Phoon, being two Directors of **TRI-M TECHNOLOGIES (S) LIMITED** (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Half Year financial results for the period ended 30th June 2007 to be false or misleading.

On behalf of the Board of Directors



Dr Tiong Ik King
Director



Foo Sac Phoon
Director