

**FASTECH SYNERGY LTD AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**  
**FOR THE QUARTER AND FOR THE YEAR ENDED 31 DECEMBER 2005**

| Group   |  |                              |                        |   |                              |         |
|---|--|------------------------------|------------------------|---|------------------------------|---------|
| USD ('000)  |  |                              |                        |   |                              |         |
| Quarter ended<br>31/12/2005   | Quarter ended<br>31/12/2004<br>(As restated) | Increase/<br>(Decrease)<br>% | Year ended<br>31/12/05 | Year ended<br>31/12/04<br>(As restated) | Increase/<br>(Decrease)<br>% |         |
| Revenues  | 3,206  | 5,176                        | (38.1)                 | 14,617                                  | 22,241                       | (34.3)  |
| Cost of goods sold  | 5,071  | 5,965                        | (15.0)                 | 17,763                                  | 21,277                       | (16.5)  |
| Gross profit (loss)   | (1,865)                                      | (789)                        | 136.4                  | (3,146)                                 | 964                          | (426.3) |
| Sales and marketing   | (60)   | (23)                         | 160.9                  | (278)                                   | (261)                        | 6.5     |
| Other income  | 201  | -                            | -                      | 61                                      | 348                          | (82.5)  |
| Foreign currency gain (loss)  | (350)  | (20)                         | 1,650.0                | (318)                                   | (10)                         | 3,080.0 |
| Interest and bank charges   | (186)  | (191)                        | (2.6)                  | (773)                                   | (828)                        | (6.6)   |
| General and administrative  | (413)  | (615)                        | (32.8)                 | (2,548)                                 | (3,334)                      | (23.6)  |
| Share in joint venture results  | (21)   | 12                           | -                      | (10)                                    | 8                            | (225.0) |
| Other expense   | -  | (144)                        | (100.0)                | (150)                                   | (462)                        | (67.5)  |
| Loss before income tax  | 2,694  | 1,770                        | 52.2                   | 7,162                                   | 3,575                        | 100.3   |
| Provision for income tax  | 163  | 52                           | 213.5                  | 166                                     | 61                           | 172.1   |
| Loss for the period   | 2,857  | 1,822                        | 56.8                   | 7,328                                   | 3,636                        | 101.5   |
| Attributable to:  |  |                              |                        |   |                              |         |
| Minority interest   | 19   | 67                           | (71.6)                 | 49                                      | 65                           | (24.6)  |
| Equity holders of the Group   | 2,838  | 1,755                        | 61.7                   | 7,279                                   | 3,571                        | 103.8   |
|   | 2,857  | 1,822                        | 56.8                   | 7,328                                   | 3,636                        | 101.5   |
| Loss per share for profit attributable to equity holders of the Group (basic and fully diluted basis) | (0.017)                                      | (0.010)                      | 61.7                   | (0.043)                                 | (0.021)                      | 103.8   |

**FASTECH SYNERGY LTD AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**AS AT 31 DECEMBER 2005**

|  | Group          |                        | Company       |                        |
|--|----------------|------------------------|---------------|------------------------|
|  | USD ('000)     |                        | USD ('000)    |                        |
|  | 31/12/05       | 31/12/04 (As restated) | 31/12/05      | 31/12/04 (As restated) |
| <b>Non-Current Assets</b>                                |                |                        |               |                        |
| Property, plant and equipment                            | 18,965         | 25,323                 | -             | -                      |
| Investments in subsidiaries                              | -              | -                      | 9,620         | 9,620                  |
| Investment in a joint venture                            | 161            | 171                    | 192           | 192                    |
| Other non-current assets                                 | 453            | 499                    | -             | -                      |
|  | <b>19,579</b>  | <b>25,993</b>          | <b>9,812</b>  | <b>9,812</b>           |
| <b>Current Assets</b>                                    |                |                        |               |                        |
| Inventories  | 898            | 1,517                  | -             | -                      |
| Trade and other receivables                              | 1,819          | 3,566                  | 11,403        | 10,927                 |
| Prepaid expenses and other current assets                | 709            | 648                    | 9             | 27                     |
| Cash and bank balances                                   | 381            | 178                    | 1             | 3                      |
|  | <b>3,807</b>   | <b>5,909</b>           | <b>11,413</b> | <b>10,957</b>          |
| Equipment held for sale                                  | <b>228</b>     | -                      | -             | -                      |
| <b>Current Liabilities</b>                               |                |                        |               |                        |
| Loans payable  | 2,582          | 3,738                  | -             | -                      |
| Accounts payable and accrued expenses                    | 5,364          | 6,298                  | 163           | 167                    |
| Income tax payable                                       | 51             | 49                     | -             | -                      |
| Current portion of long term debt                        | 3,314          | 3,222                  | 1,149         | 1,193                  |
| Current portion of liability under finance lease         | 152            | 120                    | -             | -                      |
|  | <b>11,463</b>  | <b>13,427</b>          | <b>1,312</b>  | <b>1,360</b>           |
| <b>Net Current Assets (Liabilities)</b>                  | <b>(7,428)</b> | <b>(7,518)</b>         | <b>10,101</b> | <b>9,597</b>           |
| <b>Non-Current Liabilities</b>                           |                |                        |               |                        |
| Long-term debt - net of current portion                  | 1,003          | 99                     | -             | -                      |
| Liability under finance lease-net of current portion     | 46             | 106                    | -             | -                      |
| Deferred tax liability                                   | 115            | 10                     | -             | -                      |
|  | <b>1,164</b>   | <b>215</b>             | <b>-</b>      | <b>-</b>               |
| <b>Net Assets</b>  | <b>10,987</b>  | <b>18,260</b>          | <b>19,913</b> | <b>19,409</b>          |
| <b>Equity</b>  |                |                        |               |                        |
| <b>Equity attributable to the Group's equity holders</b> |                |                        |               |                        |
| Capital stock  | 16,819         | 16,819                 | 16,819        | 16,819                 |
| Share premium  | 4,041          | 4,041                  | 4,041         | 4,041                  |
| Contributed surplus                                      | -              | -                      | 2,269         | 2,269                  |
| Equity Option  | 164            | 108                    | 164           | 108                    |
| Deficit  | (10,147)       | (2,868)                | (3,380)       | (3,828)                |
|  | <b>10,877</b>  | <b>18,100</b>          | <b>19,913</b> | <b>19,409</b>          |
| <b>Minority Interests</b>                                | <b>110</b>     | <b>160</b>             | <b>-</b>      | <b>-</b>               |
| <b>Total Equity</b>                                      | <b>10,987</b>  | <b>18,260</b>          | <b>19,913</b> | <b>19,409</b>          |

**FASTECH SYNERGY LTD AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

| For the year ended<br>31 December |                    |
|-----------------------------------|--------------------|
| Group                             |                    |
| 2005<br>USD ('000)                | 2004<br>USD ('000) |

**CASH FLOWS FROM OPERATING ACTIVITIES**

|  |                   |                     |
|--|-------------------|---------------------|
| Loss before income tax and minority interests                | (7,162)           | (3,575)             |
| Adjustments for:   |                   |                     |
| Depreciation and amortization                                | 5,302             | 5,614               |
| Provisions for:  |                   |                     |
| Impairment losses on machinery and equipment                 | 952               | 978                 |
| Inventory obsolescence                                       | 65                | -                   |
| Doubtful trade receivables                                   | -                 | 6                   |
| Interest expense   | 797               | 871                 |
| Loss on disposal of fixed assets                             | 126               | 193                 |
| Amortization of pre-paid rent                                | 58                | 103                 |
| Write-off of property and equipment                          | 33                | -                   |
| Share in joint venture results                               | 10                | (8)                 |
| Interest income  | (24)              | (43)                |
| Unrealized foreign exchange losses (gain)                    | (240)             | 19                  |
| Reversal of impairment loss on machinery and equipment       | -                 | (296)               |
| Loss on dilution of shares                                   | -                 | 125                 |
| Operating income before working capital changes              | <u>(83)</u>       | 3,987               |
| Decrease (increase) in:                                      |                   |                     |
| Trade and other receivables                                  | 1,780             | (1,466)             |
| Inventories  | 555               | (260)               |
| Prepaid expenses and other current assets                    | (119)             | (299)               |
| Increase (decrease) in accounts payable and accrued expenses | <u>(910)</u>      | 1,687               |
| Net cash generated from operations                           | <u>1,223</u>      | 3,649               |
| Interest paid  | (722)             | (874)               |
| Income tax paid  | (55)              | (26)                |
| Interest received  | <u>2</u>          | <u>5</u>            |
| <b>Net cash generated from operating activities</b>          | <b><u>448</u></b> | <b><u>2,754</u></b> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|   |                     |                       |
|---|---------------------|-----------------------|
| Purchase of property, plant and equipment       | (539)               | (1,548)               |
| Proceeds from sale of equipment                 | 255                 | 136                   |
| Decrease (increase) in other non-current assets | 65                  | (25)                  |
| <b>Net cash used in investing activities</b>    | <b><u>(219)</u></b> | <b><u>(1,437)</u></b> |

**CASH FLOWS FROM FINANCING ACTIVITIES**

|  |                    |                       |
|--|--------------------|-----------------------|
| Proceeds from :  |                    |                       |
| Loans payable  | 655                | 3,080                 |
| Long-term debt   | 50                 | -                     |
| Payments of:   |                    |                       |
| Loans payable  | (635)              | (5,078)               |
| Long-term debt   | (123)              | (529)                 |
| Liability under finance lease                            | (27)               | (89)                  |
| Increase in equity option                                | 56                 | 94                    |
| Increase (decrease) in minority interests                | <u>(2)</u>         | <u>199</u>            |
| <b>Net cash used in financing activities</b>             | <b><u>(26)</u></b> | <b><u>(2,323)</u></b> |
| <b>Net increase (decrease) in cash and bank balances</b> | <b><u>203</u></b>  | <b><u>(1,006)</u></b> |
| Cash and bank balances at the beginning of the period    | <u>178</u>         | <u>1,184</u>          |
| <b>Cash and bank balances at the end of the year</b>     | <b><u>381</u></b>  | <b><u>178</u></b>     |