FROBISHER PTE LTD
(Co. Reg. No. 199700311R)

DIRECTORS' REPORT

The directors submit this annual report to the members together with the audited financial statements of the company for the year ended 31 December 2004.

1. NAME OF DIRECTORS

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

RAWADI JANTAWIT
LEE SHWU FANG

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 any other body corporate.

3. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, the following director who held office at the end of the financial year was interested in the shares of the company as follows: -

	Number of ordinary share of $1 each fully paid	
Name of directors	At 01.01.2004	At 31.12.2004
RAWADI JANTAWIT	50,000 *	50,000 *

* shares held in trust

4. DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the company has received or has 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.

5. SHARE OPTIONS GRANTED

During the financial year, no options were granted to take up unissued shares of the company.

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DIRECTORS' REPORT

6. SHARE OPTIONS EXERCISED

During the financial year, no shares of the company were issued by virtue of the exercise of options granted.

7. UNISSUED SHARES UNDER OPTION

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

8. AUDITORS

The auditors, David Yeung & Co., Certified Public Accountants, have expressed their willingness to accept re-appointment.

By the Board,

RAWADI JANTAWIT
Director

LEE SHWU FANG
Director

Singapore, - 6 JUN 2005

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DIRECTORS' REPORT

STATEMENT BY DIRECTORS

In our opinion: -

i) the financial statements set out on pages 5 to 13 are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2004 and of the results, changes in equity and cash flows company for the year ended on that date; and

ii) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

By the Board,

RAWADI JANTAWIT
Director

LEE SHWU FANG
Director

Singapore, - 6 JUN 2005

FROBISHER PTE LTD
(Co. Reg. No. 199700311R)

DIRECTORS' REPORT

REPORT OF THE AUDITORS TO THE MEMBERS OF FROBISHER PTE LTD

We have audited the financial statements of Frobisher Pte Ltd for the year ended 31 December 2004, as set out on pages 5 to 14. 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.

Without qualifying our opinion, we draw attention to Note 1 to the financial statements. As at 31 December 2004, the company had a net current liability of $53,944. The financial statement have been prepared on a going concern basis as the beneficial shareholders have agreed to provide financial support to the company to enable the company to pay its debts as and when they fall due and not to recall the amount advanced to the company until all other payables have been met. If the financial support is not forthcoming and as a result, the company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reflect the situation that assets may need to be realized other than in normal course of business and at amounts which could differ significantly from the amounts stated in the balance sheet. In addition, the company may have to provide for further liabilities which might arise.

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 31 December 2004 and of the results, changes in equity and cash flows of the company for the year ended on that date; and

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

DAVID YEUNG & CO.
Certified Public Accountants

Singapore, - 6 JUN 2005

FROBISHER PTE LTD
(Co. Reg. No. 199700311R)

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2004

	Note	2004 $	2003 $
REVENUE			
Other income		4	5
COST AND EXPENSES			
Auditors' remuneration		800	800
Other operating expenses		1,766	506
		(2,566)	(1,306)
LOSS BEFORE TAXATION		(2,562)	(1,301)
Taxation	7	-	-
NET LOSS FOR THE YEAR		(2,562)	(1,301)

The notes set out on pages 10 to 14 form an integral part of and should be read in conjunction with this set of financial statements.

FROBISHER PTE LTD
(Co. Reg. No. 199700311R)

BALANCE SHEET
As at 31 December 2004

	Note	2004 $	2003 $
ASSOCIATED COMPANIES	4	-	-
CURRENT ASSETS			
Deposit		5,869	5,869
Cash at bank		3,565	9,922
		9,434	15,791
Less: CURRENT LIABILITIES			
Accruals		4,156	3,701
Other payables	5	59,222	63,472
		(63,378)	(67,173)
NET CURRENT LIABILITIES		(53,944)	(51,382)
		(53,944)	(51,382)
Financed by:-			
SHARE CAPITAL	6	100,000	100,000
ACCUMULATED LOSSES		(153,944)	(151,382)
		(53,944)	(51,382)

The notes set out on pages 10 to 14 form an integral part of and should be read in conjunction with this set of financial statements.

FROBISHER PTE LTD
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STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2004

	Share Capital $	Accumulated Losses $	Total $
Balance as at 01.01.2003	100,000	(150,081)	(50,081)
Net loss for the year	-	(1,301)	(1,301)
Balance as at 31.12.2002	100,000	(151,382)	(51,382)
Net loss for the year	-	(2,562)	(2,562)
Balance as at 31.12.2003	100,000	(153,944)	(53,944)

The notes set out on pages 10 to 14 form an integral part of and should be read in conjunction with this set of financial statements.

FROBISHER PTE LTD
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CASH FLOW STATEMENT
For the year ended 31 December 2004

	2004 $	2003 $
Cash flow from operating activities		
Loss before taxation	(2,562)	(1,301)
Decrease in other payables	(4,250)	-
Increase in accruals	455	800
Net cash used in operating activities	(6,357)	(501)
Cash and cash equivalent at beginning of year	9,922	10,423
Cash and cash equivalent at end of year	3,565	9,922

The notes set out on pages 10 to 14 form an integral part of and should be read in conjunction with this set of financial statements.

FROBISHER PTE LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2004

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

1. FUNDAMENTAL ACCOUNTING CONCEPT

The financial statements of the company are prepared under the going concern as the beneficial shareholders have agreed to provide adequate financial support to the company as and required and not to recall the amount advanced to the company until all other payables have been meet.

2. GENERAL

The principal activity of the company which is incorporated in the Republic of Singapore is to carry on business of investment holdings.

The registered office of the company is located at 128 Tanjong Pagar Road, Singapore 088535.

The financial statements of the company are expressed in Singapore dollars.

The financial statements of the company for the year ended 31 December 2004 are authorised for issue in accordance with a resolution of the directors on 6 June 2005.

The company has no employees at the end of both financial years.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements are prepared under the historical cost convention and in accordance with Singapore Financial Reporting Standards (FRS), including related Interpretations promulgated by the Council on Corporate Disclosure and Governance (CCDG).

b) Other Receivables

Other receivables are recognised and carried at cost less an allowance for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

c) Cash

Cash at bank is carried at cost and subject to insignificant risk of changes in value.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) **Other Payables**

Other payables are carried at cost.

e) **Associated Companies**

Associated companies are those companies in which the group has a long-term equity interest of between 20% and 50% and in whose financial and operating decisions the group has the ability to exercise significant influence.

Investments in associated companies are stated at cost less provision for diminution in value. Provision for diminution in value of the investment would be made when there has been impairment in the value of the investment.

No proforma profit and loss account has been presented as the company's share of the post acquisition retained reserves of the associated companies has exceeded is cost of investments. The company's share of the post acquisition retained reserves of the associated company is presented separately in Note 4.

f) **Share Capital**

Ordinary shares are classified as equity.

g) **Taxation**

The tax expense is determined on the basis of tax effect accounting using the liability method whereby the tax charge for the year is based on the disclosed book profit after adjusting for all significant timing differences. A deferred tax benefit is not recognised in the financial statements unless there is reasonable expectation of realization.

h) **Foreign Currencies Transactions**

Transactions in foreign currencies are measured and recorded in Singapore dollars using the exchange rate approximating those ruling at transaction date. At each balance sheet date, recorded monetary balances that are denominated in a foreign currency are adjusted to reflect the rate at the balance sheet date. All exchange adjustments are taken to the profit and loss account.

i) **Impairment of Assets**

An assessment is made at each balance sheet date to determine whether there is objective evidence that an asset may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is included in the profit and loss account.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) 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.

4. ASSOCIATED COMPANIES

	2004 $	2003 $
Unquoted shares in company, at cost	65,840	65,840
Less: Provision for diminution in value	(65,840)	(65,840)
	-	-

Name	Country of incorporation/ Place of Business	Percentage of Equity Held by the company 2004	2003	Principal Activities
Interior Studio 101 Ltd	Thailand	49%	49%	Trading / interior design
Garant Mobel (Thailand) Ltd	Thailand	24%	24%	Trading

As at 31 December 2004, the company's share of post acquisition losses in the associated companies are $65,840 (2003: $65,840).

5. OTHER PAYABLES

This amount represents advances from a beneficial shareholder which is non-trade, unsecured, interest free and have no fixed terms of repayment.

6. SHARE CAPITAL

Ordinary shares of $1 each	2004 $	2003 $
Authorised	100,000	100,000
Issued & fully paid	100,000	100,000

7. TAXATION

No provision for taxation in view of the loss incurred by the company during the financial year.

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Singapore Standard rate of income tax to loss before taxation due to the following factors: -

	2004	2003
	$	$
Loss before taxation	(2,562)	(1,301)
Tax expense caculated at a tax rate 20%(2003:22%)	(512)	(286)
Expense not deductible for tax purposes	512	286
	-	-

8. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The management may use natural hedges or closely monitor the company's business risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses. Where necessary, the company may enter into transactions to hedge against these risks in order to keep them at an acceptable level.

Foreign Currency Risk

The company has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading activities. Where exposures are certain, the company will hedge these risks as they arise.

Interest Rate Risk

All financial assets and liabilities at year end bear no interest rate risk except for cash which attracts nil interest.

8. FINANCIAL INSTRUMENTS (Continued)

Credit Risk

Credit risk arising from the inability of a counter party to meet the terms of the company's contractual obligations. The company has adopted the policy of only dealing with creditworthy counter parties and obtaining sufficient collateral or other security when appropriate, as a means of mitigating the risk of financial losses from defaults. The company measures credit risk on a fair value basis.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the company's maximum exposure to credit risk.

Liquidity Risk

The company's 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 fluctuations in cash flows.

9. NET FAIR VALUES

The carrying amount of financial assets and financial liabilities is recorded in the financial statements at their approximately net fair values, determined in accordance with the accounting policies disclosed in Note 3 to the financial statements.

10. SUBSEQUENT EVENTS

The company invested in a company at 198 million Baht, comprises of 35.5% interest in the investee company