

Report Date : 17 January 2005

ABC System Pte Ltd

(1)Corporate Summary

Registered Address	Singapore 569873
Telephone	65-
Fax	65-
Business Address	Singapore 339416
Telephone	As above
Fax	As above
Website	no known website
Legal Form	Private Limited
Registered Capital	SGD 2,250,000.00
Charges	Nil
Registration Date	22.11.1982
Paid-up Capital	SGD 1,870,000.00
Employees	>400
Auditor	Deloitte & Touche
Fiscal Year	31.12.2003
Key Executives	Mr. XXXXXXXXX Mr. XXXXXXXXX
Major Shareholders (%)	XXXXXX Corporation Ltd. 100.00
Bankers	The Development Bank of Singapore Ltd The Hongkong & Shanghai Banking Corporation Limited
Registration No.	XXXXXXXXXX

(2)Principal Business Activity

1. Trading in and manufacturing of electronic and computer related products
2. General wholesale trade (including general importers and exporters)

(3)Corporate Background

ABC Systems Pte Ltd (“ABC Systems” or “the Company”) was registered on 22 November 1982 as a limited private company with the Accounting & Corporate Regulatory Authority (previously known as the Registrar of Companies and Businesses), Republic of Singapore. It was established to carry out the principal activities trading in and manufacturing of electronic and computer related products and general wholesale trade.

The Company was previously a subsidiary of DEF Engineering S.A¹ (“DEF”, a Panama incorporated corporation) before its merger² with GGG Manufacturing (Singapore) Limited and HHH Systems Sdn Bhd in July 1989. The combined group of GGG Manufacturing (Singapore) Limited was later renamed GGG Corporation Limited (“GGG Corp”). GGG Corp is a mainboard listed company on the Singapore Exchange.

Our checks show that ABC Systems’ registered address located at xxxxxxxxxxxxxxxxxxxx Singapore 569873, is the address of the parent company, GGG Corp. The Company is currently operating from xxxxxxxxxxxx Singapore 339416. This premises house the production and operational function of ABC Systems.

The company’s auditors are xxxxxxxx. As at its last annual return dated 1 June 2004, the authorised and paid-up capital of ABC Systems stands as follows:

Capital Type	Value per Share	Amount	Currency
Authorised	1.0000	2,250,000.0000	SINGAPORE DOLLAR
Issued Ordinary	1.0000	1,870,000.0000	SINGAPORE DOLLAR
Paid Up Ordinary	1.0000	1,870,000.0000	SINGAPORE DOLLAR

¹ DEF is part of the Chandaria Group which operates from Geneva, Switzerland. The Chandaria Group is a highly diversified Group with manufacturing activities in over 40 countries in North America, Europe, Africa, Asia and Australasia. The main activities of the Chandaria Group are in the processing of steel, aluminium, plastics, wood, as well as in the chemicals, electronics and packaging industries.

² While it is commercially known as a merger in Singapore, legally it is an acquisition by GGG Manufacturing (Singapore) Limited. ABC Systems is now a wholly-owned subsidiary of GGG Manufacturing and the shareholders of ABC Systems are given shares of equivalent value in GGG Manufacturing.

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(4)Shareholders

GGG Corporation Limited is the parent holding company of ABC Systems. It has 100% equity stake in ABC Systems.

Shareholder 1	
Name	
ID/NRIC No	
Address	
Place of Origin	
Share Category	
Share Type	
Share Allocation	
Value per Share	
Currency Code	

<About GGG Corp>

GGG Corp provides a fully integrated range of electronics manufacturing services (“EMS”), original design manufacturing (“ODM”) and e-fulfillment services (“EFS”). It offers high value-added and highly efficient manufacturing services to MNCs using state-of-the-art manufacturing process technology and test development capability.

In addition, GGG provides an excellent range of pre-manufacturing services including design, prototyping and engineering services, as well as postmanufacturing services including after-sales repairs, customisation and fulfillment logistics.

Over the years GGG Corp Group sales grew exponentially from S\$25.4m in 1989 to S\$3.17b in 2003, registering a compounded annual growth rate of over 40%. GGG Capital today has a market capitalisation exceeding S\$5 billion and a strong net cash position of more than S\$770 million.

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(5)Management

The management of the daily operations of ABC Systems is carried out by the Managing Director, Mr xxxx, and supported by key executives of the Company as follows:

1) xx, Managing Director (Age: 48)

Mr xx has been with the GGG Corp Group of companies for more than 14 years. He is responsible for the product marketing and business development for the Group. He was appointed to the Board of Directors of ABC Systems on 25 September 1989. Mr Soo holds a Bachelor of Science (Honours) degree in Electronics from the University of Southampton.

2) xx, General Manager (Age: 54)

Mr xx is the General Manager in charge of manufacturing. He joined the GGG Corp Group since 1 November 1989. He has more than 18 years of manufacturing and management experience with Hewlett Packard in Singapore, Malaysia and USA before joining the GGG Corp Group. Mr Tan holds a Bachelor of Engineering (Honours) degree from the University of Liverpool and an MBA from the University of Santa Clara.

3) xxx, Director of Finance (Age: 49)

Mr xxx started as a Finance and Admin Manager with the Group since 1990. Prior to joining the GGG Corp Group, he was the Regional Financial Controller in the Asian Headquarters of a UK-based MNC and auditor with Coopers & Lybrand (currently known as Pricewaterhouse Coopers). Mr Choong is a Fellow of the Chartered Association of Certified Accountants.

4) xxxx, Director of Materials (Age: 51)

Mr xxxx is responsible for all purchasing, materials planning/management and product costing functions of the GGG Corp Group. He has had many years of experience in this field, having worked for AT&T and Hewlett Packard previously. Mr xxxx holds a Bachelor of Science degree in Industrial Engineering from Louisiana State University.

5) Others:

Director of Operations – xxxx

The Company currently employs 400 staff to support its current operations.

(6) Director(s)

At the time of report, there are three appointed directors, namely xxxxxxxxxxxx.

Please see details below on the three directors below.

Officer 1	
Name	
ID/NRIC No	
Nationality	
Address	
Position	
Appointment Date	

Officer 2	
Name	
ID/NRIC No	
Nationality	
Address	
Position	
Appointment Date	

Mr xxxxx, Executive Chairman (Age: 62)

Mr xxxxx is GGG Corp Group's Executive Chairman. He is instrumental to the overall growth and development of its businesses. Prior to joining GGG Corp, Mr Wong spent more than 12 years with Hewlett-Packard holding various management positions at headquarters Palo Alto (USA), Santa Clara and Cupertino Divisions, HP Singapore and HP Malaysia. Mr Wong also sits on the Boards of public-listed companies SIA Engineering and the Singapore Exchange, and also of local statutory board International Enterprise Singapore. Among the recognitions accorded him were the Ernst & Young Entrepreneur of the Year 2002, and the Singapore Business Times/DHL Worldwide Express Businessman of the Year in 1998. Mr xxxxx holds a 1st Class (Honours) degree in Electrical Engineering, and a MS(EE) degree from the University of California at Berkeley where he was a Fulbright Scholar. He also holds an MBA degree with distinction from McGill University under the Canadian Commonwealth Fellowship. Profile of Mr xxxxx has been covered earlier in the section above.

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(7)Principal Activity

ABC Systems is principally engaged in the business of electronics manufacturing services. It is a contract manufacturer of electronic products and PCB assemblies including thermal printers and personal computers.

Following its merger with GGG Corp, the company has rationalised its operations by streamlining its organisation structure and production facilities. Top management control was centralised at GGG Corp, the holding company, to ensure smoother operations of the Group, while contracts were assigned by management to the production facility which could offer the most efficient method of production in terms of cost and technical capability. ABC Systems also centralised the purchase of its materials through GGG Corp, thereby enabling it to enjoy discounts through bulk purchases.

Today ABC Systems manages one of the production facilities in Singapore under the GGG Corp Group of companies located at 25 Kallang Avenue Singapore 339416 with unit numbers #03-05 and #04-01/06. Details of its production facilities are as follows:

Location	Area	Description	Leased from (Registered owner)

ABC Systems deals mainly in the production of computer components and peripherals. Among its clients include Hewlett Packard and Apple computer.

The Economic Development Board (“EDB”) of Singapore granted GGG Corp and one of its subsidiaries, ABC Systems, Pioneer Status for qualifying activities subject to the fulfilment of certain conditions, for a period of five years commencing August 1, 1999.

(8)Subsidiary

ABC Systems do not have any subsidiaries. However we understand that ABC Systems has one percentage share in PT GGG Electronics Indonesia (99% owned by GGG Corp), a company engaged in the trading in and manufacturing of electronics and computer-related products, with capital of S\$337,000.

(9)Charges

There are currently no outstanding charges owed by ABC Systems.

(10)Litigation

There are no legal suits filed against ABC Systems Pte Ltd currently and historically.

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(11)Key Financial Highlights

The latest financial statement filed with the Accounting & Corporate Regulatory Authority (ACRA) was dated 30 December 2003.

1) Profit and Lost Account Summary

(Unit: Singapore Dollar)

	2003	2002	2001	2000	1999
Turnover/Sales And Other Operating Revenues					
Profit/(Loss) Before Tax					
Profit/(Loss) After Tax					
Net Income/(Loss) From Extraordinary And Non-Operating Items					
Profit/(Loss) After Tax and Extraordinary Items					
Total Assets					
Current					
Fixed And Others					
Total Liabilities					
Current					
Non-Current & Long Term					
Shareholder's Funds					
Paid-Up Capital					
Reserves (Accumulated Loss)					

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2) Accounting Ratios

(Unit: Singapore Dollar)

	2003	2002	2001	2000	1999
Earning Capacity					
Rate of Net Profit on Sales (%)					
Return of Investment (%)					
Return of Shareholder's Funds (%)					
Total Assets Turnover (%)					
Financial Stability					
Current/Working Capital Ratio (%)					
Proprietary Ratio (%)					
Total Debt to Equity Ratio (%)					

(12)Financial Comments

The EMS industry is a cyclical one in line with the trends and demand of the electronics industry. Thus it is not a surprise that ABC Systems' top line figures are fluctuating in the past five years from 1999 to 2003. We highlight that in the past five years the Company saw its Sales figures nearly doubling from S\$135.15m in 1999 to S\$263.43m in 2003.

Net margins took a big hit in 2003 given the Iraq wars and the outbreak of SARS. The Company continues to produce efficiency in its performance as reflected in its Total Assets Turnover ratio of 2.02 in 2003 (as compared to 2.48 in 2002, though a reduction from the following year, but still a good productivity level).

ABC Systems is in a cash liquid position with improvements reflected in its Working Capital Ratio from 1.66 in 2002 to 2.04 in 2003. Its Debt To Equity ratio has also reduced from 54.53% in 2002 to 46.04% in 2003, which shows lower gearing/borrowings.

Overall ABC is in a financially healthy position with Shareholder's Funds of over S\$70m.