

Unaudited Financial Statements and Dividend Announcement for the period ended 30 June 2005

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY AND HALF YEAR RESULTS

1(a)(i) Consolidated Income Statement

	Half Year		3 Months	
	01.01.2005 to 30.06.2005	01.01.2004 to 30.06.2004 Restated	01.04.2005 to 30.06.2005	01.04.2004 to 30.06.2004 Restated
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	178,479	167,459	91,407	85,301
Cost of sales	(118,207)	(109,122)	(62,031)	(54,542)
Gross profit	60,272	58,337	29,376	30,759
Other operating income	2,091	1,350	1,210	825
Advertising and promotion expenses	(12,846)	(11,381)	(6,372)	(5,666)
Marketing expenses	(1,179)	(1,021)	(630)	(505)
Selling and distribution costs	(32,191)	(28,703)	(15,500)	(13,959)
Administrative expenses	(10,722)	(9,419)	(5,163)	(4,803)
Other operating expenses	(1,421)	(1,558)	(1,132)	(901)
Profit from operations	4,004	7,605	1,789	5,750
Interest expense	(1,371)	(1,086)	(725)	(530)
Share of profit of associated companies	339	1,254	278	942
Profit before tax	2,972	7,773	1,342	6,162
Income tax expense	(907)	(4,825)	(314)	(3,850)
Profit for the period	2,065	2,948	1,028	2,312
Attributable to:				
Equity holders of the Company	974	1,652	904	1,732
Minority interest	1,091	1,296	124	580
	2,065	2,948	1,028	2,312

1(a)(ii) Notes to Consolidated Income Statement

The operating profit after tax is derived after charging/(crediting) the following:

	Half Year		3 Months	
	01.01.2005 to 30.06.2005	01.01.2004 to 30.06.2004 Restated	01.04.2005 to 30.06.2005	01.04.2004 to 30.06.2004 Restated
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation	6,404	6,028	3,488	3,017
Property, plant and equipment written down	533	-	533	-
Write-back of provision for doubtful trade debts, net	-	(226)	-	(151)
Impairment of trade debts, net	1,207	-	993	-
Write-down of inventories, net	1,413	1,944	838	902
(Write-back of provision)/ provision for doubtful balances to associated companies, net (non-trade)	(206)	28	1	6
Write-back of provision for foreseeable losses from properties held for sale	-	(78)	-	(78)
Realisation of exchange loss on disposal of investment and loan settlement by an associated company	-	624	-	624
Dividend income from quoted equity investments	(286)	(202)	(194)	(184)
Net foreign exchange gain	(383)	(431)	(24)	(676)
Interest income	(883)	(612)	(431)	(323)
Interest expense	1,371	1,086	725	530
(Over)/ under provision of tax in respect of prior year	(401)	2,957	(4)	2,954
(Profit)/loss on sale of :				
(a) Quoted equity investments	(151)	(11)	(124)	(11)
(b) Plant and equipment	(110)	8	(110)	(15)

1(b) Balance Sheets

	Group		Company	
	As at 30.06.2005	As at 31.12.2004 Restated	As at 30.06.2005	As at 31.12.2004 Restated
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	75,330	72,999	6,283	6,095
Receivables	77,170	63,292	-	-
Inventories	39,322	36,111	-	-
Amounts due from subsidiaries (non-trade)	-	-	31,754	31,904
Amounts due from a related company (non-trade)	38	38	38	38
Development property	235,352	239,152	-	-
Income tax recoverable	3,953	3,508	3,019	2,632
Other current assets	5,530	3,391	134	240
	436,695	418,491	41,228	40,909
Non-current assets				
Available-for-sale investments	19,876	16,387	19,281	15,810
Investments in associated companies	5,815	5,305	-	-
Investments in subsidiaries	-	-	362,936	362,936
Loans to subsidiaries	-	-	95,425	94,098
Property, plant and equipment	183,550	183,194	40,663	41,090
Goodwill	7,267	7,267	-	-
	216,508	212,153	518,305	513,934
Total assets	653,203	630,644	559,533	554,843
LIABILITIES				
Current liabilities				
Trade and other payables	70,012	55,123	1,257	1,352
Amounts due to subsidiaries (non-trade)	-	-	247,365	247,923
Loan from an associated company	1,155	1,155	1,155	1,155
Provision for current income tax	4,763	4,691	-	-
Borrowings	28,001	30,409	22,433	22,433
Provisions	1,591	1,591	-	-
	105,522	92,969	272,210	272,863
Non-current liabilities				
Loans from subsidiaries	-	-	62,224	60,567
Borrowings	111,052	111,071	31	47
Provisions	2,402	2,263	-	-
Deferred income tax liabilities	7,461	7,442	-	-
	120,915	120,776	62,255	60,614
Total liabilities	226,437	213,745	334,465	333,477
NET ASSETS	426,766	416,899	225,068	221,366
EQUITY				
Capital and reserves attributable to Company's equity holders				
Share capital	142,137	142,137	142,137	142,137
Share premium	64,010	64,010	64,010	64,010
Capital reserve	10,145	10,145	-	-
Revaluation and other reserves	111,967	110,356	3,842	-
Retained earnings	39,506	32,555	15,079	15,219
	367,765	359,203	225,068	221,366
Minority Interest	59,001	57,696	-	-
Total equity	426,766	416,899	225,068	221,366

Notes

The Group had provided for and subsequently paid the current income tax liability of \$6,825,000 for the financial year ended 31 December 2000 on the property development profit of \$26,775,000 arising from the completion of The Sterling property development project. The tax for the property development profit was based on the revalued amount of the land when the developer's license was obtained in April 1997. After taking advice from the tax counsel, the directors are of the opinion that the revaluation surplus on the land amounting to \$128,800,000 is capital accretion and therefore no provision for income tax has been made thereon. Similarly, no deferred income tax liability has been provided for on the incremental revaluation surplus of the land for the Gardenvista development project and freehold land at Dunearn Road from 1994 to October 2002 of \$86,547,000. The developer's license for Gardenvista was obtained in October 2002.

The Inland Revenue Authority of Singapore ("IRAS") has requested further information regarding the development projects. IRAS has expressed the view that some of the revaluation surpluses for the development projects may not be considered as being capital accretion. The matter is under discussion and pending the outcome, no additional tax assessments have been raised.

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

Amount repayable in one year or less, or on demand

As at 30.06.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
9,801	18,200	12,209	18,200

Amount repayable after one year

As at 30.06.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
111,052	-	111,071	-

Details of any collateral

The short-term bank loans of the Group are secured by corporate guarantees given by the Company and a subsidiary. The non-current bank loans are secured by a first mortgage over the residential development properties of a subsidiary.

1(c) Consolidated Cash Flow Statement

	Half year ended		3 months ended	
	30.06.2005	30.06.2004 Restated	30.06.2005	30.06.2004 Restated
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before income tax	2,972	7,773	1,342	6,162
Adjustments for :			-	-
Depreciation of property, plant and equipment	6,404	6,028	3,488	3,017
Dividend income from quoted equity investments	(286)	(202)	(194)	(184)
Property, plant and equipment written-off	294	446	294	446
Property, plant and equipment written-down	533	-	533	-
Exchange difference on consolidation	2,529	383	2,181	1,375
(Gain)/loss on disposal of property, plant and equipment	(110)	8	(110)	(15)
Gain on disposal of quoted equity investments	(151)	(11)	(124)	(11)
Realisation of exchange loss on disposal of investment and loan settlement by an associated company	-	624	-	624
Interest expense	1,371	1,086	725	530
Interest income	(883)	(612)	(431)	(323)
Provision for doubtful loan to an associated company	-	13	-	-
Provision for retirement benefits (net)	136	144	69	72
Provision for restructuring costs/terminations benefits	-	150	-	-
Share of profit of associated companies	(339)	(1,254)	(278)	(942)
Operating cash flow before working capital change	12,470	14,576	7,495	10,751
Change in operating assets and liabilities				
Development property	3,800	3,112	4,900	1,186
Inventories	(3,211)	7,988	(8,218)	(2,110)
Receivables	(13,878)	(4,809)	(8,809)	(5,332)
Other current assets	(2,139)	(74)	779	83
Trade and other payables	14,503	(48)	8,112	10,099
Due from/ to associated companies (net)	-	173	-	126
Cash generated from operations	11,545	20,918	4,259	14,803
Income tax paid	(1,591)	(2,097)	(731)	(1,224)
Retirement benefits paid	(68)	(57)	(39)	(49)
Net cash from operating activities	9,886	18,764	3,489	13,530

	Half year ended		3 months ended	
	30.06.2005	30.06.2004 Restated	30.06.2005	30.06.2004 Restated
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Dividends received from quoted equity investments	286	202	194	184
Loan to an associated company	-	(13)	-	-
Proceeds from disposal of investment and loan settlement by an associated company	-	3,527	-	3,527
Proceeds from sales of property, plant and equipment	159	25	159	19
Proceeds from disposal of quoted equity investments	531	32	444	32
Purchase of property, plant and equipment	(3,192)	(1,236)	(1,750)	(739)
Purchase of unquoted investments	(8)	(56)	(4)	(52)
Net cash (used in)/from investing activities	(2,224)	2,481	(957)	2,971
Cash flows from financing activities				
Dividends paid to members of Yeo Hiap Seng Limited	(1,137)	(1,137)	(1,137)	(1,137)
Dividends paid to minority shareholders of a subsidiary	(1,496)	(1,502)	(1,496)	(1,502)
Interest received	883	612	431	323
Interest paid	(993)	(986)	(472)	(553)
Repayment of bank loans (net)	(2,570)	(5,113)	-	(1,500)
Payment of finance lease liabilities	(18)	(20)	(8)	(11)
Net cash used in financing activities	(5,331)	(8,146)	(2,682)	(4,380)
Net increase/(decrease) in cash and cash equivalents	2,331	13,099	(150)	12,121
Cash and cash equivalents at the beginning of the financial period	72,999	58,781	75,480	59,759
Cash and cash equivalents at the end of the financial period	75,330	71,880	75,330	71,880
Represented by:				
Cash at bank and on hand	17,193	25,545	17,193	25,545
Fixed deposits with financial institutions	58,137	46,335	58,137	46,335
	75,330	71,880	75,330	71,880

Notes

Included in fixed deposits and cash at bank and on hand of the Group are amounts totalling \$3,823,000 (2004: \$4,085,000) held under the Housing Developers (Project Account) (Amendment) Rules 1997 and the Housing Developers (Project Account) Rules (1990 Ed), withdrawals from which must be in accordance with the said Rules.

1(d)(i) Consolidated Statement of Changes in Equity

For the 6 months period ended 30 June 2005

	Share capital	Share premium	Property Revaluation reserve	Fair value reserve	Capital reserve	Foreign currency translation reserve	General reserve	Retained earnings	Minority interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2005										
- As previously reported	142,137	64,010	154,532	-	10,145	(48,587)	1,632	35,334	57,696	416,899
- Effect of changes in accounting policies	-	-	-	4,041	-	2,779	-	(2,779)	-	4,041
- Restated	142,137	64,010	154,532	4,041	10,145	(45,808)	1,632	32,555	57,696	420,940
Fair value loss on available-for-sale investments	-	-	-	(1,513)	-	-	-	-	-	(1,513)
Currency translation differences	-	-	-	-	-	1,058	-	-	375	1,433
Net loss recognised directly in equity	-	-	-	(1,513)	-	1,058	-	-	375	(80)
Profit for the period	-	-	-	-	-	-	-	70	967	1,037
Total recognised (losses)/ gains for the period ended 31 March 2005	-	-	-	(1,513)	-	1,058	-	70	1,342	957
Transfer from reserve on realisation	-	-	(2,177)	-	-	-	-	2,177	-	-
Balance at 1 April 2005	142,137	64,010	152,355	2,528	10,145	(44,750)	1,632	34,802	59,038	421,897
Fair value gain on available-for-sale investments	-	-	-	1,314	-	-	-	-	-	1,314
Currency translation differences	-	-	-	-	-	3,825	-	-	1,335	5,160
Net gain recognised directly in equity	-	-	-	1,314	-	3,825	-	-	1,335	6,474
Profit for the period	-	-	-	-	-	-	-	904	124	1,028
Total recognised gains for the period ended 30 June 2005	-	-	-	1,314	-	3,825	-	904	1,459	7,502
Dividend	-	-	-	-	-	-	-	(1,137)	(1,496)	(2,633)
Transfer from reserve on realisation	-	-	(4,937)	-	-	-	-	4,937	-	-
Balance at 30 June 2005	142,137	64,010	147,418	3,842	10,145	(40,925)	1,632	39,506	59,001	426,766

1(d)(i) Consolidated Statement of Changes in Equity

For the 6 months period ended 30 June 2004

	Share capital	Share premium	Property Revaluation reserve	Fair value reserve	Capital reserve	Foreign currency translation reserve	General reserve	Retained earnings	Minority interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2004										
- As previously reported	142,137	64,010	154,927	-	11,348	(43,403)	1,632	20,875	56,333	407,859
- Effect of changes in accounting policies	-	-	-	-	-	1,793	-	(1,793)	-	-
- Restated	142,137	64,010	154,927	-	11,348	(41,610)	1,632	19,082	56,333	407,859
Currency translation differences- restated *	-	-	-	-	-	(2,096)	-	-	(732)	(2,828)
Net loss recognised directly in equity	-	-	-	-	-	(2,096)	-	-	(732)	(2,828)
Effect of adopting FRS 103	-	-	-	-	-	-	-	2,189	-	2,189
Profit/ (loss) for the period- restated *	-	-	-	-	-	-	-	(80)	716	636
Total recognised (losses)/ gains for the period ended 31 March 2004	-	-	-	-	-	(2,096)	-	2,109	(16)	(3)
Transfer from reserve on realisation	-	-	(2,589)	-	(1,203)	-	-	3,792	-	-
Balance at 1 April 2004	142,137	64,010	152,338	-	10,145	(43,706)	1,632	24,983	56,317	407,856
Currency translation differences- restated *	-	-	-	-	-	3,444	-	-	1,143	4,587
Net gain recognised directly in equity	-	-	-	-	-	3,444	-	-	1,143	4,587
Profit for the period- restated *	-	-	-	-	-	-	-	1,732	580	2,312
Total recognised gains for the period ended 30 June 2004	-	-	-	-	-	3,444	-	1,732	1,723	6,899
Transfer from reserve on realisation	-	-	(2,081)	-	-	-	-	2,081	-	-
Dividend	-	-	-	-	-	-	-	(1,137)	(1,502)	(2,639)
Balance at 30 June 2004	142,137	64,010	150,257	-	10,145	(40,262)	1,632	27,659	56,538	412,116

* Currency translation differences and net profit for the previous corresponding quarter have been restated arising from the change in accounting policy (adoption of FRS 21)

1(d)(i) Statement of Changes in Equity

For the 6 months period ended 30 June 2005

	Share Capital	Share Premium	Foreign Currency Translation Reserve	Fair value reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2005						
- As previously reported	142,137	64,010	(1,423)	-	16,642	221,366
- Effect of changes in accounting policies	-	-	1,423	3,952	(1,423)	3,952
- Restated	142,137	64,010	-	3,952	15,219	225,318
Fair value loss on available-for-sale investments	-	-	-	(1,424)	-	(1,424)
Net loss recognised directly in equity	-	-	-	(1,424)	-	(1,424)
Net profit for the period	-	-	-	-	809	809
Balance at 1 April 2005	142,137	64,010	-	2,528	16,028	224,703
Fair value gain on available-for-sale investments	-	-	-	1,314	-	1,314
Net gain recognised directly in equity	-	-	-	1,314	-	1,314
Net profit for the period	-	-	-	-	188	188
Dividend	-	-	-	-	(1,137)	(1,137)
Balance at 30 June 2005	142,137	64,010	-	3,842	15,079	225,068

For the 6 months period ended 30 June 2004

	Share Capital	Share Premium	Foreign Currency Translation Reserve	Fair value reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2004						
- As previously reported	142,137	64,010	(1,168)	-	17,495	222,474
- Effect of changes in accounting policies	-	-	1,168	-	(1,168)	-
- Restated	142,137	64,010	-	-	16,327	222,474
Currency translation differences- restated *	-	-	-	-	-	-
Net loss for the period- restated *	-	-	-	-	(204)	(204)
Balance at 1 April 2004	142,137	64,010	-	-	16,123	222,270
Currency translation differences- restated *	-	-	-	-	-	-
Net loss for the period- restated *	-	-	-	-	(405)	(405)
Dividend	-	-	-	-	(1,137)	(1,137)
Balance at 30 June 2004- restated *	142,137	64,010	-	-	14,581	220,728

* Currency translation differences and net loss for the previous corresponding quarter have been restated arising from the change in accounting policy (adoption of FRS 21)

- 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.**

There were no changes in the Company's share capital during the current financial period reported on.

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

The figures have not been audited nor reviewed by the auditors.

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

Not applicable.

- 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 in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2004 and the revised Financial Reporting Standards disclosed in paragraph 5 below.

- 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.**

Changes in accounting policies

In 2005, the Group and the Company adopted the Financial Reporting Standards (FRS) below. The 2004 comparatives have been amended where as required, in accordance with the relevant transitional provisions in the respective FRS.

FRS 1 (revised 2004) Presentation of Financial Statements
FRS 2 (revised 2004) Inventories
FRS 8 (revised 2004) Accounting Policies, Changes in Accounting Estimates and Errors
FRS 10 (revised 2004) Events after the Balance Sheet Date
FRS 16 (revised 2004) Property, Plant and Equipment
FRS 17 (revised 2004) Leases
FRS 21 (revised 2004) The Effects of Changes in Foreign Exchange Rates
FRS 24 (revised 2004) Related Party Disclosures
FRS 27 (revised 2004) Consolidated and Separate Financial Statements
FRS 28 (revised 2004) Investments in Associates
FRS 32 (revised 2004) Financial Instruments: Disclosure and Presentation
FRS 33 (revised 2004) Earnings per Share
FRS 39 (revised 2004) Financial Instruments: Recognition and Measurement

The adoption of the above FRS did not result in changes to the Group's and Company's accounting policies except as discussed below:

5.1 Effect of changes to the financial statements

Group

	Increase/(decrease)			Total S\$'000
	FRS 16 (revised 2004) S\$'000	FRS 21 (revised 2004) S\$'000	FRS 39 (revised 2004) S\$'000	
	Note 5.2	Note 5.2	Note 5.2	
<i>Consolidated balance sheets items at 30 June 2005</i>				
Property, plant and equipment	(987)	-	-	(987)
Fair value reserve	-	-	(199)	(199)
Available-for-sale investments	-	-	(199)	(199)
Retained earnings	(987)	254	-	(733)
Foreign currency translation reserve	-	(254)	-	(254)
<i>Consolidated balance sheets items at 1 January 2005</i>				
Fair value reserve	-	-	4,041	4,041
Available-for-sale investments	-	-	4,041	4,041
Retained earnings	-	(2,779)	-	(2,779)
Foreign currency translation reserve	-	2,779	-	2,779
<i>Consolidated income statement items for the period ended 30 June 2005</i>				
Cost of sales	323	-	-	323
Other operating expenses	664	-	-	664
Other operating income	-	254	-	254
Basic and diluted earnings per share (cents)	(0.17)	0.04	-	(0.13)

Group

	Increase/(decrease)		Total S\$'000
	FRS 21 (revised 2004) S\$'000	FRS 39 (revised 2004) S\$'000	
	Note 5.2	Note 5.2	
<i>Consolidated balance sheets items at 31 December 2004</i>			
Retained earnings	(2,779)	-	(2,779)
Foreign currency translation reserve	2,779	-	2,779
<i>Consolidated balance sheets items at 1 January 2004</i>			
Retained earnings	(1,793)	-	(1,793)
Foreign currency translation reserve	1,793	-	1,793
<i>Consolidated income statement items for the period ended 30 June 2004</i>			
Other operating income	248	-	248
Basic and diluted earnings per share (cents)	0.04	-	0.04

Company

	Increase/(decrease)		Total S\$'000
	FRS 21 (revised 2004) S\$'000 Note 5.2	FRS 39 (revised 2004) S\$'000 Note 5.2	
<i>Balance sheet items at 30 June 2005</i>			
Fair value reserve	-	(110)	(110)
Available-for-sale investments	-	(110)	(110)
Retained earnings	(341)	-	(341)
Foreign currency translation reserve	341	-	341
<i>Balance sheet items at 1 January 2005</i>			
Fair value reserve	-	3,952	3,952
Available-for-sale investments	-	3,952	3,952
Retained earnings	(1,423)	-	(1,423)
Foreign currency translation reserve	1,423	-	1,423
<i>Income statement item for the period ended 30 June 2005</i>			
Other operating expense	341	-	341

Company

	Increase/(decrease)		Total S\$'000
	FRS 21 (revised 2004) S\$'000 Note 5.2	FRS 39 (revised 2004) S\$'000 Note 5.2	
<i>Balance sheet items at 31 December 2004</i>			
Retained earnings	(1,423)	-	(1,423)
Foreign currency translation reserve	1,423	-	1,423
<i>Balance sheet items at 1 January 2004</i>			
Retained earnings	(1,168)	-	(1,168)
Foreign currency translation reserve	1,168	-	1,168
<i>Income statement items for the period ended 30 June 2004</i>			
Other operating income	137	-	137

5.2 Description of changes

- (a) FRS 16 (revised 2004) requires the re-measurement of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. Previously, the residual values were estimated only at date of acquisition.

The Group has reviewed the residual value and remaining useful life of its property, plant and equipment on 30 June 2005. Upon this review, the Group expected the residual values of certain property, plant and equipment to differ from the previous estimates. Accordingly, changes to the residual values were made to reflect this expectation and was accounted as change in accounting estimate in accordance with FRS 8 (revised 2004). See note 5.1 for the effect of change.

- (b) FRS 21 (revised 2004) requires exchange differences on loans from the Company to its subsidiaries which forms part of Company's net investment in the subsidiaries to be included in the Company's income statement. Previously, they were included in the foreign currency translation reserve.

Where a monetary item that forms part of the Company's net investment in a subsidiary and is denominated in a currency other than the functional currency of either the Company or the subsidiary, FRS 21 (revised 2004) requires the exchange differences that arise on translating the monetary item into the functional currency of the Company or the subsidiary to be recognised in the Group's consolidated income statement. Previously, they were included in the Group's foreign currency translation reserve.

(c) FRS 27 (revised 2004) requires the Group to present minority interests in the consolidated balance sheet within equity, separately from the shareholders' equity of the Company. The superseded FRS 27 did not require the presentation of minority interests within equity.

(d) FRS 39 (revised 2004) has affected:

(i) Classification and consequential accounting of financial assets and financial liabilities

FRS 39 requires all financial assets and liabilities to be classified into appropriate categories at initial recognition and re-evaluates this designation at every reporting date. The classification depends on the purpose for which the financial asset or liabilities were acquired or incurred. The categories and the respective subsequent measurement rules are as follows:

- Financial assets or financial liabilities at fair value through profit and loss

The Group's derivative contracts that are not hedges are classified in this category. This is initially recognised at fair value and subsequently re-measured to fair value at the balance sheet date with all gain and loss recognised in profit or loss in the period in which the change in fair value arise.

Previously, the Group's derivative contracts that are not hedges were stated at the lower of cost and market value on an aggregated portfolio basis, with changes in market value included in the income statement.

- Loans and receivables

These include the Group's trade and other receivables and cash and bank balances. They are initially recognised at its fair value plus transaction costs and subsequently accounted for at amortised cost using the effective interest method, less impairment (see note (ii) below).

Previously, the Group's trade and other receivables were stated at the gross proceeds receivable less an allowance for doubtful receivable. Cash and bank balances were recognised at cost. Interest-free loans from the Company to its subsidiaries were stated at gross receivables in the Company's balance sheet.

- Available-for-sale financial assets

These include the Group's investments that are not classified in the 2 categories above, namely the investment in equity interest of other companies. They are initially recognised at its fair value and subsequently measured at the fair values at the balance sheet date with all gains and losses other than impairment loss taken to equity. Impairment losses are taken to the income statement in the period it arises. On disposal, gains and losses previously taken to equity are included in the income statement.

Previously, such investments of the Group were stated at cost less provision for diminution in value that was other than temporary, which was charged to the income statement when it arose. Any reversal of the provision was also included in the income statement.

- Other financial liabilities

These are financial liabilities that are not held for trading nor designated as fair value through profit or loss. These include the Group's trade and other payables and bank borrowings. They are initially recognised at its fair value less transaction costs and subsequently accounted for at amortised cost using the effective interest method.

Previously, trade and other payables were stated at cost. Bank borrowings were stated at the proceeds received and transaction costs on borrowings were classified as deferred charges and amortised on a straight-line basis over the period of the borrowings.

- (ii) Impairment and uncollectibility of financial assets

FRS 39 (revised 2004) requires the Group to assess at each balance sheet date if there is any objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Impairment of trade receivables is established when there is objective that the Group will not be able to collect all amounts due according to the original terms of receivables. The impairment charge is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The impairment charge is recognised in the income statement.

Previously, the Group maintains a general provision against its trade and other receivables for risks that are not specifically identified to any customer. See note (i) above for previous accounting treatment of investments.

- (iii) Fair values of financial assets and liabilities

At each balance sheet date, the fair values of quoted financial assets and liabilities are based on current bid prices. If the market for a financial asset or liabilities is not active (and for unquoted financial assets and liabilities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Previously, the Group uses the last transacted prices of quoted financial assets or liabilities as the market values. Fair values of unquoted financial assets and liabilities were measured at cost and an allowance for diminution is made where, in the opinion of the directors, there is a decline other than temporary in the value of such investment. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

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			
	Half year		3 months	
	01.01.2005 To 30.06.2005 Cents	01.01.2004 To 30.06.2004 Cents	01.04.2005 To 30.06.2005 Cents	01.04.2004 to 30.06.2004 Cents
Earnings per ordinary share for the period based on net profit/(loss) attributable to shareholders:-				
(a) Based on weighted average number of ordinary share in issue	0.17	0.29	0.16	0.30
(b) On a fully diluted basis	0.17	0.29	0.16	0.30
Weighted average number of ordinary shares in issue for basic and diluted earnings per share ('000)	568,549	568,549	568,549	568,549

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	
	30.06.2005 Cents	31.12.2004 Cents	30.06.2005 Cents	31.12.2004 Cents
Net asset value per ordinary share based on issued share capital as at the end of the reporting period	64.68	63.18	39.59	38.94

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.

8(a) Year to Date Results- 6 Months ended 30 June 2005 vs. 6 Months ended 30 June 2004

Revenue and Operating Costs

The Group recorded revenue of \$178.48 million in 1H2005, which was 6.6% higher than that achieved in 1H2004 of \$167.46 million. Approximately 60% of the increase was due to higher development property sales in the current period and the remaining 40% was due to improved food and beverage sales by the Group's Malaysian and Chinese subsidiaries.

1H2005 gross profit for the Group increased by 3.3% to \$60.27 million as compared to \$58.34 million in 1H2004. The increase was lower than the revenue growth noted above due to higher cost of sales from the Food and Beverage division as a result of increase in raw material and production costs, competitive pricing in China to grow sales revenue and higher depreciation charge relating to the adjustment to the residual value of some of the Group's property, plant and equipment as a result of remeasurement of the residual values in accordance with FRS 16 (revised 2004) in the current period.

Profit attributable to equity holders of the Company was \$0.97 million in 1H2005, which was approximately half of the \$1.65 million achieved in 1H2004. The decrease was mainly due to:

- Higher advertising, promotion and marketing expenses of \$1.62 million in the current period due to higher charges levied by supermarkets in Singapore and higher level of promotion activities in Guangzhou to grow sales revenue;
- Higher selling and distribution costs of \$3.49 million due to increased sales, provision for doubtful debts of \$1.21 million and higher employee costs and change of sales commission scheme in Malaysia in current period;
- Lower share of profit from its associated companies in China and Malaysia of \$0.92 million in the current period due to poorer performance by the associated companies.

The decrease was partially offset by:

- Higher gross profit of \$1.94 million;
- Increase in other operating income of \$0.74 million, which was mainly due to \$0.14 million gain from the disposal of long term quoted investments, \$0.27 million higher interest income, \$0.12 million higher rental income and \$0.11 million gain on disposal of property, plant and equipment in the current period;
- Decrease in other operating expenses of \$0.14 million mainly due to the absence of a loss on disposal of an associated company in Thailand of approximately \$0.62 million and provision for restructuring cost of \$0.15 million in 1H2004, partially offset by one time adjustment of \$0.53 million to write down the value of property, plant and equipment as a result of remeasurement of the residual values in accordance with FRS 16 (revised 2004) and \$0.15 million lower fixed assets written-off in the current period; and
- Decrease in current period income tax expense due mainly to the absence of an adjustment for under provision of prior year tax of \$2.69 million by a subsidiary in the United States in 1H2004.

8(b) Second Quarter Results - 3 Months ended 30 June 2005 vs. 3 Months ended 30 June 2004

Revenue and Operating Costs

The Group recorded revenue of \$91.41 million in 2Q2005, which was 7.2% higher than that achieved in 2Q2004 of \$85.30 million. The increase was mainly contributed by higher development property sales in the current period.

Despite higher sales revenue in 2Q2005, current period gross profit for the Group was 4.5% lower than 2Q2004. This was due to a higher depreciation charge of \$0.32 million relating to the adjustment to the residual value of some of the Group's property, plant and equipment as a result of remeasurement of the residual values in accordance with FRS 16 (revised 2004) in the current period.

Profit attributable to equity holders of the Company was \$0.90 million in 2Q2005, a decrease of 47.8% as compared to \$1.73 million achieved in 2Q2004. The decrease was mainly due to:

- Lower gross profit of \$1.38 million, due to higher production costs and higher depreciation charge of \$0.32 million to adjust for the residual value of some of the Group's property, plant and equipment;
- Higher advertising, promotion and marketing expenses of \$0.83 million in the current period due to higher charges levied by supermarkets in Singapore and higher level of promotion activities in Guangzhou to grow sales revenue;
- Higher selling and distribution costs of \$1.54 million due to increased sales and provision for doubtful debts of \$0.99 million in the current period;
- Increase in other operating expense of \$0.23 million mainly due to one time adjustment of \$0.53 million to write down the value of property, plant and equipment as a result of remeasurement of the residual values in accordance with FRS 16 (revised 2004) in 2Q2005, partially offset by the absence of a loss on disposal of an associated company in Thailand of \$0.62 million and reversal of exchange loss of \$0.26 million in 2Q2004;
- Lower share of profit from its associated companies in China and Malaysia of \$0.66 million in the current period due to poorer performance by the associated companies.

The decrease was partially offset by:

- Increase in other operating income of \$0.39 million mainly due to gain from the disposal of long term quoted investments in 2Q2005 and higher rental income in the current period;
- Decrease in current period income tax expense of \$3.54 million, due mainly to the absence of an adjustment for under provision of prior year tax of \$2.69 million by a subsidiary in the United States.

8(b) Balance Sheet

Group

Net assets value of the Group increased by \$9.87 million to \$426.77 million as at 30 June 2005. The increase was mainly due to \$4.88 million exchange gain arising from translating foreign subsidiaries net assets into Singapore Dollars, \$3.84 million gain on revaluation of available-for-sale investments at its fair value and \$2.07 million net profit earned for the half year ended 30 June 2005.

Receivables increased by \$13.88 million to \$77.17 million as at 30 June 2005 from \$63.29 million as at 31 December 2004. The increase was mainly due to higher sales from the food and beverage division and development property during the year.

Other current assets increased by \$2.14 million to \$5.53 million as at 30 June 2005 from \$3.39 million as at 31 December 2004. The increase was mainly due to payment in advance for purchases of raw materials amounting to \$1.0 million and deposits paid for the acquisition of machinery and equipment amounting to \$0.80 million.

Available-for-sale investments increased by \$3.49 million to \$19.88 million as at 30 June 2005 from \$16.39 million as at 31 December 2004. The increase was due to the gain on revaluation of quoted investments at its fair value following the adoption of FRS 39 (revised 2004).

Trade and other payables increased by 27.0% to \$70.01 million as at 30 June 2005 from \$55.12 million as at 31 December 2004. The increase was due to increase of \$10.26 million in trade payables and \$4.63 million in other payables. Increase in trade payables was due to the purchase of Red Bull inventory pursuant to the strategic alliance with Allswell Pte Ltd in 2Q2005 to distribute Red Bull energy drinks in Malaysia, and higher purchases to meet the increase in production volumes. Increase in other payables was due to higher total marketing, advertising and promotion expenditure to grow sales revenue in the current period.

Short-term borrowings reduced by 7.9% to \$28.00 million as at 30 June 2005 as a result of partial loan repayment.

Company

Net assets value of the Company increased by \$3.70 million to \$225.07 million as at 30 June 2005. The increase was due to \$3.84 million gain on revaluation of other investments at its fair value.

Income tax recoverable increased by \$0.39 million to \$3.02 million as at 30 June 2005 from \$2.63 million as at 31 December 2004. The increase was due to the payment of prior year income tax assessment.

Available-for-sale investments increased by \$3.47 million to \$19.28 million as at 30 June 2005 from \$15.81 million as at 31 December 2004. The increase was due to the gain on revaluation of quoted investments at its fair value following the adoption of FRS 39 (revised 2004).

8(c) Cash Flow Statement

Year to Date 6 Months ended 30 June 2005

The Group reported a net increase in cashflow of \$2.33 million for 1H2005 as compared to a net increase in cash of \$13.10 million for 1H2004.

The net increase in cash for the current period was contributed mainly by the cash inflow of \$9.89 million from operating activities, less inter alia \$3.19 million used for the purchase of property, plant and equipment, \$2.57 million used for the partial repayment of short-term borrowings and dividend payment to members of the Company and minority shareholders of a subsidiary of \$1.14 million and \$1.50 million respectively.

Second Quarter - 3 Months ended 30 June 2005

The Group registered a net decrease in cashflow of \$0.15 million for 2Q2005. The net decrease was mainly due to purchase of \$1.75 million of property, plant and equipment and dividend payment to members of the Company and minority shareholders of a subsidiary of \$1.14 million and \$1.50 million respectively. The cash outflow was partly subsidised by the net cash from operating activities of \$3.49 million.

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

The current announced results are in line with the prospect statement disclosed previously.

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.**

The continued increase in raw material prices and energy costs, coupled with continued pressure on selling price due to intense competition will put pressure on the Group's earnings for the Food and Beverage division.

For the Property division, the Group expects to benefit from the recent improving market sentiments and will continue to drive sales on its existing developments.

Barring any significant change in operating conditions, the Group expects its 2H2005 results to remain satisfactory.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

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

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend is recommended for the financial period reported on.

BY ORDER OF THE BOARD

Lim Swee Lee Joanne
Company Secretary
5 August 2005