

Consolidated Income Statement

for the financial year ended 31 December 2003

Reference

(Alternative 1: Illustrating the classification of expenses by function) ²FRS 1(77,82)
SGX 1207(5)(a)

	Notes	The Group		
		2003 \$'000	2002 \$'000	
Sales	3	53,315	42,355	FRS 1(75)(a)
Cost of sales		(24,512)	(19,834)	FRS 1(82)
Gross profit		28,803	22,521	FRS 1(82)
Other operating income	3	1,250	480	FRS 1(82)
Distribution costs		(13,083)	(10,731)	FRS 1(82)
Administrative expenses		(6,731)	(5,506)	FRS 1(82)
Other operating expenses		(2,133)	(1,695)	FRS 1(82)
Exceptional gain	4	450	840	FRS 8(14)
Loss on disposal of a discontinued operation	5	(959)	–	FRS 35(39)
Profit from operations	6	7,597	5,909	FRS 1(75)(b) FRS 8(8)(a)
Finance income / (cost) - net	7	43	(112)	FRS 1(75)(c)
Share of results of associated companies before tax		270	203	FRS 1(75)(d)
Profit before tax		7,910	6,000	FRS 28(26)
Income tax expense	9	(2,303)	(1,920)	FRS 1(75)(e) FRS 12(75)
Profit from ordinary activities after tax		5,607	4,080	FRS 1(75)(f)
Minority interest	37	(1,030)	(387)	FRS 1(75)(h) FRS 27(25)
Net Profit		4,577	3,693	FRS 1(75)(i)
Earnings per share	10			FRS 33(47)
– Basic		61 cents	56 cents	
– Diluted		55 cents	56 cents	

(Alternative 2: Illustrating the classification of expenses by nature) ²FRS 1(77,80)
SGX 1207(5)(a)

	Notes	The Group		
		2003 \$'000	2002 \$'000	
Sales	3	53,315	42,355	FRS 1(75)(a)
Other operating income	3	1,250	480	FRS 1(80)
Changes in inventories of finished goods and work-in-progress		(876)	(1,504)	FRS 1(80)
Raw materials and consumables used		(18,399)	(14,764)	FRS 1(80)
Staff costs	8	(8,555)	(6,764)	FRS 1(80)
Depreciation and amortisation	6	(1,515)	(1,290)	FRS 1(80)
Others operating expenses		(17,114)	(13,444)	FRS 1(80)
Exceptional gain	4	450	840	FRS 8(14)
Loss on disposal of a discontinued operation	5	(959)	–	FRS 35(39)
Total operating expenses		(45,718)	(36,446)	
Profit from operations	6	7,597	5,909	FRS 1(75)(b) FRS 8(8)(a)
Finance income / (cost) - net	7	43	(112)	FRS 1(75)(c)
Share of results of associated companies before tax		270	203	FRS 1(75)(d)
Profit before tax		7,910	6,000	FRS 28(26)
Income tax expense	9	(2,303)	(1,920)	FRS 1(75)(e) FRS 12(75)
Profit from ordinary activities after tax		5,607	4,080	FRS 1(75)(f)
Minority interest	37	(1,030)	(387)	FRS 1(75)(h) FRS 27(25)
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The accompanying notes form an integral part of these financial statements. Auditors' report – page 47

Consolidated Income Statement

for the financial year ended 31 December 2003

Reference

Guidance Notes**Consolidated income statement**

Income statement and statement of changes in shareholders' equity of the holding company are no longer required to be disclosed

1. Previously, a company that is a holding company needs to include in its statutory accounts consolidated financial statements of the group and financial statements of the company. Under section 201(3A) of Companies (Amendment) Act 2002, financial information on the holding company is now restricted to the balance sheet (and the explanatory notes) of the company. Hence, the income statement and the statement of changes in shareholders' equity of the holding company will not form part of its statutory accounts.

CA 201(3A)

Alternative format

2. An enterprise should present, either on the face of the income statement or in the notes to the income statement, an analysis of expenses using a classification based on either their function within the enterprise (Alternative 1) or their nature (Alternative 2).

FRS 1(77)

Financial years/periods of different length

3. Where the current reporting period and the comparative reporting period are not of equal timeframe, an enterprise should disclose, in addition to the period covered by the financial statements, the reason for a period other than one year being used; and the fact that comparative amounts for the income statement, changes in equity, cash flows and related notes are not comparable.

FRS 1(49)

Additional disclosure

4. Additional line items, headings and subtotals should be presented on the face of the income statement when required by a Financial Reporting Standard or when such presentation is necessary to fairly present the enterprise's financial performance.

FRS 1(75)

Balance Sheets

as at 31 December 2003

Reference

	Notes	The Group		The Company		
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	
ASSETS						FRS 1(66) SGX 1207(5)(a) SGX 1207(5)(b)
Current assets						FRS 1(53)
Cash and cash equivalents	11	4,202	3,081	2,332	1,111	FRS 1(66)(g)
Trade and other receivables	12	5,599	3,070	2,005	1,850	FRS 1(66)(f)
Inventories	13	3,511	2,635	1,240	972	FRS 1(66)(e)
Assets held for sale	14	700	—	—	—	FRS 1(67)
Development property	15	2,400	2,040	—	—	FRS 1(67)
Construction contract work-in-progress	16	262	147	—	—	FRS 1(67)
Other current assets	17	807	473	50	50	FRS 1(67)
		17,481	11,446	5,627	3,983	
Non-current assets						FRS 1(53)
Trade and other receivables	18	2,000	1,000	6,470	4,748	FRS 1(66)(f)
Other investments	21	810	700	700	600	FRS 1(66)(c)
Investments in associated companies	22	1,405	1,255	1,000	1,000	FRS 1(66)(d) FRS 28(26)
Investment in a joint venture	23	—	—	880	880	FRS 1(66)(d)
Investments in subsidiaries	24	200	200	3,850	2,250	FRS 27(28)
Investment properties	25	2,765	2,635	—	—	FRS 1(67)
Property, plant and equipment	26	13,160	8,505	855	400	FRS 1(66)(a)
Intangible assets	27	2,750	2,455	200	100	FRS 1(66)(b)
Deferred tax assets	33	125	36	—	—	FRS 1(66)(f)
		23,215	16,786	13,955	9,978	
Total assets		40,696	28,232	19,582	13,961	
LIABILITIES						
Current liabilities						FRS 1(53)
Trade and other payables	28	2,789	2,989	564	1,044	FRS 1(66)(h)
Current tax liabilities	9	1,535	725	253	325	FRS 1(66)(f)
Borrowings	29	3,380	3,805	500	1,200	FRS 1(67)
Provisions	32	520	380	400	210	FRS 1(66)(f)
		8,224	7,899	1,717	2,779	
Non-current liabilities						FRS 1(53)
Borrowings	29	6,845	3,915	4,410	2,080	FRS 1(66)(k)
Provisions	32	240	—	140	—	FRS 1(66)(f)
Deferred tax liabilities	33	913	1,340	272	41	FRS 1(66)(f)
		7,998	5,255	4,822	2,121	
Total liabilities		16,222	13,154	6,539	4,900	
NET ASSETS		24,474	15,078	13,043	9,061	
SHAREHOLDERS' EQUITY						
Share capital	34	8,060	6,200	8,060	6,200	FRS 1(73)(e)
Share premium		1,541	1,000	1,541	1,000	FRS 1(73)(e)
Capital redemption reserve		300	300	300	300	FRS 1(73)(e)
Revaluation and other reserves	35	3,120	1,316	1,426	421	FRS 1(73)(e)
Retained earnings	36	8,478	4,662	1,716	1,140	FRS 1(73)(e)
Total shareholders' equity		21,499	13,478	13,043	9,061	FRS 1(66)(m) FRS 1(73)(e)
Minority interests	37	2,975	1,600	—	—	FRS 1(66)(l) FRS 27(25)
		24,474	15,078	13,043	9,061	

The accompanying notes form an integral part of these financial statements. Auditors' report – page 47

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2003

Reference

	Notes	Share capital \$'000	Share premium \$'000	Capital redemption reserve \$'000	Evaluation and other reserve \$'000	Retained earnings \$'000	Total \$'000	
Balance at 1 January 2003		6,200	1,000	300	1,316	4,662	13,478	FRS 1(86)(e,f)
Revaluation surplus	35	–	–	–	479	–	479	FRS 1(86)(b) FRS 16(60)(e)(iv)
Currency translation differences	35	–	–	–	(93)	–	(93)	FRS 1(86)(b) FRS 21(41)(b)
Goodwill relating to discontinued operation transferred to net profit	5	–	–	–	–	824	824	FRS 1(86)(b)
Net gains not recognised in income statement		–	–	–	386	824	1,210	FRS 1(86)(b)
Net profit for the year		–	–	–	–	4,577	4,577	FRS 1(86)(a)
Total recognised gains for the financial year		–	–	–	386	5,401	5,787	
Transfer from retained profits to general reserve	35	–	–	–	630	(630)	–	
Dividends	38	–	–	–	–	(955)	(955)	FRS 1(86)(d)
Convertible bond – equity component	30,35	–	–	–	788	–	788	FRS 32(18,23)
Issue of share capital pursuant to rights issue	34(b)	1,860	678	–	–	–	2,538	FRS 1(86)(d)
Expenses of rights issue		–	(137)	–	–	–	(137)	INT 17(9)
Balance at 31 December 2003		8,060	1,541	300	3,120	8,478	21,499	FRS 1(86)(e,f)
Balance at 1 January 2002		6,200	1,000	300	204	2,362	10,066	FRS 1(86)(e,f)
Revaluation surplus	35	–	–	–	47	–	47	FRS 1(86)(b) FRS 16(60)(e)(iv)
Currency translation differences	35	–	–	–	45	–	45	FRS 1(86)(b) FRS 21(41)(b)
Net gains not recognised in income statement		–	–	–	92	–	92	FRS 1(86)(b)
Net profit for the year		–	–	–	–	3,693	3,693	FRS 1(86)(a)
Total recognised gains for the financial year		–	–	–	92	3,693	3,785	
Transfer from retained profits to general reserve	35	–	–	–	1,020	(1,020)	–	
Dividends	38	–	–	–	–	(373)	(373)	FRS 1(86)(d)
Balance at 31 December 2002		6,200	1,000	300	1,316	4,662	13,478	FRS 1(86)(e,f)

An analysis of the movements in each category within “Revaluation and other reserves” is presented in note 35.

FRS 1(86)(f)

The accompanying notes form an integral part of these financial statements. Auditors’ report – page 47

Consolidated Cash Flow Statement

for the financial year ended 31 December 2003

Reference

	Notes	2003 \$'000	2002 \$'000	FRS 7(1) SGX 1207(5)(c)
Cash flows from operating activities ²				FRS 7(9,17)(b))
Profit before tax and after share of profits less losses of associated companies		7,910	6,000	
Adjustments for :				FRS 7(19)(b-c)
Impairment charge		395	–	FRS 7(42)
Depreciation and amortisation		1,515	1,290	FRS 7(42)
Interest income ³		(500)	(450)	FRS 7(30)
Interest expense ³		652	682	FRS 7(30)
Revaluation loss on investment properties		123	10	FRS 7(42)
Net loss on disposals of a subsidiary and a discontinued operation		509	–	
Gain on disposal of property, plant and equipment		–	(840)	
Dividend income ³		(350)	(200)	FRS 7(30)
Operating cash flow before working capital change		10,254	6,492	
Change in operating assets and liabilities, net of effects from purchase and disposals of subsidiaries :				FRS 7(19)(a)
Receivables		(2,135)	(1,570)	
Inventories		(36)	(475)	
Development property		(360)	(140)	
Construction contract work-in-progress		(115)	100	
Other assets		(1,028)	(74)	
Payables		(102)	1,426	
Cash generated from operations		6,478	5,759	
Dividends received ³		350	400	FRS 7(30)
Income tax paid ⁴		(2,210)	(2,521)	FRS 7(34)
Interest paid ³		(525)	(530)	FRS 7(30)
Net cash inflow from operating activities		4,093	3,108	
Cash flows from investing activities				FRS 7(9,20)
Purchase of subsidiary, net of cash acquired ⁵	11	(1,600)	–	FRS 7(38)
Purchase of property, plant and equipment		(7,085)	(2,768)	FRS 7(15)(a)
Purchase of investments		(110)	(150)	FRS 7(15)(c)
Loans to related parties		(1,000)	(705)	FRS 7(15)(e)
Dividends received ³ from associated companies		39	76	FRS 7(30)
Interest received ³		500	450	FRS 7(30)
Proceeds from disposal of property, plant and equipment		720	565	FRS 7(15)(b)
Proceeds from disposals of a subsidiary and a discontinued operation, net of cash disposed ⁵	11	1,695	–	FRS 7(38)
Repayment of loans by related parties		–	516	FRS 7(15)(f)
Net cash outflow from investing activities		(6,841)	(2,016)	
Cash flows from financing activities				FRS 7(9,20)
Proceeds from issue of convertible bond		3,000	–	FRS 7(16)(c)
Proceeds from issues of shares		2,401	–	FRS 7(16)(a)
Proceeds from borrowings		2,020	716	FRS 7(16)(c)
Repayments of borrowings		(2,250)	(1,005)	FRS 7(16)(d)
Repayments of lease liabilities		(125)	(25)	FRS 7(16)(e)
Loans from related parties		200	–	FRS 7(16)(c)
Interest paid ³		(312)	(370)	FRS 7(30)
Dividends paid to group shareholders		(955)	(373)	FRS 7(30)
Dividends paid to minority interests		(230)	(160)	FRS 7(30)
Net cash inflow/(outflow) from financing activities		3,749	(1,217)	
Net increase/(decrease) in cash and cash equivalents ⁶ held		1,001	(125)	
Cash and cash equivalents ⁶ at the beginning of the financial year		831	940	FRS 7(44)
Effects of exchange rate changes on cash and cash equivalent ⁹		20	16	FRS 7(27)
Cash and cash equivalents ⁶ at the end of the financial year	11	1,852	831	FRS 7(44)

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Consolidated Cash Flow Statement

for the financial year ended 31 December 2003

Reference

Guidance Notes**Consolidated Cash Flow Statement****Application**

1. Previously, Statements of Accounting Standard 7 does not apply to the following entities :

- private entities which have gross sales and other operating revenue of less than \$5 million, or gross assets of less than \$5 million;
- a wholly-owned subsidiary of a company incorporated in Singapore; or
- an exempt private company, unless such entities are required to publish financial statements under regulatory requirements

As FRS 7 (which superseded SAS 7) does not grant such exemptions, the above entities need to publish cash flow statement for the financial period commencing on or after 1 January 2003.

Direct method

2. If the direct method is used, the disclosure of cash flows from operating activities is as follows :

	2003	2002
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	54,116	41,242
Payments to suppliers and employees	<u>(47,378)</u>	<u>(35,083)</u>
Cash generated from operations	6,738	6,159
Income taxes paid	<u>(2,120)</u>	<u>(2,521)</u>
Interest paid	<u>(525)</u>	<u>(530)</u>
Net cash from operating activities	<u>4,093</u>	<u>3,108</u>

The rest of the consolidated cash flow statement is similar to the indirect method.

Dividends and Interest Received and Interest Costs

3. Cash flows from interest and dividends received and paid should each be disclosed separately, and classified consistently from period to period. These may be classified as financing (e.g. for long term loans) and investing (e.g. for bonds or fixed deposits) cash flows or alternatively as operating (e.g. for overdrafts) cash flows, depending on the nature of the transaction.

The interest amounts to be adjusted against net profit before taxation are the amounts charged or credited to the income statement. The amounts to be shown under financing or investing cash flows shall be strictly cash paid or received during the period; all other differences shall be reflected in the changes in working capital section.

Income Taxes

4. Cash outflows relating to income taxes must be separately disclosed and classified under operating activities unless they can be specifically identified with investing or financing activities. Where amounts are allocated to more than one category, the total amount must be separately disclosed.

FRS 7(17)(a)
FRS 7 App A

FRS 7(30-33)

FRS 7(34)

Consolidated Cash Flow Statement

for the financial year ended 31 December 2003

Reference

Guidance Notes**Acquisition and Disposal of Subsidiaries**

5. Where applicable, the total purchase or sale consideration, the consideration discharged by means of cash or cash equivalents, the amount of cash and cash equivalents acquired or disposed, and the amounts of assets and liabilities transacted (summarised by each major category), should be disclosed. Please refer to note 11 to the financial statements.

FRS 7(39)

Definition of Cash Equivalents

6. Under FRS 7, cash equivalents are defined as “highly liquid investments with short periods to maturity which are readily convertible to cash on hand at the investor’s option and are subject to an insignificant risk of changes in value, and borrowings which are integral to the cash management function and which are not subject to a term facility”. Accordingly, the amount of cash disclosed in the balance sheet may differ from the amount shown in the cash and cash equivalents. A reconciliation of the two amounts is required.

FRS 7(5-8)

FRS 7(44)

Cash Not Available for Use

7. Where applicable, disclosure is required of the amount of cash and cash equivalents that is not available for use and the nature of the restrictions placed upon its use.
8. Cash or bank balances whose use for current operations is subject to restrictions should be included as a current asset only if the duration of the restrictions is limited to the term of an obligation that has been classified as a current liability or if the restrictions lapse within one year.

FRS 7(47)

Effects of Exchange Rate Changes on Cash and Cash Equivalents

9. Unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the cash flow statement in order to reconcile cash and cash equivalents at the beginning and end of the reporting period.

FRS 7(27)

Non-cash Transactions

10. The non-cash transactions (e.g. acquisition of assets by finance lease) should be disclosed elsewhere in the financial statements. For example, please refer to note 26(a) under Property, plant and equipment.

FRS 7(42)

Extraordinary Items

11. Cash flows from extraordinary items must be separately disclosed regardless of whether the cash flow occurs in the same reporting period to that in which the extraordinary item is recognised.

FRS 7(28)

Additional information

12. Disclosure of additional information that may be relevant to users in understanding the financial position and liquidity of the group is encouraged under FRS 7. This may include undrawn borrowing facilities, cash flows relating to interests in joint ventures reported using proportionate consolidation, and cash flows relating to business segments.

FRS 7(49)