

**Consolidated Income Statement**for the financial year ended 31 December 2004<sup>4</sup>

Reference

(Alternative 1: Illustrating the classification of expenses by function)<sup>2</sup>

		<b>The Group</b>		
		<b>2004</b>	<b>2003</b>	
		<b>\$'000</b>	<b>\$'000</b>	
Sales	3	53,315	42,355	FRS 1(75)(a)
Cost of sales		(24,512)	(19,834)	FRS 1(82)
<b>Gross profit</b>		<b>28,803</b>	<b>22,521</b>	FRS 1(82)
Other operating income	3	1,950	1,050	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)
<b>Profit from operations</b>	6	<b>8,297</b>	<b>6,479</b>	FRS 1(75)(b) FRS 8(8)(a)
Finance costs - net	7	(657)	(682)	FRS 1(75)(c)
Share of results of associated companies before tax	21	270	203	FRS 1(75)(d) FRS 28(26)
<b>Profit before tax</b>		<b>7,910</b>	<b>6,000</b>	
Income tax expense	9	(2,303)	(1,920)	FRS 1(75)(e) FRS 12(75)
<b>Profit from ordinary activities after tax</b>		<b>5,607</b>	<b>4,080</b>	FRS 1(75)(f) FRS 8(8)(a)
Minority interest	38	(1,030)	(387)	FRS 1(75)(h) FRS 27(25)
<b>Net profit for the financial year</b>		<b>4,577</b>	<b>3,693</b>	FRS 1(75)(i)
<b>Earnings per share<sup>3</sup></b>	10			FRS 33(47)
– Basic		61 cents	56 cents	
– Diluted		55 cents	55 cents	

(Alternative 2: Illustrating the classification of expenses by nature)<sup>2</sup>

		<b>The Group</b>		
		<b>2004</b>	<b>2003</b>	
		<b>\$'000</b>	<b>\$'000</b>	
Sales	3	53,315	42,355	FRS 1(75)(a)
Other operating income	3	1,950	1,050	FRS 1(80)
Exceptional gain	4	450	840	FRS 8(14)
Loss on disposal of a discontinued operation	5	(959)	—	FRS 35(39)
Changes in inventories of finished goods and work-in-progress		(576)	(504)	FRS 1(80)
Raw materials and consumables used		(18,399)	(14,764)	FRS 1(80)
Staff costs	8	(11,087)	(8,704)	FRS 1(80)
Depreciation and amortisation expenses	6	(1,757)	(1,350)	FRS 1(80)
Others operating expenses		(14,640)	(12,444)	FRS 1(80)
Total operating expenses		(46,459)	(37,766)	FRS 2(33)(b)
<b>Profit from operations</b>	6	<b>8,297</b>	<b>6,479</b>	FRS 1(75)(b) FRS 8(8)(a)
Finance costs - net	7	(657)	(682)	FRS 1(75)(c)
Share of results of associated companies before tax	21	270	203	FRS 1(75)(d) FRS 28(26)
<b>Profit before tax</b>		<b>7,910</b>	<b>6,000</b>	
Income tax expense	9	(2,303)	(1,920)	FRS 1(75)(e) FRS 12(75)
<b>Profit from ordinary activities after tax</b>		<b>5,607</b>	<b>4,080</b>	FRS 1(75)(f)
Minority interest	38	(1,030)	(387)	FRS 1(75)(h) FRS 27(25)
<b>Net profit for the financial year</b>		<b>4,577</b>	<b>3,693</b>	FRS 1(75)(i)
<b>Earnings per share<sup>3</sup></b>	10			FRS 33(47)
– Basic		61 cents	56 cents	
– Diluted		55 cents	55 cents	

The accompanying notes form an integral part of these financial statements. Auditors' report – page 64

# Consolidated Income Statement

for the financial year ended 31 December 2004<sup>4</sup>

## Guidance Notes

### Consolidated income statement

#### Income statement and statement of changes in shareholders' equity of the holding company

1. If consolidated financial statements are required, the income statement, the cash flow statement and the statement of changes in shareholders' equity of the holding company need not be presented. If consolidated financial statements are not required (e.g. exempted under FRS 27), the income statement, the cash flow statement and the statement of changes in shareholders' equity of the holding company would form part of the financial statements of the holding company and shall therefore be presented.

CA 201(3A)  
SGX 1207(5)

CA 201(3BA)

#### 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)

#### Earnings per share

3. An enterprise should present basic and diluted earnings per share on the face of the income statement for each class of ordinary shares that has a different right to share in the net profit for the period. The basic and diluted earnings per share should be presented with equal prominence for all periods presented, even if the amounts disclosed are the same, or if the amounts disclosed are negative (a loss per share).

FRS 33(47,48)

#### Financial years/periods of different length

4. 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 disclosure notes are not comparable.

FRS 1(49)

#### Additional disclosure

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

FRS 1(75)

**Balance Sheets**

as at 31 December 2004

	Notes	The Group		The Company		
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	
<b>ASSETS</b>						FRS 1(66) SGX 1207(5)(a) SGX 1207(5)(b)
<b>Current assets</b>						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)
Construction contract work-in-progress	15	262	147	—	—	FRS 1(67)
Other current assets	16	807	473	50	50	FRS 1(67)
		<b>15,081</b>	<b>9,406</b>	<b>5,627</b>	<b>3,983</b>	
<b>Non-current assets</b>						FRS 1(53)
Trade and other receivables	17	2,000	1,000	6,470	4,748	FRS 1(66)(f)
Other investments	20	1,010	900	700	600	FRS 1(66)(c)
Investments in associated companies	21	1,405	1,255	1,000	1,000	FRS 1(66)(d)
Investment in a joint venture	22	—	—	880	880	FRS 1(66)(c)
Investments in subsidiaries	23	—	—	3,850	2,250	FRS 27(28,29)
Investment properties	24	2,765	2,635	—	—	FRS 1(67)
Development property	25	2,400	2,040	—	—	FRS 1(67)
Property, plant and equipment	26	13,160	8,505	855	400	FRS 1(66)(a)
Intangible assets	27	3,750	3,455	1,200	1,100	FRS 1(66)(b)
Deferred income tax assets	34	125	36	—	—	FRS 1(66)(i)
		<b>26,615</b>	<b>19,826</b>	<b>14,955</b>	<b>10,978</b>	
<b>Total assets</b>		<b>41,696</b>	<b>29,232</b>	<b>20,582</b>	<b>14,961</b>	
<b>LIABILITIES</b>						
<b>Current liabilities</b>						FRS 1(53)
Trade and other payables	28	2,389	1,845	504	937	FRS 1(66)(h)
Current income tax liabilities	9	1,535	725	253	325	FRS 1(66)(i)
Borrowings	29	3,380	3,805	500	1,200	FRS 1(67)
Provisions for other liabilities and charges	33	920	700	470	290	FRS 1(66)(j)
		<b>8,224</b>	<b>7,075</b>	<b>1,727</b>	<b>2,752</b>	
<b>Non-current liabilities</b>						FRS 1(53)
Borrowings	29	7,845	4,915	5,410	3,080	FRS 1(66)(k)
Provisions for other liabilities and charges	33	240	—	142	—	FRS 1(66)(j)
Deferred income tax liabilities	34	913	1,340	270	68	FRS 1(66)(i)
		<b>8,998</b>	<b>6,255</b>	<b>5,822</b>	<b>3,148</b>	FRS 12(67)(68)
<b>Total liabilities</b>		<b>17,222</b>	<b>13,330</b>	<b>7,549</b>	<b>5,900</b>	
<b>NET ASSETS</b>		<b>24,474</b>	<b>15,902</b>	<b>13,033</b>	<b>9,061</b>	
<b>EQUITY</b>						
Share capital	35	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	36	3,120	1,316	1,426	421	FRS 1(73)(e)
Retained earnings	37	8,478	5,486	1,706	1,140	FRS 1(73)(e)
<b>Shareholders' equity</b>		<b>21,499</b>	<b>14,302</b>	<b>13,033</b>	<b>9,061</b>	FRS 1(66)(m)
<b>Minority interests</b>	38	2,975	1,600	—	—	FRS 1(66)(l) FRS 27(25)
		<b>24,474</b>	<b>15,902</b>	<b>13,033</b>	<b>9,061</b>	

The accompanying notes form an integral part of these financial statements. Auditors' report – page 64

# Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2004

	Notes	Share capital \$'000	Share premium \$'000	Capital redemption reserve \$'000	Revaluation and other reserve \$'000	Retained earnings \$'000	Total \$'000	
<b>Balance at 1 January 2004</b>		6,200	1,000	300	1,316	5,486	14,302	FRS 1(86)(e,f)
Revaluation surplus	36	–	–	–	490	–	490	FRS 16(64)(f)
Effects of change in tax rates	36	–	–	–	3	–	3	
Currency translation differences	36	–	–	–	(93)	–	(93)	FRS 21(41)(b)
Net gains recognised directly in equity		–	–	–	400	–	400	FRS 1(86)(b)
Net profit for the financial year		–	–	–	–	4,577	4,577	FRS 1(86)(a)
<b>Total recognised gains for the financial year</b>		–	–	–	<b>400</b>	<b>4,577</b>	<b>4,977</b>	
Transfer from retained profits to general reserve	36	–	–	–	596	(596)	–	
Dividends relating to 2003	39	–	–	–	–	(989)	(989)	FRS 1(86)(d)
Convertible bond – equity component	30,36	–	–	–	808	–	808	FRS 32(18,23)
Issuance of share capital pursuant to rights issue	35(b)	1,860	678	–	–	–	2,538	FRS 1(86)(d)
Expenses of rights issue		–	(137)	–	–	–	(137)	INT 17(9)
<b>Balance at 31 December 2004</b>		<b>8,060</b>	<b>1,541</b>	<b>300</b>	<b>3,120</b>	<b>8,478</b>	<b>21,499</b>	FRS 1(86)(e,f)
<b>Balance at 1 January 2003</b>		6,200	1,000	300	204	3,186	10,890	FRS 1(86)(e,f)
Revaluation surplus	36	–	–	–	47	–	47	FRS 16(64)(f)
Currency translation differences	36	–	–	–	45	–	45	FRS 21(41)(b)
Net gains recognised directly in equity		–	–	–	92	–	92	FRS 1(86)(b)
Net profit for the financial year		–	–	–	–	3,693	3,693	FRS 1(86)(a)
<b>Total recognised gains for the financial year</b>		–	–	–	<b>92</b>	<b>3,693</b>	<b>3,785</b>	
Transfer from retained profits to general reserve	36	–	–	–	1,020	(1,020)	–	
Dividends relating to 2002	39	–	–	–	–	(373)	(373)	FRS 1(86)(d)
<b>Balance at 31 December 2003</b>		<b>6,200</b>	<b>1,000</b>	<b>300</b>	<b>1,316</b>	<b>5,486</b>	<b>14,302</b>	FRS 1(86)(e,f)

An analysis of the movements in each category within "Revaluation and other reserves" is presented in note 36.

FRS 1(86)(f)

The accompanying notes form an integral part of these financial statements. Auditors' report – page 64

**Consolidated Cash Flow Statement**

for the financial year ended 31 December 2004

Reference

	Notes	2004 \$'000	2003 \$'000	FRS 7(1) SGX 1207(5)(c)
<b>Cash flows from operating activities <sup>2</sup></b>				FRS 7(9,17)(b))
Profit before tax and after share of results of associated companies		<b>7,910</b>	6,000	
Adjustments for:				
- Amortisation, depreciation and impairment charge	6	<b>2,152</b>	1,350	FRS 7(19)(b-c)
- Net gain on disposals of property, plant and equipment and other investments	3,4	<b>(80)</b>	(908)	
- Net loss on disposals of a subsidiary and a discontinued operation	4,5	<b>509</b>	—	
- Revaluation loss and allowance for diminution in value	6	<b>223</b>	30	FRS 7(42)
- Interest income <sup>3</sup>	3	<b>(700)</b>	(570)	FRS 7(30)
- Dividend income <sup>3</sup>	3	<b>(50)</b>	(46)	FRS 7(30)
- Interest expense <sup>3</sup>	7	<b>1,095</b>	1,037	FRS 7(30)
- Share of profit from associated companies	21	<b>(270)</b>	(203)	FRS 7(42)
- Foreign exchange gains - net <sup>4,5</sup>		<b>(283)</b>	(218)	
Operating cash flow before working capital changes		<b>10,506</b>	6,472	
Change in operating assets and liabilities <sup>5</sup> , net of effects from purchase and disposals of subsidiaries				FRS 7(19)(a)
- Inventories and construction work-in-progress		<b>(151)</b>	(238)	
- Trade and other receivables		<b>(3,303)</b>	(1,374)	
- Trade and other payables		<b>657</b>	1,790	
- Provisions for liabilities and other charges		<b>400</b>	(420)	
- Other assets		<b>(448)</b>	300	
Cash generated from operations		<b>7,661</b>	6,530	
Interest received <sup>3</sup>		<b>35</b>	103	FRS 7(30)
Interest paid <sup>3</sup>		<b>(105)</b>	(162)	FRS 7(30)
Income tax paid <sup>6</sup>	9(b)	<b>(2,329)</b>	(2,521)	FRS 7(34)
<b>Net cash from operating activities</b>		<b>5,262</b>	3,950	
<b>Cash flows from investing activities</b>				FRS 7(9)(20)
Acquisition of subsidiary, net of cash acquired <sup>7</sup>	11	<b>(1,600)</b>	—	FRS 7(38)
Proceeds from disposals of a subsidiary and a discontinued operation, net of cash disposed <sup>7</sup>	11	<b>1,695</b>	—	FRS 7(38)
Purchases of property, plant and equipment <sup>8</sup>		<b>(6,845)</b>	(3,068)	FRS 7(15)(a)
Proceeds from disposals of property, plant and equipment		<b>452</b>	900	FRS 7(15)(b)
Construction of a development property		<b>(360)</b>	(2,040)	FRS 7(15)(a)
Purchases and development of intangible assets		<b>(500)</b>	(780)	FRS 7(15)(a)
Purchases of other investments		<b>(230)</b>	(150)	FRS 7(15)(c)
Proceeds from disposals of other investments		<b>100</b>	100	FRS 7(15)(d)
Loans to immediate holding corporation		<b>(950)</b>	(250)	FRS 7(15)(e)
Dividends received <sup>3</sup>		<b>89</b>	122	FRS 7(30)
Interest received <sup>3</sup>		<b>685</b>	934	FRS 7(30)
<b>Net cash used in investing activities</b>		<b>(7,464)</b>	(4,232)	

**Consolidated Cash Flow Statement***for the financial year ended 31 December 2004*

Reference

	Notes	2004 \$'000	2003 \$'000	
<b>Cash flows from financing activities</b>				FRS 7(9,20)
Proceeds from issuance of ordinary shares		2,401	—	FRS 7(16)(a)
Proceeds from issuance of convertible bond		3,000	—	FRS 7(16)(a,c)
Proceeds from issuance of redeemable preference shares		—	1,000	FRS 7(16)(c)
Proceeds from borrowings		2,020	1,200	FRS 7(16)(c)
Repayments of borrowings		(2,800)	(800)	FRS 7(16)(d)
Repayments of lease liabilities		(165)	(72)	FRS 7(16)(e)
Loans from ultimate holding corporation		200	—	FRS 7(16)(c)
Interest paid <sup>3</sup>		(185)	(250)	FRS 7(30)
Dividends paid to shareholders		(989)	(373)	FRS 7(30)
Dividends paid to minority interest		(281)	(171)	FRS 7(30)
Net cash from financing activities		3,201	534	
<b>Net increase in cash and cash equivalents</b>		999	252	
Cash and cash equivalents at beginning of the financial year	11	1,171	940	FRS 7(44)
Effects of exchange rate changes <sup>5</sup> on cash and cash equivalents		(58)	(21)	FRS 7(27)
Cash and cash equivalents at end of the financial year	11	2,112	1,171	FRS 7(44)

The accompanying notes form an integral part of these financial statements. Auditors' report — page 64

# Consolidated Cash Flow Statement

for the financial year ended 31 December 2004

## Guidance Notes

### Consolidated Cash Flow Statement

#### Scope

1. An enterprise should prepare a cash flow statement in accordance with the requirements of FRS 7 and should present it as an integral part of its financial statements for each period for which financial statements are presented. No exemption from preparation is given.

FRS 7(1)

#### Direct method

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

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

	2004 \$'000	2003 \$'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	54,892	39,573
Cash paid to suppliers and employees	(47,231)	(33,043)
Cash generated from operations	7,661	6,530
Interest received	35	103
Interest paid	(105)	(162)
Income taxes paid	(2,329)	(2,521)
Net cash inflow from operating activities	5,262	3,950

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

#### Dividends and interests

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.

FRS 7(30-33)

The interest amounts to be adjusted against profit before tax 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; differences would be reflected in the changes in working capital section.

#### Foreign currency cash flows

4. Cash flows arising from transactions in a foreign currency should be recorded in an enterprise's reporting currency by applying to the foreign currency amounts, the exchange rates at the dates of the cash flows. Cash flows of a foreign subsidiary should be translated using the exchange rates at the dates of the cash flows.
5. Unrealised gains and losses from changes in foreign currency exchange rates are not cash flows and are therefore treated as adjustment items against the 'profit before tax and after share of results of associated companies'. Changes in operating assets and liabilities, other than cash and cash equivalents, should take into consideration these unrealised foreign exchange differences and be reported net of the effect of exchange rate changes. The effect of exchange rate changes on cash and cash equivalents is reported separately as a reconciling item between cash and cash equivalents at the beginning and at the end of the financial year.

FRS 7(24)

FRS 7(25)

FRS 7(27)

# Consolidated Cash Flow Statement

for the financial year ended 31 December 2004

## Guidance Notes

### Income taxes

6. Cash flows 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(34)

### Acquisition and disposal of subsidiaries

7. The purchase consideration or sale proceeds, the portion 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, should be summarised by each major category. Please refer to disclosure note 11 to the financial statements.

FRS 7(39)

### Non-cash transactions

8. 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 disclosure note 26(a) under Property, plant and equipment.

FRS 7(42)

### Extraordinary items

9. Cash flows from extraordinary items must be separately disclosed regardless of whether the cash flow occurred in the same reporting period as that in which the extraordinary item is recognised in the income statement.

FRS 7(28)

### Additional information

10. 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 (disclosure note 29(f)), cash flows relating to interests in joint ventures reported using proportionate consolidation, and cash flows relating to business segments.

FRS 7(49)