

PwC Holdings Ltd and Its Subsidiaries
Consolidated Income Statement

for the financial year ended 31 December 2005

Reference

(Alternative 1: Illustrating the classification of expenses by function)²

FRS 1(88,92)
SGX 1207(5)(a)

		<u>The Group</u>		
	Notes	2005 ³ \$'000	2004 ³ \$'000	
Continuing operations⁴				
Sales	5	210,214	112,360	FRS 1(81)(a)
Cost of sales		(77,366)	(46,682)	FRS 1(92)
Gross profit		132,848	65,678	FRS 1(92)
Other gains (net)				FRS 1(92)
- Miscellaneous	5	3,460	2,395	
- Exceptional loss	8	(945)	–	
Expenses				
- Distribution and marketing		(52,140)	(20,853)	FRS 1(92)
- Administrative		(28,579)	(11,107)	FRS 1(92)
- Finance	9	(7,073)	(11,060)	FRS 1(81)(b)
Share of (loss)/profit of associated companies ⁵		(174)	145	FRS 1(81)(c)
Profit before income tax		47,397	25,198	
Income tax expense	10	(14,921)	(8,985)	FRS 1(81)(d)
Profit from continuing operations		32,476	16,213	
Discontinued operations⁴				FRS 1(81)(e)
Profit from discontinued operations	11	100	480	FRS 105(33)(a)(i)
Total profit		32,576	16,693	FRS 1(81)(f)
Attributable to:				
Equity holders of the Company		30,028	15,837	FRS 1(82)(b)
Minority interest ⁶		2,548	856	FRS 1(82)(a)
		32,576	16,693	
Earnings per Share (EPS)^{4,7} for profit from continuing operations attributable to the equity holders of the Company (expressed in \$ per share)	12			FRS 33(66)
- Basic		1.27	0.75	
- Diluted		1.16	0.75	
Earnings per Share^{4,7} for profit from discontinued operations attributable to the equity holders of the Company (expressed in \$ per share)	12			FRS 33(66)
- Basic		0.01	0.02	
- Diluted		*	0.02	

* less than \$0.01

The accompanying notes form an integral part of these financial statements.
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PwC Holdings Ltd and Its Subsidiaries
Consolidated Income Statement
for the financial year ended 31 December 2005

Reference

(Alternative 2: Illustrating the classification of expenses by nature)²

FRS 1(88,92)
SGX 1207(5)(a)

The Group				
	Notes	2005 ³ \$'000	2004 ³ \$'000	
Continuing operations⁴				
Sales	5	210,214	112,360	FRS 1(81)(a)
Other gains (net)				
- Miscellaneous	5	3,460	2,395	FRS 1(91)
- Exceptional loss	8	(945)	-	
Expenses				
- Raw materials, inventories and consumables		(45,073)	(23,038)	FRS 1(91)
- Amortisation, depreciation and impairment	6	(23,204)	(10,877)	[FRS 1(91)]
- Employee benefits	7	(40,090)	(15,500)	FRS 1(91)
- Sub-contractors charges		(12,400)	(8,600)	
- Advertising		(10,671)	(7,302)	
- Rental on operating leases		(10,588)	(8,697)	FRS 17 (35)(c)
- Research		(473)	(200)	FRS 38 (126)
- Transportation		(8,584)	(6,836)	FRS 1(91)
- Finance	9	(7,073)	(11,060)	
- Other		(1,174)	(542)	FRS 1(81)(b)
Changes in inventories of raw materials, work-in-progress and finished goods		(5,828)	2,950	FRS 1(91)
Total expenses		(165,158)	(89,702)	
Share of (loss)/profit of associated companies ⁵		(174)	145	FRS 1(81)(c)
Profit before income tax		47,397	25,198	
Income tax expense	10	(14,921)	(8,985)	FRS 1(81)(d)
Profit from continuing operations		32,476	16,213	
Discontinued operations⁴				
Profit from discontinued operations	11	100	480	FRS 1(81)(e) FRS 105(33)(a)(i)
Total profit		32,576	16,693	FRS 1(81)(f)
Attributable to:				
Equity holders of the Company		30,028	15,837	FRS 1(82)(b)
Minority interest ⁶		2,548	856	FRS 1(82)(a)
Earnings per Share^{4,7} for profit from continuing operations attributable to the equity holders of the Company (expressed in \$ per share)	12	32,576	16,693	FRS 33(66)
- Basic		1.27	0.75	
- Diluted		1.16	0.75	
Earnings per Share^{4,7} for profit from discontinued operations attributable to the equity holders of the Company (expressed in \$ per share)	12	0.01	0.02	
- Basic		*	0.02	
- Diluted				

* Less than \$0.01

The accompanying notes form an integral part of these financial statements.
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Guidance Notes**Consolidated income statement****Income statement, cash flow 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 entity 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: Page 72) or their nature (Alternative 2: Page 73).

FRS 1(88)

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 disclosure notes are not comparable.

FRS 1(49)

Continuing/Discontinuing Operations

4. Results and EPS from continuing and discontinued operations should be clearly distinguished.

FRS 105(34)
FRS 1(81)(e)
FRS 33(66)**Share of results of associated companies**

5. The share of results of associated companies refers to the Group's share of associated companies' results attributable to equity holders of the associated companies, i.e. after tax and minority interest in the associated companies.

FRS 1(81)(c)
FRS 1 (IG4)**Minority interest**

6. An enterprise should present minority interest as an allocation of profit or loss for the period.

FRS 1(IG4)

Earnings Per Share

7. An entity 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 disclosed amounts are the same, or if the disclosed amounts are negative (i.e. a loss per share).

FRS 33(66,69)

Additional disclosure

8. 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(83)

Balance Sheets

as at 31 December 2005

	Notes	The Group		The Company		
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	FRS 1(68,104) SGX 1207(5)(a) SGX 1207(5)(b)
ASSETS						
Current assets						
Cash and cash equivalents	13	22,228	36,212	2,002	2,701	FRS 1(51)
Trade and other receivables	14	18,965	17,352	7,562	2,200	FRS 1(68)(i)
Construction contract work-in-progress	15	262	147	—	—	FRS 1(68)(h)
Inventories	16	24,258	17,094	2,200	335	FRS 1(68)(g)
Available-for-sale financial assets	17	1,950	646	—	—	FRS 1(68)(d)
Derivative financial instruments	18	1,069	—	232	—	FRS 1(68)(d)
Financial assets at fair value through profit or loss	19	10,785	7,499	—	—	FRS 1(68)(d)
Other current assets	20	545	326	50	50	
		80,062	79,276	12,046	5,286	
Disposal group classified as held for sale	11	3,333	—	—	—	
		83,395	79,276	12,046	5,286	FRS 105(38) FRS 1(68A)
Non-current assets						
Trade and other receivables	21	3,122	2,102	3,136	3,200	FRS 1(51)
Available-for-sale financial assets	17	15,298	12,291	1,500	1,218	FRS 1(68)(h)
Derivative financial instruments	18	395	—	34	—	FRS 1(68)(d)
Investments in associated companies	24	8,208	8,569	1,000	1,000	FRS 1(68)(e)
Investment in a joint venture	25	—	—	880	880	FRS 1(69)
Investments in subsidiaries	26	—	—	110,110	95,960	FRS 1(69)
Investment properties	27	2,765	2,635	—	—	FRS 1(68)(b)
Development property	28	2,400	2,040	—	—	FRS 1(68)(g)
Held-to-maturity financial assets	29	2,122	1,593	—	—	FRS 1(68)(d)
Property, plant and equipment	30	153,778	98,670	855	400	FRS 1(68)(a)
Intangible assets	31	24,322	19,600	1,200	1,100	FRS 1(68)(c)
Deferred income tax assets	38	3,319	3,110	—	—	FRS 1(68)(n)
		215,729	150,610	118,715	103,758	
Total assets		299,124	229,886	130,761	109,044	
LIABILITIES						
Current liabilities						
Trade and other payables	32	16,231	10,840	317	596	FRS 1(68)(j)
Current income tax liabilities	10	2,942	2,846	235	325	FRS 1(68)(m)
Borrowings	33	9,524	15,670	3,500	10,200	FRS 1(68)(l)
Derivative financial instruments	18	440	—	35	—	FRS 1(68)(l)
Provisions for other liabilities and charges	37	2,126	2,300	100	210	FRS 1(68)(k)
		31,263	31,656	4,187	11,331	
Liabilities directly associated with disposal group classified as held for sale	11	220	—	—	—	FRS 105(38) FRS 1(68A)
		31,483	31,656	4,187	11,331	
Non-current liabilities						
Borrowings	33	112,855	90,225	72,822	61,759	FRS 1(51) FRS 1(68)(l)
Derivative financial instruments	18	135	—	12	—	FRS 1(68)(l)
Provisions for other liabilities and charges	37	1,655	1,585	200	95	FRS 1(68)(k)
Deferred income tax liabilities	38	12,370	9,053	3,775	1,494	FRS 1(68)(n)
		127,015	100,863	76,809	63,348	
Total liabilities		158,498	132,519	80,996	74,679	
NET ASSETS		140,626	97,367	49,765	34,365	
EQUITY						
Capital and reserves attributable to the Company's equity holders						
Share capital and share premium	39	42,765	33,294	42,765	33,294	FRS 1(75)(e)
Treasury shares	39	(1,090)	—	(1,090)	—	FRS 1(76)(vi)
Other reserves	40	14,866	6,203	7,058	622	FRS 1(75)(e)
Retained earnings	41	76,897	56,109	1,032	449	FRS 1(75)(e)
		133,438	95,606	49,765	34,365	
Minority interest		7,188	1,761	—	—	FRS 1(68)(p) FRS 1(68)(o)
Total equity		140,626	97,367	49,765	34,365	

The accompanying notes form an integral part of these financial statements.
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Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2005

Reference

Notes	Attributable to equity holders of the Company				Minority interest	Total equity	FRS 1(96,97,104)
	Share capital and share premium \$'000	Treasury shares \$'000	Revaluation and other reserves \$'000	Retained earnings \$'000			
Balance at 1 January 2005							
- As previously reported	33,294	—	5,581	56,731	1,761	97,367	FRS 1(97)(b,c)
- Effect of changes in accounting policies	—	—	622	(622)	—	—	FRS 1(96)(d)
- Adjusted retrospectively	3.6	—	—	6,203	56,109	1,761	97,367
33,294	—	—	149	862	—	1,011	FRS 1(96)(d)
- Adjusted prospectively	40	—	—	6,352	56,971	1,761	98,378
- As restated	33,294	—	—	—	—	—	—
Fair value gains on available- for-sale financial assets	40(b)(ii)	—	—	448	—	—	448
Cash flow hedges	40(b)(iii)	—	—	64	—	—	64
Currency translation differences	40(b)(iv)	—	—	2,882	—	552	3,434
Revaluation gain on investment properties	40(b)(vi)	—	—	197	—	5	202
Net gains recognised directly in equity	—	—	3,591	—	557	4,148	FRS 1(96)(b)
Net profit	—	—	—	30,028	2,548	32,576	FRS 1(96)(a)
Total recognised gains	—	—	3,591	30,028	3,105	36,724	FRS 1(96)(c)
Employee share option scheme:							
- Value of employee services	40(b)(i)	—	—	690	—	—	690
- Proceeds from shares issued	39	960	—	—	—	—	960
Issue of shares	39	8,924	—	—	—	—	8,924
Share issue expenses	39	(413)	—	—	—	—	(413)
Purchase of treasury shares	39	—	(1,090)	—	—	—	(1,090)
Convertible bond - equity component	40(b)(v)	—	—	5,433	—	—	5,433
Dividend relating to 2004 paid	42	—	—	—	(10,102)	(1,920)	(12,022)
Acquisition of a subsidiary	13	—	—	—	—	4,542	4,542
Disposal of a subsidiary	13	—	—	(1,200)	—	(300)	(1,500)
Balance at 31 December 2005	42,765	(1,090)	14,866	76,897	7,188	140,626	
Balance at 1 January 2004							
Revaluation gain on land and buildings and investment properties	40(b)(vi)	32,024	—	4,910	56,008	1,342	94,284
Currency translation differences	40	—	—	801	—	153	954
Net gains recognised directly in equity	—	—	(130)	—	(40)	(170)	FRS 21(52(b))
Net profit	—	—	—	671	—	113	784
- As previously reported	3.6	—	—	—	16,459	856	17,315
- Effect of changes in accounting policies adjusted retrospectively	—	—	—	(622)	—	(622)	FRS 1(96)(a)
- As restated	—	—	—	15,837	856	16,693	—
Total recognised gains	—	—	671	15,837	969	17,477	FRS 1(96)(c)
Employee share option scheme:							
- Value of employee services	40(b)(i)	—	—	622	—	—	622
- Proceeds from shares issued	39	1,310	—	—	—	—	1,310
Share issue expense	39	(40)	—	—	—	—	(40)
Dividends relating to 2003 paid	42	—	—	(15,736)	(550)	(16,286)	FRS 1(97)(a)
Balance at 31 December 2004	33,294	—	6,203	56,109	1,761	97,367	FRS 1(97)(a)

An analysis of the movements in each category within "Revaluation and other reserves" is presented in Note 40.

The accompanying notes form an integral part of these financial statements.

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Changes in Equity

PwC Holdings Ltd and Its Subsidiaries
Consolidated Cash Flow Statement¹

for the financial year ended 31 December 2005

Reference

	Notes	2005 \$'000	2004 \$'000	FRS 7(1) SGX 1207(5)(c)
Cash flows from operating activities²				FRS 7(10,18(b))
Total profit		32,576	16,693	
Adjustments for:				FRS 7(20)(b-c)
- Tax	10	14,988	9,305	
- Amortisation, depreciation and impairment	6	23,204	10,877	
- Net gain on disposals of property, plant and equipment	5	(17)	(8)	
- Net loss on disposal of a subsidiary	8	945	–	
- Revaluation loss on investment properties	5	123	10	
- Interest income ³	5	(1,180)	(1,120)	
- Dividend income ³	5	(2,230)	(1,400)	
- Interest expense ³	9	9,651	9,520	
- Share of loss/(profit) from associated companies		174	(145)	
- Unrealised translation (gains)/losses ^{4,5}		(3,307)	1,576	
Operating cash flow before working capital changes		74,927	45,308	
Change in operating assets and liabilities ⁵ , net of effects from purchase and disposals of subsidiaries				FRS 7(20)(a)
- Inventories and construction work-in-progress		(6,789)	1,031	
- Trade and other receivables		(3,148)	(2,741)	
- Other financial assets at fair value through profit or loss		(3,232)	(500)	
- Other current assets		(334)	(142)	
- Trade and other payables		(9,482)	526	
- Provisions for liabilities and other charges		43	39	
Cash generated from operations ¹¹		51,985	43,521	
Interest received ³		35	13	FRS 7(31)
Interest paid ³		(8,985)	(9,574)	FRS 7(31)
Income tax paid ⁶		(14,517)	(10,974)	FRS 7(35)
Net cash provided by operating activities		28,518	22,986	
Cash flows from investing activities				FRS 7(10)
Acquisition of a subsidiary, net of cash acquired ⁷	13	(13,950)	–	FRS 7(21)
Proceeds from disposal of a subsidiary, net of cash disposed of	13	179	–	FRS 7(39)
Purchases of property, plant and equipment ⁸	30	(9,155)	(6,042)	FRS 7(16)(a)
Proceeds from disposals of property, plant and equipment		4,974	2,995	FRS 7(16)(b)
Purchases of intangible assets	31	(2,813)	(700)	FRS 7(16)(a)
Construction of a development property ⁹	28	(360)	(2,040)	FRS 7(16)(a)
Purchases of available-for-sale financial assets	17	(2,781)	(691)	FRS 7(16)(c)
Purchases of held-to-maturity financial assets	29	(529)	(372)	FRS 7(16)(c)
Loans granted to associated company		(1,343)	(547)	FRS 7(16)(e)
Loan repayments received from associated company		63	98	FRS 7(16)(f)
Dividends received ³		2,230	1,396	FRS 7(31)
Interest received ³		2,290	346	FRS 7(31)
Net cash used in investing activities		(21,195)	(5,557)	

Cash Flow Statement

Consolidated Cash Flow Statement¹

for the financial year ended 31 December 2005

Reference

	Notes	2005 \$'000	2004 \$'000	
Cash flows from financing activities				FRS 7(21)
Proceeds from issuance of ordinary shares		9,471	1,270	FRS 7(17)(a)
Proceeds from issuance of convertible bond		50,000	—	FRS 7(17)(a)
Proceeds from issuance of redeemable preference shares		—	30,000	FRS 7(17)(c)
Proceeds from borrowings		8,500	18,000	FRS 7(17)(c)
Purchase of treasury shares		(1,090)	—	FRS 7(17)(b)
Repayments of borrowings		(71,429)	(37,645)	FRS 7(17)(d)
Repayments of lease liabilities		(165)	(93)	FRS 7(17)(e)
Interest paid ³		(180)	(450)	FRS 7(31)
Dividends paid to shareholders		(10,102)	(15,736)	FRS 7(31)
Dividends paid to minority interest		(1,920)	(550)	FRS 7(31)
Net cash used in financing activities		(16,915)	(5,204)	
Net (decrease)/ increase in cash and cash equivalents		(9,592)	12,225	
Cash and cash equivalents at beginning of the financial year	13	29,748	17,587	FRS 7(45)
Effects of exchange rate changes ⁵ on cash and cash equivalents		(578)	(64)	FRS 7(28)
Cash and cash equivalents at end of the financial year	13	19,578	29,748	FRS 7(45)

The accompanying notes form an integral part of these financial statements.
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Consolidated Cash Flow Statement

for the financial year ended 31 December 2005

Reference

Guidance Notes

Consolidated Cash Flow Statement

Scope

- 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

- If the direct method is used, the disclosure of cash flows from operating activities should be presented as follows:

FRS 7(18)(a)
FRS 7 App A

	2005 \$'000	2004 \$'000
Cash flows from operating activities		
Cash receipts from customers	154,415	142,237
Cash paid to suppliers and employees	(102,430)	(98,716)
Cash generated from operations	<u>51,985</u>	<u>43,521</u>
Interest received	35	13
Interest paid	(8,985)	(9,574)
Income taxes paid	(14,517)	(10,974)
Net cash inflow from operating activities	<u>28,518</u>	<u>22,986</u>

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

Dividends and interests

- Cash flows from interest received and paid and dividends received 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(31-34)

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 operating assets and liabilities.

Foreign currency cash flows

- Cash flows arising from transactions in a foreign currency should be recorded in an enterprise's functional currency by applying to the foreign currency amounts, the exchange rates between the functional currency and the foreign currency at the dates of the cash flows. Cash flows of a foreign subsidiary should be translated using the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

Guidance Notes

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 for the year". 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(26)

Income taxes

6. Cashflows 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 class of activity, the total amount must be disclosed.

Acquisition and disposal of subsidiaries

7. The aggregate cash flows arising from acquisitions and from disposals of subsidiaries and other business units (net of cash and cash equivalent acquired or disposed of) should be presented separately and classified as investing activities. The total 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 13 to the financial statements.

FRS 7(35)

FRS 7(36)

FRS 7(39)
FRS 7(42)
FRS 7(40)**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 an example, please refer to disclosure Note 30 under Property, Plant and Equipment.

FRS 7(43)

Development properties

9. If the Company is in the business of developing properties for the purpose of sale, the development costs should be included in operating activities.

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

FRS 7(50)

Cash generated from operations

11. The cash generated from operations can also be disclosed in the notes to the financial statements.