

# JK YAMING INTERNATIONAL HOLDINGS LTD

## Unaudited Third Quarter Financial Statement

### PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

(i) Income Statement for first three quarter ended 30 September 2006

GROUP	THIRD QUARTER			FIRST NINE MONTHS		
	2006	2005	Increase / (Decrease)	2006	2005	Increase / (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	32,900	31,835	3.3	93,587	103,847	(9.9)
Cost of sales	(29,081)	(28,342)	2.6	(82,648)	(91,263)	(9.4)
Gross profit	3,819	3,493	9.3	10,939	12,584	(13.1)
Other income including interest income, net	205	113	81.4	1,079	609	77.2
Selling, general and administration expense	(3,024)	(2,526)	19.7	(10,244)	(7,964)	28.6
Profit before income tax	1,000	1,080	(7.4)	1,774	5,229	(66.1)
-Finance(cost)/income	(532)	98	N.M	(1,308)	(449)	191.3
-Share of loss of an associated company	-	(54)	N.M	-	(252)	N.M
Profit before income tax	468	1,124	(58.4)	466	4,528	(89.7)
Income tax expenses	(145)	(196)	(26.0)	(452)	(548)	(17.5)
Total profit	323	928	(65.2)	14	3,980	(99.6)
Attributable to:						
Equity holders of the Company	64	613	(89.6)	(328)	2,610	N.M
Minority interests	259	315	(17.8)	342	1,370	(75.0)
	323	928	(65.2)	14	3,980	(99.6)

N.M. : Not Meaningful.

(ii) Notes to Income Statement

GROUP	THIRD QUARTER			FIRST NINE MONTHS		
	2006	2005	Increase / (Decrease)	2006	2005	Increase / (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%

Depreciation and amortisation	1,270	1,271	(0.1)	3,895	3,582	8.7
Foreign exchange loss	226	74	205.4	393	127	209.4
Interest on borrowings	304	153	98.7	903	656	37.7
Interest income	(10)	(4)	150.0	(35)	(28)	25.0

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Balance Sheet	Group		Company	
	30.9.2006	31.12.2005	30.9.2006	31.12.2005
	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	40,862	40,862	40,862	40,862
Reserves	12,494	14,806	2,961	4,538
Share capital and reserves	53,356	55,668	43,823	45,400
Minority interests	11,801	12,812	-	-
	65,157	68,480	43,823	45,400
Represented by:-				
Non-Current Assets:				
Property, plant and equipment	49,367	51,275	1,714	1,721
Investment in subsidiaries	-	-	47,042	47,042
Investment properties	7,094	7,281	-	-
Other non-current assets	632	837	-	-
	57,093	59,393	48,756	48,763
Current Assets:				
Inventories	25,346	28,477	-	-
Trade receivables	20,450	20,039	-	-
Other receivables	5,763	5,319	2,033	1,630
Amount owing by related parties, trade	10,307	10,759	-	-
Amount owing by related parties, non-trade	64	300	-	-
Pledged deposits	201	138	-	-
Cash and cash equivalents	8,764	7,144	639	400
	70,895	72,176	2,672	2,030
Current Liabilities:				
Trade payables	20,352	19,020	-	-
Other payables	9,250	8,245	435	321
Amount due to related parties, trade	5,036	8,765	-	-
Amount due to related parties, non-trade	599	694	-	-
Borrowings	23,930	19,763	4,074	1,305

Current income tax liabilities	667	872	100	100
Payable to directors	114	323	113	323
	59,948	57,682	4,722	2,049
Net Current Assets	10,947	14,494	(2,050)	(19)
Non-Current Liabilities:				
Borrowings	2,883	5,407	2,883	3,344
Net Assets	65,157	68,480	43,823	45,400

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 30/9/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
S\$1,429,000	S\$ 22,501,000	S\$272,000	S\$ 19,491,000

**Amount repayable after one year**

As at 31/03/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
S\$2,883,000	-	S\$3,344,000	S\$2,063,000

**Details of any collateral**

- Included in the bank loans of the Group is an amount of approximately S\$3.5m, which is secured by a first legal mortgage over the Group's freehold building.
- Another bank loan amount approximately S\$0.6m is secured by a legal mortgage over an office building of a subsidiary which is valued at S\$0.4m.
- As at 30 September 2006, The Group provided guarantees of approximately S\$1.6m to a corporation in which one of the Company's directors has an interest. The corporation in return has guaranteed approximately S\$5.8m of the Group's bank borrowings.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Cash Flows for the First three quarter ended 30 September 2006.

GROUP	THIRD QUARTER		FIRST NINE MONTHS	
	2006	2005	2006	2005
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flow from operation activities</b>				
Profit before tax and minority interests	468	1,124	466	4,528
Adjustment for non-cash items				

Depreciation of property, plant & equipments	1,137	1,339	3,559	3,209
Amortisation of intangible assets	133	(68)	336	373
Share of loss from an associated company	-	54	-	252
Interest expense	304	153	903	656
Interest income	(10)	(4)	(35)	(28)
Loss on disposal of property, plant and equipment	6	-	46	-
Operating profit before working capital change	2,038	2,598	5,275	8,990
(Increase )/ decrease in				
- inventories	301	623	2,590	2,312
- trade receivables	2,125	(3,635)	(412)	(7,134)
- other receivables	(408)	702	(443)	2,106
- pledged deposits	(100)	-	(63)	-
- amount due from related parties	(2,279)	(1,650)	452	(1,293)
- long term receivable	-	-	-	-
- other non-current assets	(105)	(697)	(105)	(973)
Increase / (decrease) in				
- trade payable	(2,380)	88	1,332	3,270
- other payables	790	2,667	1,006	966
- amount due to related parties	1,612	(938)	(3,729)	(5,239)
- payable to directors	19	-	(210)	(241)
- effect of exchange rate change	1,365	(668)	287	876
Cash generated from operations	2,978	(910)	5,980	3,640
Interest received	10	4	35	28
Interest paid	(304)	(149)	(903)	(656)
Income tax paid	(67)	(77)	(675)	(286)
<b>Net cash provided/(used) by operating activities</b>	<b>2,617</b>	<b>(1,132)</b>	<b>4,437</b>	<b>2,726</b>
<b>Cash flow from investing activities</b>				
Acquisition of a subsidiary, net of cash acquired	-	(2,334)	-	(2,334)
Acquisition of an associated company	-	-	-	-
Proceeds from sales of property, plant & equipments	46	16	46	64
Payment for purchase of non-current assets	(1,079)	(491)	(1,946)	(5,686)
<b>Net cash used in investing activities</b>	<b>(1,033)</b>	<b>(2,809)</b>	<b>(1,900)</b>	<b>(7,956)</b>

<b>Cash flow from financing activities</b>				
Amount with related parties	45	(216)	141	458
Proceeds from minority interest	-	1,008	-	1,043
Payment of dividends to minority interest	-	-	(789)	-
Proceed from loan and borrowing	7,341	4,133	16,362	12,666
Repayment of borrowing	(6,110)	(1,255)	(14,196)	(7,093)
Dividend paid during the year	-	-	(2,435)	(2,435)
<b>Net cash provided/ (used) by financing activities</b>	<b>1,276</b>	<b>3,670</b>	<b>(917)</b>	<b>4,639</b>
Net increase/(decrease) in cash and cash equivalents	2,860	(271)	1,620	(591)
Cash and cash equivalents at beginning of period	5,904	7,315	7,144	7,635
<b>Cash and cash equivalents at end of period</b>	<b>8,764</b>	<b>7,044</b>	<b>8,764</b>	<b>7,044</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

GROUP	Group Figures							
	Share Capital	Other Reserve	Revaluation reserves	Statutory reserves	Translation adjustment account	Retained earnings	Minority Interest	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2005	40,862	6,372	-	1,084	(4,516)	8,560	12,027	64,389
Net gains not recognised in the income statement -Currency translation	-	-	-	-	1,288	-	663	1,951
Net profit for the period	-	-	-	-	-	1,997	1,054	3,051
Total recognised gains for the financial year	-	-	-	-	1,288	1,997	1,717	5,002
Transfer from retained profits to statutory reserves	-	-	-	681	-	(681)	-	-
Arising from acquisition of a subsidiaries	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	-	-	(2,435)	(1,456)	(3,891)
Balance as at 30 Jun 2005	40,862	6,372	-	1,765	(3,228)	7,441	12,288	65,500

Balance as at 1 Jul 2005	40,862	6,372	-	1,765	(3,228)	7,441	12,288	65,500
Net gains not recognised in the income statement -Currency translation	-	-	-	-	2,388	-	571	2,959
Net profit for the period	-	-	-	-	-	613	315	928
Total recognised gains for the financial year	-	-	-	-	2,388	613	886	3,887

Transfer from retained profits to statutory reserves	-	-	-	-	-	-	-	-	-
Arising from acquisition of a subsidiaries	-	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	-	-	-	-	-	-
Balance as at 30 Sep 2005	40,862	6,372	-	1,765	(840)	8,054	13,174	69,387	
Balance as at 1 Jan 2006	40,862	6,372	546	1,766	(2,664)	8,786	12,812	68,480	
Net loss not recognised in the income statement -Currency translation	-	-	-	-	(36)	-	(680)	(716)	
Net profit for the year	-	-	-	-	-	(392)	83	(309)	
Total recognised gains for the financial year	-	-	-	-	(36)	(392)	(597)	(1,025)	
Transfer from retained profits to statutory reserves	-	-	-	950	-	(950)	-	-	
Arising from acquisition of a subsidiaries	-	-	-	-	-	-	-	-	
Dividend paid during the year	-	-	-	-	-	(2,435)	(789)	(3,224)	
Balance as at 30 Jun 2006	40,862	6,372	546	2,716	(2,700)	5,009	11,426	64,231	
Balance as at 1 Jul 2006	40,862	6,372	546	2,724	(2,700)	5,009	11,426	64,239	
Net gains not recognised in the income statement -Currency translation	-	-	-	-	479	-	116	595	
Net profit for the year	-	-	-	-	-	64	259	323	
Total recognised gains for the financial year	-	-	-	-	479	64	375	918	
Transfer from retained profits to statutory reserves	-	-	-	-	-	-	-	-	
Arising from acquisition of a subsidiaries	-	-	-	-	-	-	-	-	
Dividend paid during the year	-	-	-	-	-	-	-	-	
Balance as at 30 Sep 2006	40,862	6,372	546	2,724	(2,221)	5,073	11,801	65,157	

COMPANY	Company Figures		
	Share Capital	Retained Profits	Total Equity
	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2005	40,862	6,043	46,905
Dividend paid during the year	-	(2,435)	(2,435)
Net profit for the period	-	2,239	2,239
Balance as at 30 Jun 2005	40,862	5,847	46,709
Balance as at 1 Jul 2005	40,862	5,847	46,709
Dividend paid during the year	-	-	-
Net loss for the period	-	(193)	(193)
Balance as at 30 Sep 2005	40,862	5,654	46,516

Balance as at 1 Jan 2006	40,862	4,538	45,400
Dividend paid during the year	-	(2,435)	(2,435)
Net profit for the period	-	1,281	1,281
Balance as at 30 Jun 2006	40,862	3,384	44,246
Balance as at 1 Jul 2006	40,862	3,384	44,246
Dividend paid during the period	-	-	-
Net loss for the period	-	(423)	(423)
Balance as at 30 Sep 2006	40,862	2,961	43,823

Non-distribution reserves represent amounts set aside in compliance with local laws in People's Republic of China ("PRC") where the Group operates. The amounts comprise enterprise expansion fund and general reserve fund.

**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.**

Following the amendments to the Companies Act (The Companies (Amendment) Act 2005") on 30 January 2006, any amounts standing to the credit of the Company's share premium account and capital redemption reserve account shall become part of the Company's share capital. Accordingly, the share premium account has been combined into the share capital account.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by our 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 applied the same accounting policies and method of computation in the financial statements for the current financial period compared to the audited financial statements for the financial year ended 31 December 2005.

**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**

Not Applicable.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

GROUP	THIRD QUARTER		FIRST NINE MONTHS	
	2006	2005	2006	2005
(i) Based on the weighted average number of ordinary shares on issue	0.03 cents	0.30 cents	-0.16 cents	1.29cents
(ii) On a fully diluted basis	N.A.	N.A.	N.A.	N.A.
Weighted average number of ordinary shares on issue applicable to basic earnings per share	202,948,180	202,948,180	202,948,180	202,948,180

\* The company does not have any dilutive instruments as at 30 Septembers 2006 and 30 September 2005.

**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 period reported on and (b) immediately preceding financial year.**

GROUP	Group		Company	
	30.9.2006	31.12.2005	30.9.2006	31.12.2005
Net asset value per ordinary share at the end of the financial period	26.3cents	27.4 cents	21.6 cents	22.4 cents

**Note:**

Net asset values per ordinary share as at 30 September 2006 and 31 December 2005 were calculated based on the number of shares on issue of 202,948,180 of S\$0.20 each.

**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.

**THIRD QUARTER**

Group revenue for the third quarter ended 30 September 2006 rose marginally by 3.3% to S\$ 32.9m from S\$31.8m for the same period last year.

The increase in turnover was due to the improved sales of multi-layer ceramic heater to S\$900,000 from S\$250,000 for the same period last year. The sales of wire harness products to Japan continue to be weak and drop by 11% to S\$20,834,600 from S\$21,760,000 for the same period last year.

Gross margin improved slightly from 11% in the previous quarter to 11.6% for the third quarter 2006 largely due to the increase sales in the new aluminum wire electrical ballast which have a lower material cost compare with the copper wire electrical ballast.

The Group's profit before tax drop from S\$1.12m in 2005 to S\$468,000 for the third quarter 2006 due to the following reasons:

- 1) Selling and administration expenses rose 20% due to increase in wages and legal costs in defending a legal suit in USA.
- 2) Finance cost increased due to increase in borrowing cost of S\$151,000 as the average interest rate has increased from 4.77% to 5.28% and higher exchange loss as compare to the same period last year resulted from strengthening Chinese RMB against its receivable in Japanese Yen and US dollar.

The Group achieved a net profit after tax of S\$323,000 in the third quarter as compare to the net profit after tax of S\$928,000 in the same period last year. This is an improvement compare with the second quarter net loss of S\$942,000.

### **FIRST NINE MONTHS**

Group revenue for the nine months ended 30 September fell by 9.9% to S\$ 93.6m as compare to S\$103.8m in the same period last year. The reason for the reduction were largely due to 17% decline in sales of wire harness product to Japan from S\$66.0m in the nine months of 2005 to S\$54.8m in nine months of 2006 and the lower sales in the capacitor products by 16.3% from S\$13.6m to S\$11.4m,

With the high copper material cost, the gross profit margin for the first nine months of 2006 reduced to 11.7% as compared to 12.1% in the previous corresponding period. Gross profit for the Group reduced from S\$12.6m to S\$10.9m for the nine months.

Pre-tax profit for the Group reduced by 89.7% to S\$0.47m from S\$4.52m for the nine months period attributed to higher administration expenses, legal expenses and finance cost due to increase in interest rates and foreign exchange losses. The Group achieved net profit after tax of S\$14,000 for the nine months of FY2006 compared with S\$3,980,000 in the pervious period after accounting for S\$452,000 income tax expenses.

The Group's overall cash and cash equivalents increased by 22.7% from S\$7.1m in 31 December 2005 to S\$8.8m in 30 September 2006 and inventories stock has been reduced from S\$28.5m to S\$25.3m

The Group's total borrowings increased by S\$1.6m from S\$25.2m to S\$26.8m for the purchase of new plant and equipment.

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

The Group made a profit guidance announcement on 4th May 2006 and a profit warning announcement on 1 August 2006. Under the difficult business environment with high material costs and additional legal costs in defending a legal suit in USA, the Group's result for the nine months period has been substantially lower than the corresponding period in 2005.

**10. A commentary at the date of the announcement of the 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.**

High cost of raw material such as high price of copper, a widely used material in electrical and wire harness products, has continue to extend pressure in our sales and profit margin for the electrical lighting and wire harness products.

The management in addressing the high cost of material has embarked with R & D efforts and has recently achieved successfully in new electrical ballast with substituting copper wire material with aluminum wire. We have seen improved sales in aluminum wire ballast in the recent months. With our newly developed products such as multi-layer ceramic heater, HID electronic ballast and Induction lamp, we hope to see revenue growth for the next 12 months.

**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 / recommended, a statement to that effect.**

No dividend has been declared or recommended for the first three quarters ended 30 September 2006.

**13. Interested Person Transactions for the Financial Period Ended 30 September 2006.**

Aggregate value of all transactions conducted under a shareholders' mandate approved at the AGM on 26 April 2006 pursuant to Rule 920 of the SGX-ST Listing Manual.

	2006 S\$'000	2005 S\$'000
Juan Kuang Holdings Sdn Bhd	521	617
Juan Kuang Pte Ltd	181	193

**14. Confirmation by the Board**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to its attention of which may render the third quarter 2006 financial results to be false or misleading.

**BY ORDER OF THE BOARD**

Ang Chiong Chai  
Executive Chairman  
07/11/2006