

Financial Statements for the Financial Period Ended 31 December 2005

PART I - 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

On 20 December 2005, the Company announced that it would be changing its financial year from 30 June to 31 December.

	The Group		Change %	12 months ended 30-Jun-05 \$'000
	6 months ended 31-Dec-05 \$'000	6 months ended 31-Dec-04 \$'000		
Revenues				
Sale of goods (net of returns & discounts)	26,025	18,697	39.2%	38,129
Other income	42	137	-69.3%	308
Total revenues	26,067	18,834	38.4%	38,437
Costs and expenses				
Cost of sales	(20,448)	(14,111)	44.9%	(28,924)
Distribution and selling expenses	(1,635)	(1,116)	46.5%	(2,351)
Administrative expenses	(2,527)	(1,935)	30.6%	(3,749)
Other operating expenses	(103)	(86)	19.8%	(226)
Profit from operating activities	1,354	1,586	-14.6%	3,187
Financial income	155	27	474.1%	77
Financial expenses	(43)	(370)	-88.4%	(180)
Profit before taxation	1,466	1,243	17.9%	3,084
Taxation	(392)	(226)	73.5%	(594)
Profit after taxation	1,074	1,017	5.6%	2,490

Note on profit from operating activities

Profit from operating activities is determined after charging/(crediting) the following:

Depreciation of fixed assets	1,610	1,148	2,395
Bad debts written off	22	-	-
Fixed assets written off	6	-	7
Write-back of provision for doubtful trade debts	(40)	(6)	(95)
Provision/(write-back of provision) for stock obsolescence	9	(126)	(137)
(Gain)/loss on foreign exchange (net)	(91)	338	118
Gain on disposal of fixed assets (net)	(40)	-	(123)
Provision/(write-back of provision) for impairment in value of club membership	5	(7)	(7)

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

	The Group		The Company	
	As at 31-Dec-05 \$'000	As at 30-Jun-05 \$'000	As at 31-Dec-05 \$'000	As at 30-Jun-05 \$'000
Non-Current Assets				
Fixed assets	38,046	32,953	12,173	12,766
Investment in subsidiary	-	-	7,391	7,391
Other investments	37	42	37	42
Loan to subsidiary	-	-	8,428	7,708
	38,083	32,995	28,029	27,907
Current Assets				
Inventories	4,970	5,924	2,366	3,121
Trade debtors	9,529	8,027	2,513	2,935
Other debtors, deposits & prepayments	249	302	136	92
Due from subsidiary (non-trade)	-	-	882	654
Short-term investment	1,414	2,669	1,414	2,669
Cash and bank balances	2,316	3,101	1,186	1,079
Fixed deposits, unsecured	6,451	1,250	2,000	1,250
	24,929	21,273	10,497	11,800

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	The Group		The Company	
	As at 31-Dec-05 \$'000	As at 30-Jun-05 \$'000	As at 31-Dec-05 \$'000	As at 30-Jun-05 \$'000
Current Liabilities				
Trade creditors	5,107	4,831	556	749
Bills payable (secured)	5,834	2,311	-	74
Short term loan	412	942	-	-
Other creditors & accruals	3,599	3,240	1,394	1,308
Provision for taxation	1,050	970	849	902
	16,002	12,294	2,799	3,033
Net Current Assets	8,927	8,979	7,698	8,767
Non-Current Liabilities				
Deferred tax liability, net	3,626	2,360	2,262	2,360
Net Assets	43,384	39,614	33,465	34,314
Capital and Reserves				
Share capital	31,440	31,440	31,440	31,440
Accumulated profits	1,506	2,808	1,203	2,138
Capital Reserve	3,745	2,736	-	-
Reserve Fund	938	829	-	-
Revaluation reserve	4,599	736	822	736
Translation reserve	1,156	1,065	-	-
Total Equity	43,384	39,614	33,465	34,314

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

	As at 31/12/2005		As at 30/06/2005	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	412	-	942	-
Amount repayable after one year	-	-	-	-

Details of any collateral

The Group's short term loan is secured by a mortgage over leasehold land and certain buildings of the Subsidiary with a net book value of approximately \$11.3 million.

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

	The Group		
	6 months ended 31-Dec-05 \$'000	6 months ended 31-Dec-04 \$'000	12 months ended 30-Jun-05 \$'000
Cash flows from operating activities			
Profit before taxation	1,466	1,243	3,084
Adjustments for:			
Depreciation of fixed assets	1,610	1,148	2,395
Fixed assets written off	6	-	7
Bad debts written off	22	-	-
Gain on disposal of fixed assets	(40)	-	(123)
Provision/(write-back of provision) for impairment in value of club membership	5	(7)	(7)
Write-back of provision for doubtful trade debts	(40)	(6)	(95)
Provision/(write-back of provision) for stock obsolescence	9	(126)	(137)
Interest expense	25	9	21
Interest income	(47)	(27)	(77)
Net effect of exchange differences	(101)	264	42
Operating profit before working capital changes	2,915	2,498	5,110
Stocks	947	101	(1,522)
Trade and other debtors, prepayments and deposits	(1,432)	456	(2,145)
Trade and other creditors and accruals	4,159	352	4,757
Cash generated from operations	6,589	3,407	6,200
Interest paid	(25)	(9)	(21)
Income taxes paid	(441)	(347)	(643)
Net cash generated from operating activities	6,123	3,051	5,536

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Cash flows from investing activities

Interest received	47	27	77
Purchase of fixed assets	(1,362)	(2,000)	(5,166)
Proceeds from sale of fixed assets	141	-	158
Net cash used in investing activities	(1,174)	(1,973)	(4,931)

Cash flows from financing activities

(Repayment of)/Proceed from short-term loan	(530)	(416)	526
Payment of dividends to shareholders	(1,258)	(3,773)	(3,773)
Net cash used in financing activities	(1,788)	(4,189)	(3,247)

Net increase/(decrease) in cash and cash equivalents

	3,161	(3,111)	(2,642)
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Cash and cash equivalents at 30 June

	7,020	9,662	9,662
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Cash and cash equivalents at 31 December

	10,181	6,551	7,020
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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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share capital \$'000	Acc profits \$'000	Capital reserve \$'000	Revaluation reserve \$'000	Reserve fund \$'000	Translation reserve \$'000	Total \$'000
Group							
Balance as at 1 July 2004	31,440	6,632	254	736	769	1,316	41,147
Appropriation to reserve fund	-	(60)	-	-	60	-	-
Currency translation differences	-	-	-	-	-	(666)	(666)
Net profit for the period	-	1,017	-	-	-	-	1,017
Dividends	-	(3,773)	-	-	-	-	(3,773)
Balance as at 31 December 2004	31,440	3,816	254	736	829	650	37,725
Currency translation differences	-	-	-	-	-	415	415
Net profit for the period	-	1,474	-	-	-	-	1,474
Capitalisation of retained earnings of the subsidiary	-	(2,482)	2,482	-	-	-	-
Balance as at 1 July 2005	31,440	2,808	2,736	736	829	1,065	39,614
Appropriation to reserve fund	-	(109)	-	-	109	-	-
Revaluation of leasehold land & building	-	-	-	3,863	-	-	3,863
Currency translation differences	-	-	-	-	-	91	91
Net profit for the period	-	1,074	-	-	-	-	1,074
Dividends	-	(1,258)	-	-	-	-	(1,258)
Capitalisation of retained earnings of the subsidiary	-	(1,009)	1,009	-	-	-	-
Balance as at 31 December 2005	31,440	1,506	3,745	4,599	938	1,156	43,384
Company							
Balance as at 1 July 2004	31,440	4,090	-	736	-	-	36,266
Net profit for the period	-	448	-	-	-	-	448
Dividends	-	(3,773)	-	-	-	-	(3,773)
Balance as at 31 December 2004	31,440	765	-	736	-	-	32,941
Net profit for the period	-	1,373	-	-	-	-	1,373
Balance as at 1 July 2005	31,440	2,138	-	736	-	-	34,314
Revaluation of leasehold land & building	-	-	-	86	-	-	86
Net profit for the period	-	323	-	-	-	-	323
Dividends	-	(1,258)	-	-	-	-	(1,258)
Balance as at 31 December 2005	31,440	1,203	-	822	-	-	33,465

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 are no 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.

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 and equivalent standard)

The figures have not been audited or reviewed.

Financial Statements for the Financial Period Ended 31 December 2005**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 methods of computation in the financial statements for the current accounting period as compared to the audited financial statements for the year ended 30 June 2005 except that on 1 July 2005, the Group has adopted the following Financial Reporting Standards mandatory for financial periods beginning on or after 1 January 2005:

- FRS 39, Financial Instrument: Recognition and Measurement
- FRS 102, Share-based Payment
- FRS 103, Business Combinations, including amendments to FRS 36 (revised), Impairment of Assets and FRS 38 (revised), Intangible Assets
- FRS 105, Non-Current Assets Held for Sale and Discontinued Operations

The adoption of these new accounting standards have no material impact to the financial statements.

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

	<u>31-Dec-05</u>	<u>31-Dec-04</u>	<u>30-Jun-05</u>
Basic earnings per ordinary share (in cents)	0.68	0.65	1.58
Diluted earnings per ordinary share (in cents)	0.68	0.65	1.58

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

	<u>The Group</u>		<u>The Company</u>	
	<u>31-Dec-05</u>	<u>30-Jun-05</u>	<u>31-Dec-05</u>	<u>30-Jun-05</u>
Net asset value per ordinary share based on issued share capital of the Company (in cents)	27.60	25.20	21.29	21.83

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

(a) Subsequent to the sale of a majority stake by the Group's 2 major shareholders to PSC Corporation Ltd. in October 2005, the Company announced that it would be changing its financial year-end from 30 June to 31 December to be conterminous with that of PSC Corporation Ltd.

Group turnover for the financial period ended 31 December 2005 increased \$7.3 million or 39.2% from \$18.7 million to \$26.0 million as compared to the previous corresponding period. This was mainly contributed by increase in sales in the China operations.

The increase in turnover was offset by a \$6.3 million increase in cost of sales, attributed to the increase in raw materials prices and the higher depreciation cost of new machines in the China operations. The \$0.5 million increase in selling and distribution expenses was attributed to the increase in sales administration costs in China. Administration costs increased \$0.6 million, mainly due to a one-time expense of \$0.3 million pertaining to the takeover exercise and a general increase of \$0.3 million in administrative expenses in China. The net effect of exchange differences on the USD loan resulted in an exchange gain of \$0.1 million as compared to an exchange loss of \$0.3 million in the previous corresponding period. As a result, group profit before tax increased \$0.2 million or 17.9% as compared to the previous corresponding period.

(b) The value of the Group's fixed assets increased \$5.1 million, mainly due to a revaluation of the leasehold land and building \$5.2 million, net off by an accumulated depreciation of \$1.6 million and a capital expenditure of \$1.4 million for the expansion of China operations.

Despite the Company's dividend payout of \$1.3 million and a capital expenditure of \$1.4 million, a \$6.1 million cash generated from operations led to an increase in cash and cash equivalents of \$3.2 million.

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

The results are in line with our full-year results announcement dated 26 August 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

Going forward, the Group will intensify its marketing effort and maximise its utilisation of production capacity in China operations. This is expected to result in revenue improvements and profit contribution from China.

Financial Statements for the Financial Period Ended 31 December 2005**11. Dividend****(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? Nil

Name of Dividend	N.A.
Dividend Type	N.A.
Dividend Rate	N.A.
Par value of shares	N.A.
Tax Rate	N.A.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Rate	5%
Par value of shares	\$0.20 / share
Tax Rate	20%

(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/recommended in the current financial period reported on and in the corresponding period of the immediately preceding financial year.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)****13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year***1 July 2005 to 31 December 2005*

	Singapore \$'000	PRC \$'000	Eliminations \$'000	Total \$'000
Turnover	<u>8,988</u>	<u>17,037</u>	<u>-</u>	<u>26,025</u>
Segment results	334	1,020	-	1,354
Financial expense - net				112
Taxation				(392)
Net profit for the period				<u>1,074</u>
Assets	38,527	41,426	(16,941)	<u>63,012</u>
Liabilities	1,951	14,075	(1,074)	14,952
Unallocated liabilities				<u>4,676</u>
Total liabilities				<u>19,628</u>
Capital expenditure	37	1,325	-	1,362
Depreciation	638	972	-	1,610

1 July 2004 to 31 December 2004

	Singapore \$'000	PRC \$'000	Eliminations \$'000	Total \$'000
Turnover	<u>9,291</u>	<u>9,406</u>	<u>-</u>	<u>18,697</u>
Segment results	835	751	-	1,586
Financial expense - net				(343)
Taxation				(226)
Net profit for the period				<u>1,017</u>
Assets	38,224	22,952	(14,322)	<u>46,854</u>
Liabilities	2,067	4,483	(680)	5,870
Unallocated liabilities				<u>3,259</u>
Total liabilities				<u>9,129</u>
Capital expenditure	100	1,900	-	2,000
Depreciation	657	491	-	1,148

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1 July 2004 to 30 June 2005

	Singapore \$'000	PRC \$'000	Eliminations \$'000	Total \$'000
Turnover	18,730	19,399	-	38,129
Segment results	2,171	1,016	-	3,187
Financial expense - net				(103)
Taxation				(594)
Net profit for the period				2,490
Assets	39,707	30,552	(15,992)	54,267
Liabilities	2,131	10,029	(836)	11,324
Unallocated liabilities				3,330
Total liabilities				14,654
Capital expenditure	253	5,036	(123)	5,166
Depreciation	1,337	1,058	-	2,395

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

China operations improved significantly. Turnover of the Subsidiary for the six months period doubled as compared to the prior corresponding period.

15. A breakdown of sales

	The Group			% Increase/Decrease
	Latest Period \$'000	Previous Corresponding Period \$'000		
Sales reported for first half year	26,025	18,697		39.2%
Profit after tax reported for first half year	1,074	1,017		5.6%
Sales reported for second half year	N.A.	19,432		N.A.
Profit after tax reported for second half year	N.A.	1,473		N.A.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend	Latest Full Year 01/07/05 to 31/12/05 \$'000	Previous Full Year 01/07/04 to 30/06/05 \$'000
Ordinary	-	1,258
Preference	-	-
Total	-	1,258

BY ORDER OF THE BOARD

Loh See Moon
Managing Director
13 February 2006