

NeoCorp International Ltd
Co. Reg No.: 198902648H
Half Year Financial Statement And Dividend Announcement for the Period Ended 31 May 2005

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

	Group 31/05/2005 \$ 000	Group 31/05/2004 \$ 000	Change %
Revenue	21,241	32,595	(34.83)
Other income	574	454	26.43
Cost of sales	(24,674)	(30,194)	(18.28)
Management and administrative payroll costs	(1,937)	(1,963)	(1.32)
Depreciation	(1,003)	(1,186)	(15.43)
Other operating expenses	(2,233)	(2,622)	(14.84)
Total operating expenses	(29,847)	(35,965)	
Loss from operating activities	(8,032)	(2,916)	175.45
Finance costs	(271)	(213)	27.23
Amortisation of goodwill	-	(240)	NM
Gain on deconsolidation of a subsidiary	2,090	-	NM
Loss before income tax	(6,213)	(3,369)	84.42
Income tax	(91)	(168)	(45.83)
Loss after income tax	(6,304)	(3,537)	78.23
Minority interests	-	75	NM
Loss attributable to shareholders	(6,304)	(3,462)	82.09

“NM” denotes “Not Meaningful”

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.

	Group 31/05/2005 \$ 000	Group 30/11/2004 \$ 000	Company 31/05/2005 \$ 000	Company 30/11/2004 \$ 000
Non-current assets				
Fixed assets	16,422	18,829	6	3
Subsidiary companies	-	-	24,668	24,668
Goodwill	9,258	9,258	-	-
Current assets				
Stocks	392	383	-	-
Amount due from customers for contract work	8,785	9,667	-	-
Trade debtors	7,524	12,071	-	-
Other debtors	2,069	2,056	305	92
Amount due from subsidiary companies	-	-	92	75
Fixed deposits	255	485	-	-
Cash and bank balances	641	490	111	66
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	19,666	25,152	508	233
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Current liabilities				
Trade creditors and accruals	19,695	20,818	242	136
Amount due to customers for contract work	218	341	-	-
Other creditors	1,271	1,394	281	172
Amount due to subsidiary companies	-	-	7,839	6,947
Provision for corporate guarantee given to a subsidiary company's creditor	442	663	442	663
Hire-purchase creditors	143	755	-	-
Bank borrowings	5,993	4,803	-	-
Provision for income tax	71	209	16	16
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	27,833	28,983	8,820	7,934
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Net current liabilities	(8,167)	(3,831)	(8,312)	(7,701)
Non-current liabilities				
Hire-purchase creditors	5	284	-	-
Bank borrowings	3,310	3,485	-	-
Deferred taxation	249	249	-	-
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	3,564	4,018	-	-
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	13,949	20,238	16,362	16,970
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Capital and reserves				
Share capital	29,525	29,525	29,525	29,525
Reserves	(15,576)	(9,287)	(13,163)	(12,555)
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	13,949	20,238	16,362	16,970
Minority interests				
	-	-	-	-
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	13,949	20,238	16,362	16,970
	=====	=====	=====	=====

**1(b)(ii) Aggregate amount of the group's borrowings and debt securities.
Amount repayable in one year or less, or on demand**

As at 31/05/2005		As at 30/11/2004	
Secured	Unsecured	Secured	Unsecured
5,992,862	0	4,803,091	0

Amount repayable after one year

As at 31/05/2005		As at 30/11/2004	
Secured	Unsecured	Secured	Unsecured
3,310,000	0	3,485,000	0

Details of any collateral

The bank overdrafts and term loan facilities are secured by legal mortgages on leasehold land and factory building :-

- (a) at 31 Changi South Ave 2, Singapore 486476,
- (b) at 21 Senoko Drive, Singapore 758153,
- (c) at 61 Defu Lane 12, Singapore 539147,
- (d) an assignment on a subsidiary's certain project receivables,
- (e) a corporate guarantee by NeoCorp International Ltd, and
- (f) deed of assignment of the rental proceeds over the leasehold factory building.

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

	Group 31/05/2005 \$ 000	Group 31/05/2004 \$ 000
Cash flows from operating activities:		
Loss before income tax	(6,213)	(3,369)
Adjustments for:		
Depreciation of fixed assets	1,003	1,186
Amortisation of goodwill	-	240
Gain on disposal of fixed assets	(296)	(10)
Loss on disposal of investments	2	-
Interest expense	271	213
Interest income	(2)	(5)
Gain on deconsolidation of a subsidiary	(2,090)	-
Currency translation adjustments	(13)	(9)
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Operating loss before reinvestment in working capital	(7,338)	(1,754)
(Increase)/decrease in stocks	(9)	(1)
Net (increase)/decrease in contract work-in-progress	790	(6,148)
(Increase) / decrease in debtors	4,234	1,632
Increase / (decrease) in creditors	1,058	2,311
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Cash used in operations	(1,265)	(3,960)
Interest income received	2	5
Interest paid	(271)	(213)
Income tax paid	(186)	(143)
Decrease in provision for corporate guarantee given to a subsidiary company's creditor	(220)	-
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Net cash used in operating activities	(1,940)	(4,311)
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Cash flows used in investing activities:		
Purchase of fixed assets	(52)	(177)
Proceeds from disposal of fixed assets	1,749	44
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Net cash from / (used in) investing activities	1,697	(133)
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Cash flows from financing activities:		
Proceeds from issue of shares	-	2,386
Repayment of hire-purchase creditors	(891)	(566)
Proceeds from bank borrowings	726	1,910
Repayment of bank borrowings	(175)	(125)
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Net cash (used in) / from financing activities	(340)	3,605
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Net decrease in cash and bank balances	(583)	(839)
Cash and bank balances at beginning of year	1,479	2,301
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Cash and bank balances at end of period	896	1,462
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1(d)(i) A statement (for the issuer and the 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.

Group	Share capital \$ 000	Foreign currency translation reserves \$ 000	Share premium \$ 000	Accumulated losses \$ 000	Capital reserves \$ 000	Total \$ 000
Balance as at 1 December 2003	27,139	269	2,020	(2,363)	(3,756)	23,309
Issue of 39,770,667 Ordinary shares of \$0.06 each at par through private placement	2,386	-	-	-	-	2,386
Expenses relating to the Acquisition	-	-	(93)	-	-	(93)
Foreign currency translation adjustment	-	56	-	-	-	56
Movement in deferred tax liability from revaluation of leasehold factory building	-	-	-	-	(152)	(152)
Loss for the year	-	-	-	(5,268)	-	(5,268)
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Balance as at 30 November 2004	29,525	325	1,927	(7,631)	(3,908)	20,238
Foreign currency translation adjustment	-	15	-	-	-	15
Loss for the period	-	-	-	(6,304)	-	(6,304)
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Balance as at 31 May 2005	29,525	340	1,927	(13,935)	(3,908)	13,949
	=====	=====	=====	=====	=====	=====

Company	Share capital \$ 000	Share premium \$ 000	Accumulated losses \$ 000	Total \$ 000
Balance as at 1 December 2003	27,139	2,020	(13,193)	15,966
Issue of 39,770,667 ordinary shares of \$0.06 each at par through private placement	2,386	-	-	2,386
Expenses relating to the Acquisition	-	(93)	-	(93)
Loss for the year	-	-	(1,289)	(1,289)
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Balance as at 30 November 2004	29,525	1,927	(14,482)	16,970
Loss for the period	-	-	(608)	(608)
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Balance as at 31 May 2005	29,525	1,927	(15,090)	16,362
	=====	=====	=====	=====

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 purposes since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all 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 were no changes to the company's share capital during the financial period ended 31 May 2005.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed. They have been examined in accordance with Rule 25.3 of the Singapore Code on Takeovers & Mergers.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 adopted the same accounting policies and methods of computation for the current financial period as those for the financial year ended 30 November 2004.

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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group 31/05/2005 cents	Group 30/11/2004 cents
Based on weighted average number of ordinary shares in issue	(1.28)	(1.07)
On fully diluted basis	(1.28)	(1.07)

Earnings per share is calculated based on the net profit attributable to shareholders divided by the weighted average number of shares.

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

	Group 31/05/2005 cents	Group 30/11/2004 cents	Company 31/05/2005 cents	Company 30/11/2004 cents
Net asset value per ordinary share (cents)	2.83	4.11	3.33	3.45

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.**

For the period under review, Group's turnover decreased by 34.8% from \$32.6 million to \$21.2 million as the construction industry in Singapore has not recovered.

Although the Group's subsidiary, Presscrete Engineering Pte Ltd, and overseas projects were profitable, overall, the Group's gross margin was severely affected by increases in prices of building materials and supplies, and unexpected cost overruns, particularly in three large projects undertaken by the Group's subsidiary, NeoCorp Innovations Pte Ltd.

As a result, the Group's loss from operating activities increased to \$8.0 million from \$2.9 million.

This loss was partially offset by the gain of \$2.1 million on deconsolidation of its 85% owned subsidiary, Adventure Training Systems (Asia-Pacific) Pte Ltd, which was ordered by the High Court to be wound up.

After deducting finance costs, depreciation, taxation and minority interests, loss attributable to shareholders was \$6.3 million.

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

No forecast or a prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and 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.

The local construction industry is likely to remain difficult for the rest of the year. While pursuing viable projects locally, the Group continues to seek construction-related business opportunities in overseas market to reduce its dependence on the local market.

The Company's appeal against the award of the High Court to Standard Chartered Bank for the amount of approximately \$1.7 million plus interest and cost has been scheduled for hearing in the Court of Appeal in the week beginning 22 August 2005.

The Group has an outstanding debt of \$1.5 million due from Neo Corporation Pte Ltd (in liquidation) ("NCPL") secured by a registered floating charge over formworks belonging to NCPL. The liquidator of NCPL commenced action to set aside the charge but the action was struck out and/or dismissed by the High Court. The liquidator is appealing this decision.

The proposed merger with Yoma Strategic Investments Ltd ("Yoma") is pending approval of the relevant authorities and shareholders. The Yoma group of companies is principally engaged in investment holding, property development, construction and piling services, and property project management in Myanmar. The proposed merger is expected to provide increased profitability, entry into the overseas real estate market, enhanced resources to pursue additional business opportunities and synergistic leverage on each partner's strengths.

11. Dividends

(a) Current Financial Period reported On

Any dividend declared for the current financial period reported on ?. None.

(c) 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 / recommended during the financial year ended.

PART II – ADDITIONAL INFORMATION FOR FULL YEAR ANNOUNCEMENT

13. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

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.**
15. **A breakdown of sales.**
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 (refer to Para 16 of Appendix 7.2 for the required details)

	Latest full Year (S\$ 000)	Previous Full Year (S\$ 000)
Ordinary	0	0
Preference	0	0
Total	0	0

BY ORDER OF THE BOARD

Lim Dow Kean
Company Secretary
15 July 2005