

SHINING CORPORATION LTD

Half Year Financial Statement And Dividend Announceme for the Period Ended 31/06/2004

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.

	6 months ended 30 June 2004	6 months ended 30 June 2003
	S\$'000	S\$'000
Turnover	13,591	25,860
Cost of Projects	(7,107)	(19,159)
Cost of Goods Sold	(3,932)	(4,155)
Personnel Expenses	(1,685)	(2,061)
Depreciation of fixed assets	(315)	(331)
Other operating expenses	(1,018)	(1,068)
Loss from operations	(466)	(914)
Financial expenses , net	(424)	(456)
Loss before tax	(890)	(1,370)
Tax	1	244
Loss after tax	(889)	(1,126)
Loss before tax after charging (crediting) the following:		
Provision for doubtful debts	-	(4)
Provision for slow-moving stock	-	15
Provision for diminution in quoted investment	2	-
Depreciation of fixed assets	315	331

Dividend income from quoted investment	-	(1)
Gain on disposal of fixed assets	-	(17)
Foreign exchange loss, net	3	139
Tax written back	(1)	(244)
Liquidated damage written back, net	(172)	(118)
Interest expense and bank charges	424	456

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 Sheets as at 30 June 2004	Group		Company	
	30-Jun-04	31-Dec-03	30-Jun-04	31-Dec-03
	S\$ ' 000	S\$ ' 000	S\$ ' 000	S\$ ' 000
SHARE CAPITAL & RESERVES				
Share Capital	(12,300)	(12,300)	(12,300)	(12,300)
Reserves	1,625	736	(656)	(625)
	(10,675)	(11,564)	(12,956)	(12,925)
Represented by:				
Property, plant and equipment	21,695	22,007	-	-
Investment in subsidiaries	-	-	9,300	9,300
Quoted Investments	65	68	-	-
Retention sums receivable	1,144	651	-	-
Current assets				
Trade Debtors	5,650	6,122	-	-
Other debtors and prepayment	144	390	1	1
Stocks	3,734	4,424	-	-
Work-in-progress	3,529	3,882	-	-
Due from subsidiaries (trade)	-	-	524	403
Due from subsidiaries (non-trade)	-	-	3,643	3,643
Due from affiliated companies (trade)	1,235	1,337	-	-
Fixed deposits	11	11	-	-
Cash and bank balances	33	159	10	6
	14,336	16,325	4,178	4,053

Less:				
Current liabilities				
Trade creditors	(9,790)	(9,034)	-	-
Bills Payable	(2,206)	(2,654)	-	-
Other creditors and accruals	(1,208)	(1,299)	(221)	(248)
Provision for liquidated damages	(105)	(577)	-	-
Lease obligations (current portion)	(2)	(19)	-	-
Due to subsidiaries (non-trade)	-	-	(301)	(180)
Due to affiliated companies (trade)	(273)	(556)	-	-
Due to affiliated companies (non-trade)	(278)	(188)	-	-
Provision for taxation	-	-	-	-
Bank Overdraft (secured)	(2,466)	(2,751)	-	-
Term Loan - current (secured)	(1,287)	(1,282)	-	-
	(17,616)	18,360	(522)	(428)
Net current (liabilities)/assets	(3,280)	(2,034)	3,656	3,625
Less:				
Non-current liabilities				
Lease obligations- non current portion	(21)	(17)	-	-
Retention sums payable	(378)	(94)	-	-
Term loans -secured	(8,533)	(8,999)	-	-
Deferred taxation	(17)	(17)	-	-
	10,675	11,565	12,956	12,925

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

As at 30/06/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
\$6.0 million	0	\$6.7 million	0

Amount repayable after one year

As at 30/06/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
\$8.5 million	0	\$9.0 million	0

Details of any collateral

- a) First legal mortgage on land and property at 11 Changi South Street 3, Singapore 486122
- b) Collateral mortgage on the freehold land and property at 432 Balestier Road, Singapore 329813 and 29 Lorong 13, Geylang, Singapore 388672
- c) A corporate guarantee of S\$14.8 mil by the Company; and
- d) First fixed charge of fixed deposit and quoted equity investment.

Note that the Group's borrowings and debt securities repayable within one year amount to \$6.0 million comprising:

- 1) Bills payable \$2.2 million, payable as and when due
- 2) Term loan of \$1.3 million, payable on monthly installment
- 3) Bank overdraft of \$2.5 million has no fixed repayment terms

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

	1-Jan-04 to 30-Jun-04 S\$'000	1-Jan-03 to 30-Jun-03 S\$'000
Cash flows from operating activities		
Loss before Tax	(890)	(1,370)
Adjustments:		
Depreciation of fixed assets	315	331
Gain on disposal of quoted investment	-	(17)
Provision in diminution of quoted investment	3	-
Write back of provision for doubtful debt	-	(4)
Write back of provision for liquidated damages	(172)	(118)
Interest expenses	424	456
Operating (loss)/profit before working capital changes	(320)	(722)

Stocks and work in progress	1,043	1,689
Trade debtors and retention sums receivable	(22)	2,426
Due from affiliated companies, net	102	487
Other debtors, deposits and prepayment	(6)	134
Trade creditors and retention sum payable	1,041	(480)
Other creditors and accruals	(91)	(163)
Bills Payable	(448)	777
Provision for liquidated damages	(300)	(927)
Due to affiliated companies, net	(193)	(671)
Cash generated from (used in) in operations	806	2,550
Income tax refund/(paid)	254	163
Interest paid	(424)	(456)
Net cash generated from (used in) operating activities	636	2,257
Cash flow from investing activities		
Proceeds from sale of quoted investments	-	16
Proceeds from sales of property, plant and equipment	-	-
Purchase of property, plant and equipment	(3)	(57)
Net cash used in investing activities	(3)	(41)
Cash flows from financing activities		
Repayment of bank term loans	(461)	(700)
Repayment of lease obligations	(13)	(19)
Net cash used in financing activities	(474)	(719)
Net increase in cash and cash equivalents	159	1,497
Cash & cash equivalents at beginning of period	(2,581)	(4,912)
Cash & cash equivalents at end of period	(2,422)	(3,415)

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.

STATEMENTS OF CHANGES IN EQUITY	Share Capital	Share Premium	Revenue Reserve	Total
	S\$' 000	S\$' 000	S\$' 000	S\$' 000
The Group				
Balance as at 1 January 2003	12,300	646	(746)	12,200
Net loss for the period	-	-	(1,126)	(1,126)
Balance as at 30 June 2003	12,300	646	(1,872)	11,074
Balance as at 1 January 2004	12,300	646	(1,382)	11,564
Net loss for the period	-	-	(889)	(889)
Balance as at 30 June 2004	12,300	646	(2,271)	10,675
The Company				
Balance as at 1 January 2003	12,300	646	(32)	12,914
Net loss for the period	-	-	11	11
Balance as at 30 June 2003	12,300	646	(21)	12,925
Balance as at 1 January 2004	12,300	646	(21)	12,925
Net loss for the period	-	-	31	31
Balance as at 30 June 2004	12,300	646	10	12,956

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.

NA

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

These figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including

any qualifications or emphasis of a matter).

NA

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Yes

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.

NA

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.

Loss per share (cents)	Current period 30 June 2004	Current period 30 June 2003
- Basic	(1.08)	(1.37)
- Diluted	(1.08)	(1.37)

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.**

	30-Jun-04	31-Dec-03
Net asset value per ordinary share - group (cents)	13.02	14.10
Net asset value per ordinary share - company (cents)	15.80	15.80

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.

The group turnover has decreased from \$25.9 million for the same period in the previous year to \$13.6 million for the current reporting period. This is mainly due to reduction in the projects income from our construction division. In view of the prolonged depression in the construction industry, management has been very selective in the bidding for new construction projects.

The delay in the main contractors progress in a residential development to which our building materials division had a supply and installation contract for stone works had also contributed to the decline in turnover. This part of the shortfall will be made up in the second half of this year.

Despite the decrease in turnover, our loss before tax has decreased from \$1.37 million to \$0.89 million in the current period. This is due to management continuous effort in streamlining our operation to be lean and efficient to tie over this difficult period.

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

No

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.

We have recently made two announcements in relation to the following:

1. "AGREEMENT WITH CHINA ENERSAVE LIMITED RELATING TO THE SALE AND PURCHASE OF SHARES" dated 6 July 2004
2. "PROPOSED SALE AND LEASEBACK OF BUILDERS CENTRE

AT 11 CHANGI SOUTH STREET 3, SINGAPORE 486122" dated 28 July 2004

For the first announcement, subject to the fulfilment of the conditions stated in the announcement and approval in the coming Extraordinary General Meeting, Shining Corporation Limited will be issuing 14,000,000 new shares, credited as fully paid, of S\$0.15 each. These shares constitute approximately 17.1% of the total existing share capital of the Company and 14.6% of the enlarged share capital of the Company. With the allotment of new shares, the group's Net Tangible Assets will be improved.

For the second announcement, subject to the fulfilment of the conditions stated in the announcement and approval at the coming Extraordinary General Meeting, Shining Corporation will receive \$18 million cash as proceed from the sale of Builders Centre. This will enable the group to turn into positive cash position.

On the whole, we expect the Construction Industry to remain highly competitive in Singapore. Despite substantial falling out of players in the construction and the building material businesses over the last few years, we expect demand in the next 6 to 12 months to remain weak and hence competition will remain intense.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended 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

NA

(d) Books closure date

NA

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended

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 annual financial statements, with comparative information for the immediately preceding year.

NA

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.

NA

15. A breakdown of sales.

NA

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 ()	Previous Full Year ()
Ordinary		
Preference	0	0
Total:		

BY ORDER OF THE BOARD

TAN KAY KIANG
DIRECTOR
01/08/2004