

SAPPHIRE CORPORATION LIMITED (formerly known as "I.R.E. CORPORATION LIMITED")
Full Year 2005 Financial Statement and Dividend Announcement

**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**

Note	Group		Change
	31/12/2005	31/12/2004	
	S\$'000		%
1(a)(i) Revenue	22,500	42,412	(46.95)
1(a)(ii) Cost of Sales	(22,850)	(44,590)	(48.76)
1(a)(iii) Gross Loss	(350)	(2,178)	(83.93)
1(a)(iv) Other Operating Income	323	560	(42.32)
1(a)(v) Distribution Costs	(522)	(755)	(30.86)
1 (a)(vi) Administrative and Other Operating Expenses	(5,118)	(8,702)	(41.19)
1(a)(vii) Loss from Operations	(5,667)	(11,075)	(48.83)
1(a)(viii) Finance Costs	(334)	(1,372)	(75.66)
1(a)(viii) Share of (Loss)/ Profit of Associate	(141)	198	NM
1a(x) Loss from ordinary activities before taxation	(6,142)	(12,249)	(49.86)
1a(xi) Income Tax Expense	143	0	NM
1(a)(xii) Loss from Ordinary Activities after Taxation	(5,999)	(12,249)	(51.02)
Attributable to:			
Equity holders of the parent	(6,072)	(11,873)	(48.86)
Minority Interests	73	(376)	NM
Net Loss for the Year	(5,999)	(12,249)	

Note 1(a)(i)

Revenue includes the following:

Building maintenance and upgrading
 Architectural finishing products and services
 Construction and formwork design engineering

31/12/2005	31/12/2004	Change
S\$'000		%
(69)	802	NM
7,192	14,762	(51)
15,377	26,848	(43)

Note 1(a)(ii)

Cost of Sales includes:

Depreciation expense
 Provision written back for foreseeable losses
 Provision for rectification costs

31/12/2005	31/12/2004	Change
S\$'000		%
263	254	4
(2,555)	(1,507)	70
1,787	734	143

Note 1(a)(iv)

Other Operating Income includes the following:

Interest income
 Rental income

31/12/2005	31/12/2004	Change
S\$'000		%
16	10	60
85	192	(56)

Note 1(a)(vi)

Administrative and other operating expenses mainly include:

Bad debts written off
 Impairment loss on property, plant and equipment
 Impairment loss on other investments
 Allowance made for doubtful debts
 Allowance made for inventory obsolescence
 Loss on sale of club membership
 (Profit)/ Loss on disposal of property, plant and equipment
 Profit on dilution/disposal of subsidiaries
 Exchange (gain)/ loss
 Depreciation of property, plant and equipment
 Staff costs

31/12/2005	31/12/2004	Change
S\$'000		%
591	58	919
128	0	NM
45	0	NM
533	1,003	(47)
44	0	NM
0	15	NM
(7)	904	NM
(270)	(63)	329
(51)	255	NM
68	346	(80)
3,348	2,970	13

1b(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

	Group		Company	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
	S\$'000	S\$'000	S\$'000	S\$'000
Non- Current Assets				
Property, plant and equipment	1,352	2,866	370	960
Interests in subsidiaries	0	0	129	2,622
Interests in associate	2,026	1,009	1,529	550
Other investments	5	47	4	47
	3,383	3,922	2,032	4,179
Current Assets				
Inventories	42	465	0	0
Contracts- in- progress	1,017	2,253	36	142
Development properties	12,874	0	0	0
Trade and other receivables	6,179	15,380	17,503	8,782
Cash at banks and in hand	989	2,833	412	639
	21,101	20,931	17,951	9,563
Total assets	24,484	24,853	19,983	13,742
Equity attributable to equity holders of the parent				
Share Capital	36,789	26,790	36,789	26,790
Reserves	(27,691)	(30,914)	(27,474)	(27,830)
	9,098	(4,124)	9,315	(1,040)
Minority interests	0	1,326	0	0
Total equity	9,098	(2,798)	9,315	(1,040)
Non -Current Liabilities				
Obligations under finance leases	3	23	0	13
Loans from joint venture partners	0	200	0	200
	3	223	0	213
Current Liabilities				
Bank overdrafts	2,112	2,044	1,113	1,157
Trust receipts and bills payables	0	13	0	13
Progress Billings in excess of contracts- in- progress	2,397	4,662	1,662	2,925
Trade and other payables	8,336	14,161	6,159	7,448
Current portion of				
-obligations under finance lease	20	21	13	7
-interest-bearing bank loans	621	5,271	621	2,364
Provision for rectification costs	1,790	874	1,093	648
Current tax payable	107	382	7	7
	15,383	27,428	10,668	14,569
Total Liabilities	15,386	27,651	10,668	14,782
Total equity and liabilities	24,484	24,853	19,983	13,742

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

(a) Amount repayable in one year or less, or on demand

As at 31/12/2005		As at 31/12/2004	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
2,121,986	1,997,704	6,679,050	2,036,638

(b) Amount repayable after one year

As at 31/12/2005		As at 31/12/2004	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
0	2,908	0	222,717

(c) Details of any collateral

(i) The bank overdrafts of S\$1,871,986 (2004: S\$1,779,602) are secured by way of third party's pledge of fixed deposits of US\$1,200,000 and assignment of receivables from certain projects accounts of the Company and of a subsidiary.

(ii) Bank loans of the Company and certain subsidiaries of S\$250,000 and S\$Nil (2004: S\$1,993,094 and S\$2,906,354) respectively are secured by a charge of Company's security deposit of S\$250,000 (2004: S\$2,350,000).

1(c)

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

	31/12/2005	31/12/2004
	S\$'000	S\$'000
Operating Activities:		
Loss before taxation	(6,142)	(12,249)
Adjustments for:		
Share of loss/ (profit) of associate	141	(198)
Bad debts written off	591	58
Depreciation of property, plant and equipment	331	600
Interest expense	334	1,372
Interest income	(16)	(10)
Impairment loss on property, plant and equipment	128	0
Impairment loss on other investments	45	0
Profit on dilution/ disposal of subsidiaries	(270)	(63)
(Profit)/ Loss on disposal of property, plant and equipment	(7)	905
Provision for rectification costs	1,787	735
Operating loss before working capital changes	(3,078)	(8,850)
Changes in working capital		
Inventories	0	185
Trade and other receivables	3,706	11,732
Trade and other payables	(383)	(1,516)
Contracts in progress (net)	(703)	(1,430)
Development properties	(403)	0
Cash (utilised in)/generated from operations	(861)	121
Income tax paid	(9)	0
Payment of rectification costs	(718)	(399)
Cash flows from operating activities	(1,588)	(278)
Investing activities:		
Interest received	16	10
Proceeds from disposal of property, plant and equipment	670	4,819
Net cash (outflow)/ inflow from disposal of subsidiaries	(431)	136
Dividend income from associate	44	0
Purchase of property, plant and equipment	(27)	(471)
Purchase of unquoted investment	(2)	0
Cash flows from investing activities	270	4,494
Financing activities:		
Interest paid	(183)	(1,372)
Repayment of bank loans	0	(3,716)
Additional loans from shareholders	0	1,269
Payment of finance lease rentals	(21)	(143)
Payment of loan to joint venture partners	(200)	0
Payment of share issue expenses	(304)	0
Increase/(Decrease) in minority shareholders	32	(255)
Cash flows from financing activities	(676)	(4,217)
Net decrease in cash and cash equivalents	(1,994)	(1)
Cash and cash equivalents at beginning of the year	789	(17,752)
Bank overdrafts capitalised to share capital of the Company	0	18,692
Effect of exchange rate changes on the balances held in foreign currencies	82	(150)
Cash and cash equivalents at end of year	(1,123)	789

A statement for the issuer and group showing either (i) all changes in equity or distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Share Capital S\$'000	Share Premium S\$'000	Capital Reserve S\$'000	Merger Reserve S\$'000	Currency Translation Reserve S\$'000	Accumulated Losses S\$'000	Sub-total S\$'000	Minority Interests S\$'000	Total S\$'000
As at 1 January 2004	1,603	82	8	418	53	(69,546)	(67,382)	2,012	(65,370)
Issue of shares arising from debts conversion	25,187	49,715	0	0	0	0	74,902	0	74,902
Exchange differences on translation of net assets/ (liabilities) of foreign subsidiaries	0	0	0	0	229	0	229	(51)	178
Net gains/ (losses) recognised directly in equity	0	0	0	0	229	0	229	(51)	178
Realised upon disposal of subsidiaries	0	0	0	0	0	0	0	(259)	(259)
Loss for the year	0	0	0	0	0	(11,873)	(11,873)	(376)	(12,249)
As at 31 December 2004	26,790	49,797	8	418	282	(81,419)	(4,124)	1,326	(2,798)
Adjustments arising from changes in accounting policy	0	0	313	0	0	(162)	151	0	151
As at 1 January 2005, restated	26,790	49,797	321	418	282	(81,581)	(3,973)	1,326	(2,647)
Issue of shares arising from debts conversion (net of expenses)	3,763	2,953	0	0	0	0	6,716	0	6,716
Issue of shares arising from the acquisition of land (net of expenses)	6,236	6,137	0	0	0	0	12,373	0	12,373
Exchange differences on translation of net assets/ (liabilities) of foreign subsidiaries	0	0	0	0	(60)	0	(60)	36	(24)
Net gains/ (losses) recognised directly in equity	0	0	0	0	(60)	0	(60)	36	(24)
Realised upon disposal of subsidiaries	0	0	(1)	0	115	0	114	(1,435)	(1,321)
Loss for the year	0	0	0	0	0	(6,072)	(6,072)	73	(5,999)
As at 31 December 2005	36,789	58,887	320	418	337	(87,653)	9,098	0	9,098

COMPANY	Share Capital S\$'000	Share Premium S\$'000	Capital Reserve S\$'000	Merger Reserve S\$'000	Currency Translation Reserve S\$'000	Accumulated Losses S\$'000	Total S\$'000
As at 1 January 2004	1,603	82	0	0	0	(48,954)	(47,269)
Issue of shares arising from debts conversion	25,187	49,715	0	0	0	0	74,902
Loss for the year	0	0	0	0	0	(28,673)	(28,673)
As at 31 December 2004	26,790	49,797	0	0	0	(77,627)	(1,040)
Adjustments arising from changes in accounting policy	0	0	162	0	0	(84)	78
As at 1 January 2005, restated	26,790	49,797	162	0	0	(77,711)	(962)
Issue of shares arising from debts conversion (net of expenses)	3,763	2,953	0	0	0	0	6,716
Issue of shares arising from the acquisition of land (net of expenses)	6,236	6,137	0	0	0	0	12,373
Loss for the year	0	0	0	0	0	(8,812)	(8,812)
As at 31 December 2005	36,789	58,887	162	0	0	(86,523)	9,315

1d(ii) Details of any changes in the company's share capital arising from rights issue, bonus share, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or 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.

(A) Debts Converted to Share Capital of the Company for the financial year ended 31 December 2005

(a) The Company exercised the Standard Chartered Bank ("SCB") put option by converting S\$1,948,256.90 out of the restructured loan of S\$3,871,810.90 into 77,930,276 ordinary shares at a conversion price of S\$0.025 per share on 26 May 2005. The said conversion was completed on 30 May 2005.

(b) The Company exercised the SCB put option by converting S\$923,554.00 out of the balanced restructured loan of S\$1,923,554.00 into 36,942,160 ordinary shares at a conversion price of S\$0.025 per share on 29 July 2005. The said conversion was completed on 1 August 2005.

(c) The Company exercised the International Factors Leasing Pte Ltd ("IFL") put option by converting S\$764,312.50 of the restructured loan into 43,675,000 ordinary shares at a conversion price of S\$0.0175 per share on 4 November 2005. The said conversion was completed on 8 November 2005.

(d) The Company exercised the SCB put option by converting S\$750,000.00 out of the balanced restructured loan of S\$1,000,000 into 30,000,000 ordinary shares at a conversion price of S\$0.025 per share on 19 December 2005. The said conversion was completed on 22 December 2005.

(e) The Company completed the best efforts debts conversion exercise by converting the trade liabilities of S\$2,534,913 owing to the various creditors by the Company and its subsidiary, Caravelle Construction & Development Pte Ltd. The Company allotted and issued 187,771,333 ordinary shares at a conversion price of S\$0.0135 per share to the various creditors on 27 December 2005.

(f) The Company's subsidiary, Tudor Jaya Sdn. Bhd. completed the acquisition of the two plots of land in Malacca on 29 December 2005. The purchase consideration of S\$12,471,025 is satisfied by allotment and issue of 623,551,250 ordinary shares at an issue price of S\$0.02 per share by the Company to the vendor.

(B) Subsequent to 31 December 2005

(1) Debts Converted into Share Capital of the Company after 31 December 2005

The Company exercised the SCB put option by converting the balance SCB restructured loan of S\$150,000.00 and S\$100,000 into 6,000,000 and 4,000,000 ordinary shares respectively at a conversion price of S\$0.025 per share on 25 January 2006 and 3 February 2006 respectively. The said conversion was completed on 27 January 2006 and 6 February 2006 respectively.

(2) Placement Fund

The Company allotted and issued 80,000,000 ordinary shares to the placees procured by its placement agent for an aggregate subscription price of S\$800,000 at S\$0.01 per placement share on 4 January 2006.

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

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements as at 31 December 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

The Group noted certain revisions to various existing Financial Reporting Standards ("FRS") and the following new FRS that are mandatory for financial year beginning on or after 1 January 2005:

FRS 1 (revised): Presentation of Financial Statements
 FRS 2 (revised): Inventories
 FRS 8 (revised): Accounting policies, Changes in Accounting Estimates and Errors
 FRS 10 (revised): Events After the Balance Sheet Date
 FRS 16 (revised): Property, Plant and Equipment
 FRS 17 (revised): Leases
 FRS 21 (revised): The Effects of Changes in Foreign Exchange Rates
 FRS 24 (revised): Related Party Disclosures
 FRS 27 (revised): Consolidated and Separate Financial Statements
 FRS 28 (revised): Investments in Associates
 FRS 31 (revised): Interest in Joint Ventures
 FRS 32 (revised): Financial Instruments: Disclosure and Presentation
 FRS 33 (revised): Earnings Per Share
 FRS 36 (revised): Impairment of Assets
 FRS 38 (revised): Intangible Assets
 FRS 39: Financial Instruments: Recognition and Measurement
 FRS 102: Share-based Payment
 FRS 103: Business Combination
 FRS 105: Non Current Assets Held for Sale and Discontinued Operations

The revisions to the FRS and the above new FRS did not give rise to any material financial impact on the Group, except for changes arising from FRS 39 as below:

FRS 39- Financial Instruments: Recognition and Measurement

Financial assets and liabilities, including derivative financial instruments are classified and measured in accordance with the requirements under FRS 39.

This change in accounting policy has been accounted for prospectively in accordance with the transitional provisions. The effects of the adoption of FRS 39 are as follows:

	Group S\$'000	Company S\$'000
<u>As at 1 January 2005</u>		
Increase in accumulated losses	162	84
Increase in capital reserve	313	162
<u>During the year</u>		
Increase in finance costs	151	78

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

(Loss)/ Profit per ordinary share for the year
after deducting any provision for preference dividends
(i) Based on weighted average number of ordinary shares
in issue
(ii) On a fully diluted basis

Group	
31/12/2005	31/12/2004
(0.22 cents)	(0.98 cents)
(0.22 cents)	(0.98 cents)

Notes: The computation of basic loss per share is based on S\$6,072,214 (2004:S\$11,873,352) which represents the consolidated loss after taxation and minority interests divided by the weighted average number of shares in issue during the year of 2,747,728,884 (2004: 1,209,813,956).

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

Net Assets/ (Liabilities) backing per ordinary share
based on existing issued share capital as
at the end of the period reported on

Group		Company	
31.12.2005	31.12.2004	31.12.2005	31.12.2004
0.25 cents	(0.15 cents)	0.25 cents	(0.04 cents)

Notes: Computation for 2005 was based on net assets/(liabilities) of the Group and Company of S\$9,097,788 (2004:(S\$4,123,657)) and S\$9,314,816 (2004: (S\$1,039,052)) respectively divided by the number of ordinary shares of 3,678,943,144 (2004:2,679,073,123).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

Group Results

Group Revenue decreased substantially by S\$19.9 million (47%) from S\$42.4 million (FY 2004) to S\$22.5 million (FY2005). The decrease was due mainly to the lack of additional funds to undertake new projects.

Loss Attributable to Equity Holders of the Company reduced by S\$5.8 million (49%) from S\$11.9 million (FY2004) to S\$6.1 million (FY2005). This was mainly due to lower project losses and reduction in finance costs as the debts owing to banks by the Group have been converted to ordinary shares of the Company.

Group Balance Sheets

Development Properties amounting to S\$12.9 million for FY2005 was due to acquisition of 2 plots of land in Malacca by the Company's subsidiary, Tudor Jaya Sdn. Bhd.

Trade and Other Receivables for FY2005 decreased by S\$9.2 million was in line with the reduction in revenue for the year.

Progress Billings in excess of Contracts-in-Progress for FY2005 decreased by S\$2.3 million due to fewer projects in progress at the end of the year.

Trade and Other Payables for FY2005 decreased by S\$5.8 million mainly due to conversion of outstanding debts to share capital of the Company and lower trade activities during the year.

Interest-Bearing Bank Loans for FY2005 reduced by S\$4.7 million mainly due to conversion of outstanding debts owing to banks to share capital of the Company during the year.

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

Not applicable.

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

The Group expects the construction industry to remain competitive. However, with the improved financial position of the Group and the property development portfolio, the Group will be in a better position to obtain additional credit facilities from the banks or raise funds through private placement of shares.

In addition, the Company has successfully completed the SCB Put Option (referred to in item 1d(ii)(B)(1) above) and the placement fund (referred to in item 1d(ii)(B)(2) above) subsequent to the financial year ended 31 December 2005. The Company is currently undertaking a best efforts debt to equity conversion exercise with the trade creditors of the Company and its subsidiary, Caravelle Construction & Development Pte Ltd ("Caravelle") for the conversion up to S\$3 million and S\$0.45 million of trade liabilities owing to them by the Company and Caravelle respectively into new shares. These exercises will help the Group and the Company to reduce its debt liabilities and improve its cash flow and financial positions.

- 11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date Payable

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect
Not applicable.

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.

(a) *Business Segments*

	Building Maintenance and Upgrading	Architectural Finishing Products and Services	Construction and Formwork Design Engineering	Property Development	Eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Revenue and Expenses</i>						
2005						
Total revenue from external customers	(69)	7,192	15,377	0	0	22,500
Inter-segment revenue	0	0	1,569	0	(1,569)	0
Total revenue	(69)	7,192	16,946	0	(1,569)	22,500
Segment results	(221)	67	(2,463)	(23)	0	(2,640)
Unallocated expenses						(3,027)
Loss from operations						(5,667)
Finance costs						(334)
Share of loss of associate						(141)
Income tax expense						143
Net loss for the year						(5,999)

	Building Maintenance and Upgrading	Architectural Finishing Products and Services	Construction and Formwork Design Engineering	Property Development	Eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Revenue and Expenses</i>						
2004						
Total revenue from external customers	802	14,762	26,848	0	0	42,412
Inter-segment revenue	0	124	1,972	0	(2,096)	0
Total revenue	802	14,886	28,820	0	(2,096)	42,412
Segment results	(851)	(1,608)	(4,291)	(2)	0	(6,752)
Unallocated expenses						(4,322)
Loss from operations						(11,074)
Finance costs						(1,373)
Share of profit of associate						198
Net loss for the year						(12,249)

Business Segments

	Building Maintenance and Upgrading	Architectural Finishing Products and Services	Construction and Formwork Design Engineering	Property development	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Assets and Liabilities</i>					
2005					
Segment assets	989	3,997	4,173	12,892	22,051
Unallocated assets					406
Interests in associate					2,026
Total assets					24,483
Segment liabilities	1,465	4,814	7,345	8	13,632
Unallocated liabilities					1,754
Total liabilities					15,386

	Building Maintenance and Upgrading	Architectural Finishing Products and Services	Construction and Formwork Design Engineering	Property development	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Assets and Liabilities</i>					
2004					
Segment assets	2,264	11,662	9,106	43	23,075
Unallocated assets					769
Interests in associate					1,009
Total assets					24,853
Segment liabilities	1,843	7,620	14,640	0	24,103
Unallocated liabilities					3,548
Total liabilities					27,651

(b) *Geographical Segments*

	Singapore	China, Malaysia and Hong Kong	Consolidated
	\$'000	\$'000	\$'000
2005			
Total revenue from external customers	14,502	7,998	22,500
Segment Assets	8,338	16,146	24,484
Capital expenditure	6	21	27
2004			
Total revenue from external customers	29,359	13,053	42,412
Segment assets	14,106	10,747	24,853
Capital expenditure	72	399	471

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

Please refer to item 8 above on the reasons for the drop in revenue and loss for this year.

15. a) A breakdown of sales

	Group		Increase/ (Decrease) %
	31.12.2005 \$'000	31.12.2004 \$'000	
Sales reported for first half year	13,665	18,857	-27.53
Operating loss after tax before deducting minority interests reported for first half year	-1,409	-2,542	-44.57
Sales reported for second half year	8,835	23,555	-62.49
Operating loss after tax before deducting minority interests reported for second half year	-4,590	-9,707	-52.71

- b) Disclosure of Interested Person Transactions Conducted Under A Shareholder Mandate

Name of Interested Persons and Transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing manual (excluding transactions less than S\$100,000)	
	31.12.2005 \$'000	31.12.2004 \$'000	31.12.2005 \$'000	31.12.2004 \$'000
(a) General Transactions				
Sales of goods and services				
-Nippon Paint Group of Companies *	-	-	1,286	6,633
Purchases of goods and services				
-Nippon Paint Group of Companies *	-	-	2,083	1,420
Service and rental expenses			104	126
(b) Treasury Transactions				
Loan from Nippon Paint (Singapore) Co Pte Ltd	-	-	0	0
Loan from Yenom Holdings Pte Ltd	-	-	0	0
Loan from Teo Cheng Kwee	-	-	0	0
Interest Expense to Yenom/ Nippon Paint Group of Companies*	-	-	0	0
(c) Others (Legal fees to Hee Theng Fong & Co)	211	161	-	-

* Nippon Paint (Singapore) Co Pte Ltd and its related corporations

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

Not applicable.

BY ORDER OF THE BOARD
Michael Tay
Company Secretary
24/02/2006