

WEE POH HOLDINGS LIMITED

Full Year Financial Statement for the Period Ended 30/06/2004

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.

	The Group Year Ended		% Change
	30 June 2004 (S\$'000)	30 June 2003 (S\$'000)	
Revenue	19,829	53,870	(63.19)
Cost of sales	(34,061)	(57,407)	(40.67)
Gross loss	(14,232)	(3,537)	302.37
Other operating income	962	1,554	(38.10)
Administrative expenses	(4,046)	(7,431)	(45.55)
Distribution cost	(26)	(142)	(81.69)
Other operating expenses	-	(44)	N/m
Reversal of legal claims	-	1,000	N/m
Reversal of provision for guarantee on subsidiary	733	-	N/m
Impairment loss on / Allowance for:			
Property, plant and equipment	(921)	(860)	7.09
Doubtful trade receivables	-	(145)	N/m
Doubtful other receivables and deposits	(427)	(208)	105.29
Capital restructuring expenses	-	(996)	N/m
Loss from operations	(17,957)	(10,809)	66.13
Finance costs	(632)	(726)	(12.95)
(Loss) / Gain on liquidation of subsidiaries	(1,638)	11,262	N/m
Loss before income tax and share of results of associates	(20,227)	(273)	7309.16
Share of results of associates	(90)	(15)	500.00
Loss before income tax	(20,317)	(288)	6954.51
Income tax	1,183	(1,599)	N/m
Loss after income tax	(19,134)	(1,887)	913.99

	The Company Year Ended		
	30 June 2004 (S\$'000)	30 June 2003 (S\$'000)	% Change
Revenue	632	1,330	(52.48)
Cost of sales	-	-	N/m
Gross profit	632	1,330	(52.48)
Other operating income	40	12	233.33
Reversal of provision for guarantee on subsidiary	733	-	N/m
Administrative expenses	(1,836)	(1,448)	26.86
Impairment loss on / Allowance for:			
Investment in subsidiaries	-	(3,500)	N/m
Doubtful other receivables and deposits	(772)	(1,241)	(37.79)
Capital restructuring expenses	-	(996)	N/m
Loss from operations	(1,203)	(5,843)	(79.41)
Finance costs	-	(37)	N/m
Loss on liquidation of subsidiaries	-	(2,133)	N/m
Loss before income tax	(1,203)	(8,013)	(84.99)
Income tax	71	-	N/m
Loss after income tax	(1,132)	(8,013)	(85.87)

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 30 June 2004 (S\$'000)	As at 30 Jun 2003 (S\$'000)	As at 30 June 2004 (S\$'000)	As at 30 Jun 2003 (S\$'000)
ASSETS				
Current assets				
Cash and bank balances	4,709	346	3,829	3
Trade receivables	1,803	5,296	-	-
Other receivables deposits and prepayments	525	988	6,353	294
Cost of construction Contract work-in-progress in excess of related billings	-	5,148	-	-
Total current assets	7,037	11,778	10,182	297
Non-current assets				

Investment in subsidiaries	-	-	647	716
Investment in associates	335	425	-	-
Other investments	1	80	-	-
Trade receivables	-	626	-	-
Property, plant and equipment	6,987	13,682	7	-
Total non-current assets	7,323	14,813	654	716
Total assets	14,360	26,591	10,836	1,013
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans and overdrafts	9,531	10,052	-	-
Trade payables	3,958	6,744	-	-
Other payables and accruals	12,568	14,532	2,671	5,173
Billings on construction contracts work-in-progress in excess of costs	1,790	-	-	-
Current portion of Finance leases	-	603	-	-
Income tax payable	708	1,859	-	38
Total current liabilities	28,555	33,790	2,671	5,211
Non-current liabilities				
Finance leases	-	178	-	-
Deferred income tax	1	1	1	1
Total non-current liabilities	1	179	1	1
CAPITAL AND EQUITY				
Share capital	10,499	600	10,499	600
Share premium	9,708	6,112	9,708	6,112
Assets revaluation reserve	812	2,000	-	-
Currency translation reserve	(3)	(12)	-	-
Accumulated losses	(35,212)	(16,078)	(12,043)	(10,911)
Total equity / (capital deficiency)	(14,196)	(7,378)	8,164	(4,199)
Total liabilities and equity	14,360	26,591	10,836	1,013

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 30/06/2003	
Secured	Unsecured	Secured	Unsecured
9,531,000	0	10,611,000	44,000

Amount repayable after one year

As at 30/06/2004		As at 30/06/2003	
Secured	Unsecured	Secured	Unsecured
0	0	178,000	0

Details of any collateral

The total net book value of the Group's properties mortgaged to banks to secure bank overdraft amounted to S\$5.5 million (as at 31.12.03: S\$7.466 million).

A 10% deposit following the exercise of an option to sell one of the Group's properties so mortgaged was received on 5 Aug 2004.

Approval has been received from the Stock Exchange for sale of the asset without approval from the shareholders.

The abovesaid sale is part of the Group's efforts in negotiations with its bankers to repay all its borrowings. Offer letters have been received from all banks concerned for restructuring / repayment of the outstanding bank facilities.

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 Year ended	
	30 June 2004 (S\$'000)	30 June 2003 (S\$'000)
Cash flows from (used in) operating activities		
Loss before income tax and share of result of associates	(20,227)	(273)
Adjustments for :		
Depreciation expense	984	2,315
Property, plant and equipment written off	-	337
Impairment loss on property, plant and equipment	921	860
Gain on disposal of property, plant and equipment	(545)	(578)

Allowance for doubtful receivables	427	353
Gain on sale of other investments	(21)	-
Reversal of provision for legal claims	-	(1,000)
Reversal of provision for guarantee on subsidiary	733	-
Loss / (Gain) on deconsolidation of subsidiary	1,638	(11,262)
Interest income	(13)	(1)
Interest expense	632	726
Reversal of impairment loss on other investments	-	(23)
Operating loss before working capital changes	(16,937)	(8,546)
Trade receivables	3,076	(250)
Other receivables, deposits and prepayments	(50)	(1,683)
Inventories	-	75
Trade payables	1,836	(500)
Other payables and accruals	(996)	5,302
Cost of contract work-in-progress	6,843	4,049
Cash used in operations	(6,228)	(1,553)
Interest paid	(632)	(726)
Income tax paid	-	(1)
Income tax refund	131	-
Net cash used in operating activities	(6,729)	(2,280)
Cash flows from (used in) investing activities:		
Decrease in cash flow on deconsolidation of subsidiary	(67)	-
Increase in cash flow on liquidation on subsidiaries	-	828
Disposal of property, plant and equipment	2,884	5,279
Purchase of property, plant and equipment	(41)	(809)
Disposal of quoted shares	100	-
Interest received	13	1
Net cash from investing activities	2,889	5,299
Cash Flows from (used in) financing activities:		
Issue of shares net of expenses	9,495	-
Decrease in bank loans	-	(1,179)
Decrease of Trust Receipt	(300)	-
Decrease in finance leases	(781)	(1,114)
Net cash from /(used in) financing activities	8,414	(2,293)

Net effect of exchange rate changes in consolidating subsidiaries	10	3
Net increase in cash and cash equivalents	4,584	729
Overdrawn at beginning of year	(9,368)	(10,097)
Overdrawn at end of year (Note A)	(4,784)	(9,368)
Note A		
Cash at end of the year comprised of:		
Cash and cash equivalents	4,709	346
Bank overdrafts	(9,493)	(9,714)
Cash overdrawn at end of year	(4,784)	(9,368)

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	Share premium	Assets revaluation reserve	Currency translation reserve	Accumulated (losses) profits	Total
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Group						
Balance at 30 Jun 2002	23,983	6,112	-	(15)	(37,574)	(7,494)
Currency translation differences	-	-	-	3	-	3
Surplus on revaluation	-	-	2,000	-	-	2,000
Capital reduction	(23,383)	-	-	-	23,383	-
Net loss for the year	-	-	-	-	(1,887)	(1,887)
Balance at 30 Jun 2003	600	6,112	2,000	(12)	(16,078)	(7,378)
Balance at 30 Jun 2003	600	6,112	2,000	(12)	(16,078)	(7,378)
Currency translation	-	-	-	9	-	9

differences						
Issue of shares	9,899	3,600	-	-	-	13,499
Share issue expenses	-	(4)	-	-	-	(4)
Net loss for the year	-	-	-	-	(19,134)	(19,134)
Revaluation of investment property	-	-	(1,188)	-	-	(1,188)
Balance at 30 Jun 2004	10,499	9,708	812	(3)	(35,212)	(14,196)
Company						
Balance at 30 Jun 2002	23,983	6,112	-	-	(26,281)	3,814
Capital reduction	(23,383)	-	-	-	23,383	-
Net loss for the year	-	-	-	-	(8,013)	(8,013)
Balance at 30 Jun 2003	600	6,112	-	-	(10,911)	(4,199)
Balance at 30 Jun 2003	600	6,112	-	-	(10,911)	(4,199)
Issue of shares	9,899	3,600	-	-	-	13,499
Share issue expenses	-	(4)	-	-	-	(4)
Net loss for the year	-	-	-	-	(1,132)	(1,132)
Balance at 30 Jun 2004	10,499	9,708	-	-	(12,043)	8,164

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.

Since 31 December 2003, the issued capital was increased as follows:

	No of shares	Issued Capital (S\$'000)
Balance at 31 December 2003	1,699,914,954	8,500
Rights Issue	399,829,908	1,999
Balance at 30 June 2004	2,099,744,862	10,499

Renounceable Rights Issue

A renounceable rights issue of 399,829,908 rights shares at a subscription price of S\$0.005 for each rights share on the basis of 2 rights shares for every 1 existing share (without taking into account the 1,500,000,000 "Strategic Issue" shares completed on 28 August 2003) for an aggregate cash consideration of S\$1.999 million was completed on 15 January 2004.

Please refer to para 10 for updates on the Company's share capital after 30 June 2004.

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

The figures have not been audited or reviewed.

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 period as those adopted for the audited financial statements for the financial year ended 30 June 2003.

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.

	Year Ended	
	30 Jun 2004 (Cents)	30 Jun 2003 (Cents)
(Loss) per shares for the year after deducting any provision for preference dividends:		
(a)Based on weighted average number of ordinary shares in issue	(1.17)	(1.57)
(b)On a fully diluted basic	(1.17)	(1.57)
(c) Weighted average number of ordinary shares	1,633,060,923	119,914,954

For earnings per ordinary shares calculation, the weighted average number of ordinary shares for the period represents the number of ordinary shares in issue at the beginning of the period adjusted for shares issued pursuant to the "Placement" , "Best Effort Debt Conversion" exercise and Rights Issue, multiplied by a time-weighting factor.

There is no dilution as there were no outstanding options.

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.**

	The Group		The Company	
	As at 30 Jun 2004 (Cents)	As at 30 June 2003 (Cents)	As at 30 Jun 2004 (Cents)	As at 30 June 2003 (Cents)
Net assets / (liabilities) value per ordinary shares based on issued share capital at end of the year	(0.68)	(6.15)	0.39	(3.50)

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 construction industry continued to be competitive, with loss-making bids prevailing in the industry. Credits from sub-contractors remain tight, with most asking for advance payments, as most industry players grappled with substantial losses and subsequent loss of confidence in each other. The situation was exacerbated by rising steel prices and other material costs.

Group turnover declined S\$34.041 million from S\$53.870 million to S\$19.829 million over the previous corresponding financial year. Construction projects undertaken, except one, were near completion as at 30 June 2004. Foreseeable losses of S\$2.777 million for all projects have been provided for this year.

The Group continued to be discouraged from tendering new projects due to the competitive market, prevalence of loss-making bids and its RTO programme.

The Group carried on its cost saving exercise resulting in a reduction of S\$3.385 million in administrative expenses from S\$7.431 million to S\$4.046 million. Provisions for impairment loss and doubtful debts increase from S\$1.213 million to S\$1.348 million following lower carrying costs of plant and machinery and trade receivables.

Nevertheless, investment properties held continued to decline in value, in line with the weak property market.

Investment in a subsidiary whose operations were conducted in East Timor was written off wherein S\$1.638 million loss was recognized, compared to a gain of S\$11.262 million last year when 2 subsidiaries were liquidated pursuant to creditors' winding up petitions.

Income tax assessment for the year of assessment 1997 of Wee Poh Construction Co. (Pte.) Ltd. (WPC"), a subsidiary of the Company was reduced resulting in a write-back of income tax provision of S\$1.183 million this year. Last year's charge was S\$1.791 million.

During the year, the Group underwent the following share capital issues in its effort to strengthen its balance sheet, to ease the Group's cashflow requirements, and to facilitate future fund raising exercises.

"Strategic Issue"

On 28 August 2003, a sum of S\$7.5 million was injected into the Company via the issue of 1,500,000,000 shares.

"Best Effort Debt Conversion"

A total of 46 creditors of a subsidiary of the Company were issued 80,000,000 shares (S\$4 million) pursuant to the Best Effort Debt Conversion exercise on 28 August 003.

"Renounceable Rights Issue"

A Renounceable Rights Issue of 339,829,908 Rights Shares at a subscription price of S\$0.005 for each Rights Share on the basis of 2 Rights Shares for every 1 existing Share (without taking into account the 1,500,000,000 "Strategic Issue" shares completed on 28 August 2003) for an aggregate cash consideration of S\$1.999 million was completed on 15 January 2004.

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

Not applicable .

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.

On 16 July 2004, 339,000,000 shares of S\$0.005 each at a subscription price of S\$0.01 were issued to private placees ("Private Placement Issue") for S\$3.39 million, resulting in an increase in the capital of the Company to 2,438,744,862 shares.

The Company obtained an in-principle approval by the Singapore Exchange Securities Trading Ltd ("SGX-ST") on 14 July 2004 for the listing and quotation of up to 300,000,000 new ordinary shares of \$0.005 each in the capital of the Company to be issued pursuant to the Scheme of Arrangement (the "Scheme") between WPC and the unsecured creditors of WPC under Section 210 of the Companies Act, Chapter 50 of Singapore, subject to the approval of the Company's shareholders in general meeting and confirmation by the Administrator of the Scheme on the final amount of debts admitted for the purposes of the Scheme.

Pursuant to the Conditional Sale and Purchase agreement entered on 24 April 2004 with Messrs Yuan He Ping and Yuan Wen Bin (collectively, the "Vendors"), to acquire certain stakes in 3 companies owned by the Vendors within the Chongqing Runtime Industry Group Limited, the Company has completed its due diligence exercise. However, certain issues have been raised by the Company and its advisors, in respect of which the Company has reserved its position, and to which the Vendors have agreed to revert by 25th September 2004. Shareholders are advised to be cautious in their trading of shares of the Company as there is no assurance that the acquisition of the Runtime Group can be completed.

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

of subsidiary								
Loss before income tax and share of results of associates								(20,2
Share of results of associates								(
Loss before income tax								(20,3
Income tax								1,
Loss for the year								(19,1
As at 30 June 2003								
Business segments								
Revenue:								
External revenue	47,965	-	60	259	5,586	-		53,
Inter-segment revenue	2,005	-	1,288	-	596	(3,889)		
Total revenue	49,970	-	1,348	259	6,182	(3,889)		53,
Results:								
Segment loss	(6,070)	(1,628)	(1,078)	(447)	(1,586)	-		(10,8
Finance cost								(7
Deconsolidation of subsidiary								11,
Loss before income tax and share of results of associates								(2
Share of results of associates								(
Loss before income tax								(2
Income tax								(1,5
Loss for the year								(1,8

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.

Not applicable .

15. A breakdown of sales.

Not applicable .

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:		

Not applicable .

BY ORDER OF THE BOARD

Chan Wang Kin
Managing Director
13/09/2004