

JK YAMING INTERNATIONAL HOLDINGS LTD

Unaudited Second Quarter Financial Statement

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.**

(i) Income Statement for the Second Quarter and First Half Year ended 30 June 2005.

GROUP	SECOND QUARTER			FIRST HALF		
	2005	2004	Increase / (Decrease)	2005	2004	Increase / (Decrease)
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	37,844	30,172	25.4	75,886	58,493	29.7
Cost of sales	(33,777)	(25,690)	31.5	(66,795)	(49,947)	33.7
Gross profit	4,067	4,482	(9.3)	9,090	8,546	6.4
Other income including interest income, net	274	416	(34.1)	496	503	(1.4)
Selling, general and administration expenses	(2,703)	(2,712)	(0.3)	(5,438)	(4,945)	10.0
Profit from operations	1,638	2,186	(25.1)	4,148	4,104	1.1
Finance costs	(301)	(483)	(37.7)	(547)	(656)	(16.6)
Share of results of an associated company	(28)	-	N.M.*	(198)	-	N.M.*
Profit before tax	1,309	1,703	(23.1)	3,403	3,448	(1.3)
Tax	(119)	271	(143.9)	(352)	93	(478.5)
Net profit for the period	1,190	1,974	(39.7)	3,051	3,541	(13.8)
Attributable to:						
Equity holders of the Company	850	1,402	(39.4)	1,997	2,454	(18.6)
Minority interests	340	572	(40.6)	1,054	1,087	(3.0)
Net profit for the period	1,190	1,974	(39.7)	3,051	3,541	(13.8)

* N.M.: Not Meaningful

(ii) Notes to Income Statement

GROUP	SECOND QUARTER			FIRST HALF		
	2005	2004	Increase / (Decrease)	2005	2004	Increase / (Decrease)
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation and amortization	1,241	980	26.6	2,311	1,709	35.2
Foreign exchange loss	41	251	(83.7)	53	254	(79.1)
Interest on borrowings	275	231	19.0	507	392	29.3
Interest income	(24)	(23)	4.3	(32)	(32)	-

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 Sheet	Group		Company	
	30.06.2005 (Unaudited) S\$'000	31.12.2004 (Audited) S\$'000	30.06.2005 (Unaudited) S\$'000	31.12.2004 (Audited) S\$'000
Share capital	40,590	40,590	40,590	40,590
Reserves	12,622	11,772	6,119	6,315
Share capital and Reserves	53,212	52,362	46,709	46,905
Minority interests	12,288	12,027	-	-
	65,500	64,389	46,709	46,905
Represented by:-				
Non-Current Assets:				
Property, plant and equipment	40,706	38,112	1,816	1,846
Investment in subsidiaries	-	-	44,636	44,636
Investment in an associated company	1,036	1,179	-	-
Property held for resale	5,271	5,209	-	-
Long-term receivable	814	789	-	-
Construction-in-progress	5,698	4,588	-	-
Other non-current assets	847	596	-	-
	54,372	50,473	46,452	46,482
Current Assets:				
Inventories	26,757	28,446	-	-
Trade debtors	22,834	19,335	103	53
Other debtors and receivables	7,049	8,453	6	6
Amounts due from subsidiaries, non-trade	-	-	1,677	1,585
Amounts due from related parties, trade	8,980	9,337	-	-
Amounts due from related parties, non-trade	1,297	1,647	-	-
Cash and bank balances	6,479	7,635	-	353
	73,396	74,853	1,786	1,997
Current Liabilities:				
Interest-bearing loans and borrowings	21,592	11,800	315	122
Trade creditors	21,247	18,065	-	49
Other creditors and payables	9,064	10,765	193	81
Amounts due to related parties, trade	6,289	10,590	-	-
Amounts due to related parties, non-trade	2,257	1,233	-	-
Current Income Tax Liabilities	798	655	-	-
Payable to directors	-	241	-	241
	61,247	53,349	508	493
Net Current Assets	12,149	21,504	1,278	1,504

Non-Current Liabilities:				
Borrowings	1,021	7,588	1,021	1,081
Net Assets	65,500	64,389	46,709	46,905

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

Amount repayable in one year or less, or on demand

As at 30/06/2005 (Unaudited)		As at 31/12/2004 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$73,000	S\$21,519,000	S\$73,000	S\$11,727,000

Amount repayable after one year

As at 30/06/2005 (Unaudited)		As at 31/12/2004 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$821,000	S\$200,000	S\$857,000	S\$6,731,000

Details of any collateral

- (a) Included in bank loans of the Group is an amount of approximately S\$894,000, which is secured by a first legal mortgage over the Group's freehold property.
- (b) As at 30 June 2005, the Group provided guarantees of approximately S\$2.4 million to a company in which one of the Company's Directors has an interest. That company in return has guaranteed approximately S\$12.4 million of the Group's bank borrowings.

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

Consolidated Statement of Cash Flows for the Second Quarter and First Half Year ended 30 June 2005.

GROUP	SECOND QUARTER		FIRST HALF	
	2005	2004	2005	2004
	S\$'000 (Unaudited)	S\$'000 (Unaudited)	S\$'000 (Unaudited)	S\$'000 (Unaudited)
Cash flow from operation activities				
Profit before tax	1,309	1,703	3,403	3,448
Adjustment for non-cash items				
Depreciation of Property, Plant & Equipments	865	980	1,870	1,709
Amortisation of Other non-current Assets	376	-	441	-
Shared loss from an associated company	28	-	198	-
Interest expense	275	231	507	392
Interest income	(24)	(23)	(32)	(32)
Operating profit before working capital change	2,829	2,891	6,387	5,517
(Increase) / decrease in				
- inventories	(945)	(1,301)	1,689	(1,808)
- trade debtors	(618)	(4,147)	(3,499)	(3,850)
- other debtors and receivables	1,643	275	1,404	1,561
- amount due from related parties	222	(810)	357	3,458
- other non-current assets	(209)	(33)	(276)	(1,262)
Increase / (decrease) in				
- trade creditors	1,509	3,488	3,182	2,308
- other creditors and payables	(75)	785	(1,701)	100
- amount due to related parties	(1,496)	(7)	(4,301)	(860)
- payable to directors	(241)	(94)	(241)	(94)
Cash generated from operations	2,619	1,047	3,001	5,070
Income tax (paid)/ received	(27)	570	(209)	(570)
Net cash inflows from operating activities	2,592	1,617	2,792	4,500
Cash flow from investing activities				
Proceeds from sales of property, plant & equipments	8	-	48	-
Payment for purchase of other non-current Assets	(2,991)	(5,834)	(5,195)	(6,830)
Interest received	24	23	32	32
Net cash outflows from investing activities	(2,959)	(5,811)	(5,115)	(6,798)
Cash flow from financing activities				
Amount with related parties	1,027	-	674	-
Proceeds from minority interest	35	-	35	-
Proceed from borrowings	6,305	4,667	8,533	4,667
Interest paid	(275)	(231)	(507)	(392)
Repayment of borrowing	(5,420)	(3,156)	(5,838)	(4,228)
Dividend paid	(2,435)	(3,044)	(2,435)	(3,044)
Net cash outflows from financing activities	(763)	(1,764)	462	(2,997)

Net decrease in cash and cash equivalents	(1,130)	(5,958)	(1,861)	(5,295)
Cash and cash equivalents at beginning of period	7,315	9,606	7,635	9,618
Effects of exchange rate changes on cash and cash equivalents	294	1,415	705	740
Cash and cash equivalents at end of period	6,479	5,063	6,479	5,063

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share Capital	Share Premium	Other Reserve	Retained Profits	Non-distributable reserves	Translation Reserve	Minority Interest	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2004	40,590	272	6,372	8,224	454	(2,706)	10,647	63,853
Transfer of reserve:								
Foreign currency translation	-	-	-	-	-	(675)	(69)	(744)
Net profit for the period	-	-	-	1,052	-	-	515	1,567
Balance as at 31 March 2004	40,590	272	6,372	9,276	454	(3,381)	11,093	64,676
Balance as at 1 April 2004	40,590	272	6,372	9,276	454	(3,381)	11,093	64,676
Transfer of reserve:								
Foreign currency translation	-	-	-	-	-	1,186	75	1,261
Net profit for the period	-	-	-	1,402	-	-	572	1,974
Dividend paid	-	-	-	(3,044)	-	-	-	(3,044)
Transfer from retained profit	-	-	-	(784)	784	-	-	-
Balance as at 30 June 2004	40,590	272	6,372	6,850	1,238	(2,195)	11,740	64,867
Balance as at 1 January 2005	40,590	272	6,372	8,560	1,084	(4,516)	12,027	64,389
Transfer of reserve:								
Foreign currency translation	-	-	-	-	-	585	211	796
Net profit for the period	-	-	-	1,147	-	-	714	1,861
Balance as at 31 March 2005	40,590	272	6,372	9,707	1,084	(3,931)	12,952	67,046
Balance as at 1 April 2005	40,590	272	6,372	9,707	1,084	(3,931)	12,952	67,046
Transfer of reserve:								
Foreign currency translation	-	-	-	-	-	703	452	1,156
Net profit for the period	-	-	-	850	-	-	340	1,189
Dividend paid	-	-	-	(2,435)	-	-	(1,456)	(3,891)
Transfer from retained profit	-	-	-	(681)	681	-	-	-
Balance as at 30 June 2005	40,590	272	6,372	7,441	1,765	(3,228)	12,288	65,500

Company	Share Capital	Share Premium	Retained Profits	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2004	40,590	272	3,535	44,397
Net profit/(loss) for the period	-	-	(195)	(195)
Balance as at 31 March 2004	40,590	272	3,340	44,202
Balance as at 1 April 2004	40,590	272	3,340	44,202
Net profit for the period	-	-	6,464	6,464
Dividend paid	-	-	(3,044)	(3,044)
Balance as at 30 June 2004	40,590	272	6,760	47,622
Balance as at 1 January 2005	40,590	272	6,043	46,905
Net loss for the period	-	-	(201)	(201)
Balance as at 31 March 2005	40,590	272	5,842	46,704
Balance as at 1 April 2005	40,590	272	5,842	46,704
Net profit/(loss) for the period	-	-	2,440	2,440
Dividend paid	-	-	(2,435)	(2,435)
Balance as at 30 June 2005	40,590	272	5,847	46,709

Non-distributable reserves represents amounts set aside in compliance with local laws in People's Republic of China ("PRC") where the Group operates. The amounts comprise enterprise expansion fund and general reserve fund.

- 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 was no change in the Company's share capital during the second quarter ended 30 June 2005.

- 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 paragraph 5 below, the Group has adopted the same accounting policies and method of computation in the financial statements for the current financial period compared to the audited financial statements for the financial year ended 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

In 2005, the Group and the Company adopted the following applicable Financial Reporting Standards ("FRS"). There is no material adjustment arising from the adoption of the FRS listed below:

FRS	1 (revised 2004)	Presentation of Financial Statements
FRS	2 (revised 2004)	Inventories
FRS	8 (revised 2004)	Accounting Policies, Changes in Accounting Estimates and Errors
FRS	10 (revised 2004)	Events after the Balance Sheet Date
FRS	16 (revised 2004)	Property, Plant and Equipment
FRS	17 (revised 2004)	Leases
FRS	24 (revised 2004)	Related Party Disclosures
FRS	27 (revised 2004)	Consolidated and Separate Financial Statements
FRS	28 (revised 2004)	Investment in Associates
FRS	32 (revised 2004)	Financial Instruments: Disclosure and Presentation
FRS	33 (revised 2004)	Earning per Share
FRS	36 (revised 2004)	Impairment of Assets
FRS	38 (revised 2004)	Intangible Assets
FRS	39 (revised 2004)	Financial Instruments: Recognition and Measurement
FRS	103 (revised 2004)	Business Combinations
FRS	105 (revised 2004)	Non-current Assets Held for Sale and Discontinued Operations

The adoption of the above FRS did not have any material impact on the Group's and the Company's financial statements.

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.

	SECOND QUARTER		FIRST HALF	
	2005	2004	2005	2004
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(i) Based on the weighted average number of ordinary shares on issue	0.42 cents	0.69 cents	0.98 cents	1.21 cents
(ii) On a fully diluted basis*	0.42 cents	0.69 cents	0.98 cents	1.21 cents
Weighted average number of ordinary shares on issue applicable to basic earnings per share	202,948,180	202,948,180	202,948,180	202,948,180

* The Company does not have any dilutive instrument as at 30 June 2005 and 30 June 2004.

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.**

	Group		Company	
	30.06.2005 (Unaudited)	31.12.2004 (Audited)	30.06.2005 (Unaudited)	31.12.2004 (Audited)
Net asset value per ordinary share at the end of the financial period	26.2 cents	25.8 cents	23.0 cents	23.1 cents

Note:

Net asset value per ordinary share as at 30 June 2005 and 31 December 2004 were calculated based on the number of shares on issue of 202,948,180 of S\$0.20 each.

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.**

SECOND QUARTER:

Group revenue for the second quarter ended 30 June 2005 increased by 25.4% to \$37.8 million as compared to the revenue of \$30.2 million in the previous corresponding period.

The substantial growth in turnover was largely attributable to the increase in sales of electrical lighting products, which grew by about 27.7% to \$14.3 million for the second quarter of FY2005 from \$11.2 million in the previous corresponding period, and the increase of 10.8% in sales of wire harness products to Japan to \$20.5 million in the second quarter of FY2005 from \$18.5 million in the previous corresponding period.

Due to the rise in raw material cost and the increasingly competitive market, the gross profit margin of the Group declined to about 10.7% in the second quarter of FY2005 as compared to 14.9% in the previous corresponding period. The Group's gross profit declined by 9.3% to \$4.1 million for the second quarter in FY2005 as compared to \$4.5 million in the previous corresponding quarter.

The Group achieved a profit before tax of \$1.3 million in the second quarter of FY 2005 as compared to \$1.7 million in the previous corresponding period, after charging and accounting for the following:

- (1) A decrease in Other Income by 34.1% to \$274,000 compared to the previous corresponding quarter of \$416,000. The higher Other Income in the second quarter in 2004 was mainly contributed by waiver by the local authority of a \$309,000 debt which existed before the company took over the semi-conductor subsidiary, Fujian Minhang Electronic Co Ltd in 2004.
- (2) A decline in financing cost due mainly to an unrealized foreign exchange loss of about \$41,000 in the second quarter of FY2005 as compared to about \$251,000 in the second quarter of FY2004, offset by an increase in interest borrowing cost by

\$44,000 in the second quarter of FY2005 due to the increase in borrowing and expiry of government interest subsidy for outstanding bank loans.

Net Profit after tax decreased by 39.7% to \$1.2 million in the second quarter under review as compared to approximately \$2 million in the previous corresponding period, after accounting for an increase in tax.

The income tax expense in the second quarter of FY2005 was \$119,000, as compared to the tax refund of \$271,000 in the second quarter of last year. The tax refund in 2004 was due to the government tax subsidy granted to the Group as an incentive for reinvestment of dividend into Fujian Juan Kuang Yaming Electric Limited ("FJKYM") in 2004. There was no such tax fund in the second quarter of FY2005.

The decrease in minority interests was in line with the effect of sharing of net profit for the period computation, which was down by 40.6% compared to the second quarter in last year.

FIRST HALF YEAR:

Group revenue for the first half-year ended 30 June 2005 grew by 29.7% to \$75.9 million as compared to the revenue of \$58.5 million in the previous corresponding period. This was mainly attributable to an increase of 22.5% in sales of wire harness products to Japan from \$36 million in the first half of 2004 to \$44.1 million in the first half of 2005, and an increase of 44.2% in sales of electrical lighting products from \$19.9 million in the first half of 2004 to \$28.7 million in the first half of 2005.

As a result of the rise in raw material cost and the increasingly competitive market, the gross profit margin of the Group for the first half FY2005 declined to about 12% as compared to 14.6% in the previous corresponding period. The Group's gross profit increase by 6.4% to \$9.1 million for the first half in FY2005 as compared to \$8.5 million in the previous corresponding period.

The Group's profit before tax of \$3.4 million for the first half of FY2005 stayed at about the same level as the profit before tax of the first half of FY2004, after accounting for other income, selling, general and administration expenses, finance cost and share of loss of an associated company. The share of the loss of an associated company resulted from Fujian Connex Industrial Co. Ltd., in which the Group holds a 35% equity interest.

Net profit after tax decreased by 13.8% to \$3.1 million for the first half of FY2005 as compared to \$3.5 million in the previous corresponding period after accounting for share of loss of an associated company and income tax expense. The details for the income tax expense are explained above in the discussion under "Second Quarter".

Total current assets decreased by \$1.5 million mainly due to a decrease in cash and bank balances of \$1.2 million, a decrease in amounts due from related parties and other debtors of \$2.1 million, together with a decline in inventories of \$1.7 million and an increase in trade debtors of \$3.5 million which was in line with the higher sales during the period.

Cash and cash equivalents decreased from \$7.6 million as at 31 December 2004 to \$6.5 million as at 30 June 2005. The decrease was mainly due to utilisation of funds for working capital and payment of dividend.

Total current liabilities increased considerably by \$7.9 million from \$53.3 million as at 31 December 2004 to \$61.2 million as at 30 June 2005, mainly due to a significant increase in short-term bank borrowing by \$9.8 million as a result of a reclassification of long-term

loans to short-term debts. The decrease in the amount due to related parties by \$4.3 million and the increase in trade creditors of \$3.2 million are in line with the increase in raw material costs during the period.

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

The current announced results are in line with the prospect statement previously disclosed to shareholders in the first quarter 2005 announcement.

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 Company is defending two lawsuits brought against the Company and its subsidiaries Fujian Juan Kuang Yaming Electric Limited and Anhui Juan Kuang Electric Co. Ltd. (the "Subsidiaries") by Segue Electronics, Inc. and Shine Capacitors, LLC. in the State Court of California, U.S.A. Information about the lawsuits have been given via SGXNET announcements on 22 July 2005 and 26 July 2005. The Company has appointed an international law firm based in the United States to act as its legal Counsel. The directors are of the view that the claims lack merit, and the Company will therefore defend the claims robustly.

The increase in Sales and selling price for the Company's electrical lighting products have boosted Revenue. However, increase in cost of essential raw materials at the same time has exerted an effect on profit margin. On the other hand, the management is of the opinion that orders from its domestic and international markets including the US market for its electrical lighting products will continue to increase. Export of wire harness products will also continue to grow. The Company therefore expects current sales growth to continue into the second half of FY2005.

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

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 or recommended for the second quarter ended 30 June 2005.

13. Interested Person Transactions for the Financial Period Ended 30 June 2005.

Aggregate value of all transactions conducted under a shareholders' mandate approved at the AGM on 27 April 2005 pursuant to Rule 920 of the SGX-ST Listing Manual.

	2005 S\$ '000	2004 S\$ '000
Juan Kuang Holdings Sdn Bhd	491	211
Juan Kuang Pte Ltd	155	75

BY ORDER OF THE BOARD

Ang Chiong Chai
Executive Chairman
9/08/2005