

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

萬裕有限公司

BAN JOO & COMPANY LIMITED

Unaudited Half Year Financial Statement For the Period Ended 31 December 2005

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.

Unaudited Consolidated Income Statement For the Period Ended 31 December 2005

	Notes	Group		Change S\$000	%
		31 Dec 2005 S\$000	31 Dec 2004 S\$000		
Revenue	1	91,326	65,939	25,387	38.50
Cost of sales		(81,417)	(55,239)	(26,178)	-47.39
Gross profit		9,909	10,700	(791)	-7.39
Financial income	2	1,054	315	739	234.60
Financial expenses	2	(2,250)	(3,895)	1,645	42.23
Distribution costs		(4,489)	(3,336)	(1,153)	-34.56
Administrative expenses		(5,671)	(3,500)	(2,171)	-62.03
Other (charges)/credits	3	(30)	467	(497)	106.42
(Loss)/Profit before tax	4	(1,477)	751	(2,228)	-296.67
Income tax expenses		(99)	(122)	23	18.85
(Loss)/Profit for the year		(1,576)	629	(2,205)	-350.56
Attributable to:					
Equity holders of the company		(1,344)	791	(2,135)	-269.91
Minority interest		(232)	(162)	(70)	-43.21
		(1,576)	629	(2,205)	-350.56

Notes:**1 Revenue**

Includes:

rental income	93	142	(49)	-34.51
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2 Financial income and (expenses)

Dividend income from quoted corporations	43	114	(71)	-62.28
Gain on disposal of investment	-	170	(170)	n.m
Other intangible assets written off	(3)	-	(3)	n.m
Interest income	45	10	35	-350.00
Foreign exchange adjustment gain/(losses)	527	(1,825)	2,352	128.88
Reversal in fair value for financial assets at fair value through profit and loss	438	-	438	n.m
Bad debts recovered – trade	1	21	(20)	-95.24
Provision for impairment in trade receivables - outside parties	(500)	(1,100)	600	54.55
Interest expense	(1,747)	(966)	(781)	-80.85
Bad debt written off	-	(4)	4	n.m
	<u>(1,196)</u>	<u>(3,580)</u>		

Presented in the income statement as:

Financial income	1,054	315	739	234.60
Financial expense	<u>(2,250)</u>	<u>(3,895)</u>	1,645	42.23
Financial income and (expense) net	<u>(1,196)</u>	<u>(3,580)</u>	2,384	66.59

3 Other credits/(charges)

(Loss)/Gain on disposal of property, plant and equipment	(30)	467	(497)	-106.42
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4 Profit from ordinary activities is arrived at after charging the following:

Depreciation expenses	686	589	(97)	-16.47
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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.

Unaudited Balance Sheet As At:

	Group		Company	
	31 Dec 2005 S\$000	30 Jun 2005 S\$000	31 Dec 2005 S\$000	30 Jun 2005 S\$000
ASSETS				
Current assets				
Cash and cash equivalents	1,703	2,620	356	586
Trade and other receivables	84,531	78,808	89,285	79,301
Inventories	51,477	53,814	42,755	44,266
Total current assets	137,711	135,242	132,396	124,153
Non-current assets				
Investment in subsidiaries	-	-	2,384	2,384
Financial assets at fair value through profit and loss	4,818	4,380	2,914	2,649
Other asset	398	398	-	-
Goodwill	2,067	2,067	-	-
Other intangible assets	-	3	-	3
Property, plant and equipment	11,148	11,673	8,734	9,167
Total non current assets	18,431	18,521	14,032	14,203
Total assets	156,142	153,763	146,428	138,356
LIABILITIES AND EQUITY				
Current liabilities				
Short-term borrowings	78,218	67,489	76,370	65,837
Trade and other payables	16,354	22,438	9,243	10,989
Current portion of finance leases	10	6	-	-
Current tax payables	684	582	517	414
Current portion of long-term borrowings	2,360	2,560	2,360	2,560
Total current liabilities	97,626	93,075	88,490	79,800
Non-current liabilities				
Finance leases	-	7	-	-
Deferred tax	79	79	77	77
Long-term borrowings	583	1,663	583	1,663
Total non current liabilities	662	1,749	660	1,740
Total liabilities	98,288	94,824	89,150	81,540
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENTS				
Share capital	50,631	49,912	50,631	49,912
Other reserves	(10)	(25)	-	-
Retained earnings	6,694	8,482	6,647	6,904
Total	57,315	58,369	57,278	56,816
Minority interest	539	570	-	-
Total equity	57,854	58,939	57,278	56,816
Total liabilities and equity	156,142	153,763	146,428	138,356

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 Dec 2005		As at 30 Jun 2005	
Secured	Unsecured	Secured	Unsecured
NIL	80,578,000	NIL	70,049,000

Amount repayable after one year

As at 31 Dec 2005		As at 30 Jun 2005	
Secured	Unsecured	Secured	Unsecured
NIL	583,000	NIL	1,663,000

Details of any collateral

There are no collateral given for the above 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.

Unaudited Consolidated Statement Of Cash Flows For The Period Ended 31 December 2005

	Group	
	6 months ended 31 Dec 2005	6 months ended 31 Dec 2004
	S\$000	S\$000
Cash flows from operating activities:		
(Loss)/Profit for the year	(1,576)	629
- Income tax expense	99	122
- Depreciation expense	686	589
- Reversal in fair value for financial assets at fair value through profit and loss	(438)	-
- Other intangible assets written off	3	-
- Loss/(Gain) on disposal of property, plant and equipment	30	(467)
- Gain on disposal of investment	-	(170)
- Foreign exchange (gain)/loss	(2,234)	2,467
- Interest expense	1,747	966
- Interest income	(45)	(10)
- Dividend income	(43)	(114)
Operating (loss)/profit before working capital changes	(1,771)	4,012
Inventories	2,337	(836)
Trade and other receivables	(5,073)	3,953
Trade and other payables	(3,779)	(3,145)
Cash (used in)/from operations	(8,286)	3,984
- Income tax paid	-	(273)
Net cash (used in)/from operating activities	(8,286)	3,711
Cash flows from investing activities:		
- Purchase of plant and equipment	(209)	(764)
- Proceed from disposal of financial assets at fair value through profit and loss	-	823
- Disposal of property, plant and equipment	18	2,300
- Interest received	45	10
- Dividend income received	43	114
Net cash (used in)/from investing activities	(103)	2,483

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.

Unaudited Statement Of Changes In Equity For The Period Ended 31 December 2005

	Share capital S\$000	Foreign currency translation reserve S\$000	Retained profits S\$000	Revaluation reserves S\$000	Total S\$000	Minority Interest S\$000	Total equity S\$000
Group							
Balance as at 30 June 2004	49,912	(4)	11,327	1,923	63,158	849	64,007
Deficit on revaluation of investment	-	-	-	(738)	(738)	-	(738)
Net profit/(loss) for the year	-	-	791	-	791	(162)	629
Dividend paid	-	-	(439)	-	(439)	-	(439)
Currency translation difference	-	(22)	-	-	(22)	-	(22)
Balance as at 31 December 2004	49,912	(26)	11,679	1,185	62,750	687	63,437
Balance as at 30 June 2005	49,912	(25)	8,482	-	58,369	570	58,939
Issue of shares for acquisition of a subsidiary	719	-	-	-	719	-	719
Minority contribution to capital	-	-	-	-	-	201	201
Net loss for the year	-	-	(1,344)	-	(1,344)	(232)	(1,576)
Dividend paid	-	-	(444)	-	(444)	-	(444)
Currency translation difference	-	15	-	-	15	-	15
Balance as at 31 December 2005	50,631	(10)	6,694	-	57,315	539	57,854
		(a)		(a)			
Company							
Balance as at 30 June 2004	49,912	-	11,347	1,438	62,697	-	62,697
Deficit on revaluation of investment	-	-	-	(795)	(795)	-	(795)
Net profit for the year	-	-	271	-	271	-	271
Dividend paid	-	-	(439)	-	(439)	-	(439)
Balance as at 31 December 2004	49,912	-	11,179	643	61,734	-	61,734
Balance as at 30 June 2005	49,912	-	6,904	-	56,816	-	56,816
Issue of shares for acquisition of a subsidiary	719	-	-	-	719	-	719
Net profit for the year	-	-	187	-	187	-	187
Dividend paid	-	-	(444)	-	(444)	-	(444)
Balance as at 31 December 2005	50,631	-	6,647	-	57,278	-	57,278
				(a)			

Not recognized in income statement.

(a) Unrealised and not available for distribution as cash dividends.

(b) With the changes to the Companies Act, Cap 50, effective from 30 January 2006, there is the removal of the concept of par value and authorized capital and there is no share premium account. The company has a share premium account balance of \$13,912,000 (2004: \$13,912,000) at the end of the year. This amount has now been included in share capital as required by the changes to the Company Act.

- 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 any other purpose since the end of the pervious period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the period under review, the Company has issued 7,079,416 and 4,583,517 new ordinary shares of \$0.05 each at an issue price of \$0.0617 as part consideration for the investment in Teo Garments Corporation Pte Ltd. The new shares were listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited with effect from 2 September 2005 and 16 November 2005 respectively.

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 financial statements have been applied.

The above financial information has been prepared using the same accounting policies and methods of computation as presented in the financial statements for the period ended 31 December 2005, except as described in paragraph 5.

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 has adopted all the new or revised Singapore Financial Reporting Standards ("FRS") that are mandatory for the financial year beginning on or after 1 July 2005 which includes FRS 39 "Recognitions and Measurements of Financial Instruments". With effect from this financial year, the Group's non-current investments with a quoted market price in an active market can now be classified as financial assets designated at fair value through profit or loss under FRS39. Accordingly, the Group has opted to recognize the gain or loss on re-measuring such financial assets at fair value in the income statement with effect from this financial year. Previously, the gain arising on such re-measurement were recorded in equity.

As a result of the above adoption of FRS 39, the Group recorded a gain of \$438,000 in the income statement.

In addition, adoption of these new Standards has resulted in some modifications to the financial statements presentation.

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	
	As at 31 Dec 2005	As at 31 Dec 2004
Earnings per share (based on consolidated profit after taxation and minority interest)		
- on weighted average number of shares	(0.18 cents)	0.11 cents
- on a fully diluted basis	(0.18 cents)	0.11 cents

Basic loss per share for 2005 is calculated based on loss for the year attributable to equity holders of the company of \$1,344,000 divided by the weighted average number of shares of 728,607,255.

Basic earning per share for 2004 is calculated based on profit for the year attributable to equity holders of the company of \$791,000 divided by the number of shares of 720,000,000.

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		Company	
	As at 31 Dec 2005	As at 30 Jun 2005	As at 31 Dec 2005	As at 30 Jun 2005
Net asset value per share based on existing issued share capital as at the respective period	7.83 cents	8.11 cents	7.83 cents	7.89 cents

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.**

Revenue for the first six months ended 31 December 2005 rose 38.5% from \$65.9 million to \$91.3 million. The increase was mainly from garment manufacturing which contributed 30% of the turnover. The newly acquired subsidiary, Teo Garments, contributed 12% of the turnover.

Gross profit margin during the period under review decreased by \$0.8 million or 7.39% to \$9.9 million compared to the corresponding period of the previous year. This is due to the increasingly competitive market conditions in the textile segment and lower gross margin from garment manufacturing division. Although the production capacity of the Garment segment has increased significantly, orders from these segments are lower than expected. Accordingly, the Garment segment continues to operate under excess capacity and the production overheads are thus under-absorbed.

Net financial income and expense dropped from \$3.6 million to \$1.2 million as a result of favorable forex adjustment, fair value gain adjustment from non-current investments (due to the adoption of FRS 39) and lower impairment on trade receivables, partially offset by higher interest expense. The distribution costs and administrative expenses rose by \$1.2 million and \$2.2 million respectively as a result of consolidated expenses incurred by new subsidiaries and consolidated integration cost.

Increased sale activities for both the Garment and Textiles businesses led to higher working capital requirements. Whilst trade and other receivables decreased by \$5.1 million, trade and other payables decreased by \$3.8 million. Consequently, Group's borrowings increased by 9.4 million resulting in a net cash outflow of \$4.5 million for the six months ended 31 December 2005.

As mentioned in the announcement made on 5 April 2004, Mr Alfred Wong guaranteed that an aggregate of audited net profit before taxation (but excluding and disregarding extraordinary items) of Grandtrade Corporation Limited and Wealth Garment de Honduras S.A. for the 24-month period ending 31st Dec 2005 shall not be less than US\$300,000.00. The performance of the related acquired garment operations has recorded losses for the said period. The Company has engaged a professional firm to assess the actual shortfall. The outcome will be announced in due course.

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

In the last announcement for its full year results for the financial year ended 30 June 2005, it was stated that the Group had expected to deliver a better set of performance to our shareholders in the new financial year.

However, as announced in the profit warning dated 10th February 2006, the actual results are at variance with the prospect statement stated above.

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.**

Globally the textiles and garment industries are undergoing challenging times due to the uncertainties surrounding both industries and the impact of the protective measures initiated by various countries. Nevertheless, the Group expects that the results from its consolidation and integration efforts to set in by the end of the second half of financial year 2006. In the interim, the management is closely monitoring its business amid the ongoing organizational changes.

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.

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.

Business Segments

Not applicable.

14. In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by 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)

Not applicable.

17. Summary of Interested Person Transactions for the financial year ended 31 December 2004.

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (\$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (\$'000)
Wei Song Enterprise Co., Ltd		
- Sales	-	916
- Purchases	-	2,324
- Printing costs	-	23
Classic Print Industrial Sdn Bhd		
- Printing costs	-	138

BY ORDER OF THE BOARD

Lam Ah Seng @ Lam Pang Chuang
 Managing Director
 14/2/2006

Submitted to SGX