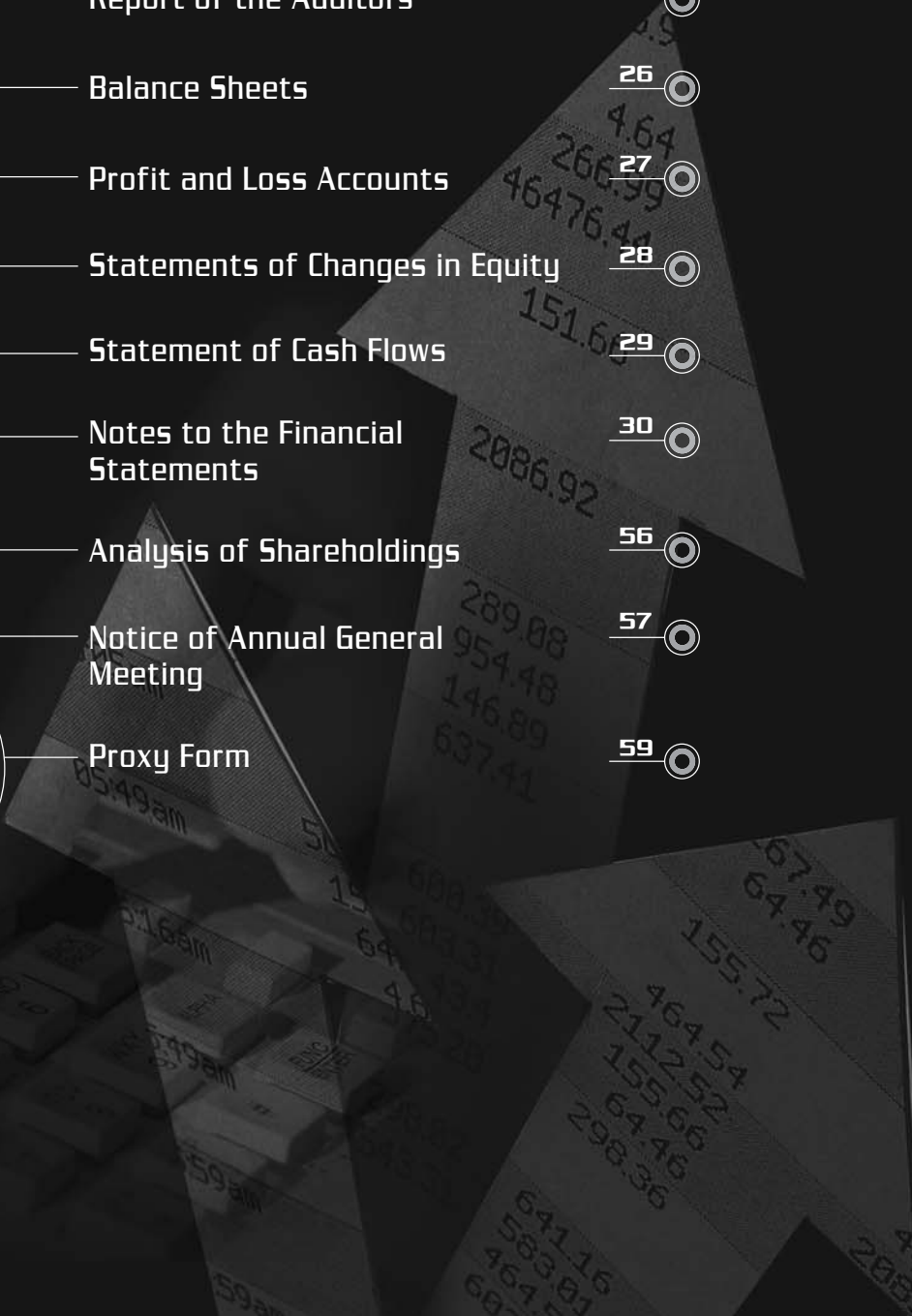


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DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2005.

Directors

The directors in office at the date of this report are as follows:-

Goh Eng Wah
 Mok Yuet Heng
 Goh Keng Beng
 Goh Keng Soon
 Goh Min Lu
 Goh Min Yen
 Hong Chin Fock
 Foo Kok Swee @ Pu Kok Swi
 Mohamed Nazim bin Abdul Razak

Directors' Interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:-

Holdings in the name of the director		Other holdings in which the director is deemed to have an interest	
At beginning of the year	At end of the year	At beginning of the year	At end of the year

Company

Ordinary shares of \$0.25 each fully paid

Goh Eng Wah	560,000	560,000	105,000,000	105,000,000
Mok Yuet Heng	-	-	105,000,000	105,000,000
Goh Min Yen	-	-	1,710,000	1,710,000

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

Directors' Interests (cont'd)

Holding Company	Holdings in the name of the director		Other holdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Eng Wah Holdings Pte Ltd				
Ordinary shares of \$1 each fully paid				
Goh Eng Wah	18,720,002	18,720,002	-	-
Mok Yuet Heng	17,680,000	17,680,000	-	-
Goh Keng Beng	7,800,000	7,800,000	-	-
Goh Min Yen	7,800,000	7,800,000	-	-
Subsidiary				
Jubilee Leisure (S) Pte Ltd				
Ordinary shares of \$1 each fully paid				
Goh Eng Wah	-	-	70,000	NA*
Mok Yuet Heng	-	-	70,000	NA*

*Jubilee Leisure (S) Pte Ltd was liquidated on 14 September 2004.

By virtue of Section 7 of the Act, Goh Eng Wah and Mok Yuet Heng are deemed to have interests in all of the wholly-owned subsidiaries of the Company at the beginning and at the end of the financial year.

Except as disclosed above, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations either at the beginning or at the end of the financial year.

There was no change in any of the above interests in the Company between the end of the financial year and 21 April 2005.

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

Directors' Interests (cont'd)

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share Options

During the financial year, there were:-

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

Audit Committee

The members of the Audit Committee during the year and at the date of this report comprise the following non-executive directors:-

- Hong Chin Fock (Chairman)
- Mohamed Nazim bin Abdul Razak
- Foo Kok Swee @ Pu Kok Swi

The Audit Committee performs the functions specified by Section 201B of the Companies Act, Chapter 50, the Code of Corporate Governance and the Listing Manual of the Singapore Exchange Securities Trading Limited.

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

Audit Committee (cont'd)

The Audit Committee held 2 meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work and the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- the appropriateness of interim and full year announcements and reports;
- financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

Auditors

The auditors, KPMG, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Goh Eng Wah

Director

Goh Min Yen

Director

Singapore

6 June 2005

STATEMENT BY DIRECTORS

YEAR ENDED 31 MARCH 2005

In our opinion:

- (a) the financial statements set out on pages 26 to 55 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2005 and of the results, changes in equity and cash flows of the Group and of the results and changes in equity of the Company for the year ended on that date; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Goh Eng Wah

Director

Goh Min Yen

Director

Singapore

6 June 2005

REPORT OF THE AUDITORS

TO THE MEMBERS OF ENG WAH ORGANIZATION LIMITED

We have audited the accompanying financial statements of Eng Wah Organization Limited for the year ended 31 March 2005 as set out on pages 26 to 55. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the consolidated financial statements of the Group and the balance sheet, profit and loss statement and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2005 and of the results, changes in equity and cash flows of the Group and of the results and changes in equity of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by the subsidiaries have been properly kept in accordance with the provisions of the Act.

KPMG

Certified Public Accountants

Singapore

6 June 2005

BALANCE SHEETS

AS AT 31 MARCH 2005

	Note	Group		Company	
		2005 \$	2004 \$	2005 \$	2004 \$
Non-Current Assets					
Property, plant and equipment	3	33,451,080	29,531,663	1,693,407	1,758,938
Investments in subsidiaries	4	-	-	9,293,379	9,293,376
Interests in associates	5	-	-	-	-
Other financial assets	6	405,000	405,000	30,000	30,000
		33,856,080	29,936,663	11,016,786	11,082,314
Current Assets					
Inventories, at cost		31,501	28,586	-	-
Trade receivables	7	420,081	352,278	15,195	20,540
Amounts due from related parties	8	618,681	755,309	18,438,003	9,996,576
Other receivables, deposits and prepayments	9	560,340	667,562	196,200	264,915
Other financial assets	6	191,958	17,260,365	-	17,000,000
Cash and cash equivalents	10	17,740,410	6,631,770	11,565,261	3,179,745
		19,562,971	25,695,870	30,214,659	30,461,776
Current Liabilities					
Trade payables and accruals		3,071,784	2,073,128	513,530	339,090
Amounts due to related parties	8	26,201	2,388	202,572	892,183
Deposits and other payables	11	2,464,270	2,650,881	385,432	895,141
Current tax liabilities		1,013,057	2,022,624	27,484	-
		6,575,312	6,749,021	1,129,018	2,126,414
Net Current Assets					
		12,987,659	18,946,849	29,085,641	28,335,362
Non-Current Liabilities					
Deferred tax liabilities	12	999,818	751,200	42,750	26,600
Minority interests					
		-	38,844	-	-
Net Assets					
		45,843,921	48,093,468	40,059,677	39,391,076
Capital and Reserves					
Share capital	13	37,500,000	37,500,000	37,500,000	37,500,000
Reserves	14	8,343,921	10,593,468	2,559,677	1,891,076
Shareholders' Equity					
		45,843,921	48,093,468	40,059,677	39,391,076

The accompanying notes form an integral part of these financial statements.

PROFIT & LOSS ACCOUNTS

YEAR ENDED 31 MARCH 2005

	Note	Group		Company	
		2005 \$	2004 \$	2005 \$	2004 \$
Revenue	15	21,767,370	19,788,192	14,931,035	5,237,552
Cost of sales		(14,873,370)	(13,399,119)	(2,864,355)	(2,750,120)
Gross profit		6,894,000	6,389,073	12,066,680	2,487,432
Other operating income	16	687,314	613,195	557,815	627,348
Distribution costs		(418,903)	(394,599)	(52,050)	(6,730)
Administrative expenses		(3,708,889)	(3,272,112)	(453,135)	(883,002)
Other operating expenses		(822)	(3,777)	-	-
Profit from operations	17	3,452,700	3,331,780	12,119,310	2,225,048
Taxation	20	(230,148)	(1,225,608)	(2,450,709)	(465,300)
Profit from ordinary activities after taxation		3,222,552	2,106,172	9,668,601	1,759,748
Minority interests		-	(1,840)	-	-
Net profit for the year		3,222,552	2,104,332	9,668,601	1,759,748
Basic earnings per share (cents)	21	2.15 cents	1.40 cents		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2005

	Note	Share Capital \$	Capital Reserve \$	Accumulated Profits \$	Revaluation Reserve \$	Total \$
Group						
2004						
At 1 April 2003		37,500,000	1,595,717	8,648,419	-	47,744,136
Net profit for the year		-	-	2,104,332	-	2,104,332
Dividends paid	22	-	-	(1,755,000)	-	(1,755,000)
At 31 March 2004		37,500,000	1,595,717	8,997,751	-	48,093,468
2005						
At 1 April 2004		37,500,000	1,595,717	8,997,751	-	48,093,468
Net profit for the year		-	-	3,222,552	-	3,222,552
Dividends paid	22	-	-	(9,000,000)	-	(9,000,000)
Surplus on revaluation	3	-	-	-	3,527,901	3,527,901
At 31 March 2005		37,500,000	1,595,717	3,220,303	3,527,901	45,843,921
Company						
2004						
At 1 April 2003		37,500,000	-	1,886,328	-	39,386,328
Net profit for the year		-	-	1,759,748	-	1,759,748
Dividends paid	22	-	-	(1,755,000)	-	(1,755,000)
At 31 March 2004		37,500,000	-	1,891,076	-	39,391,076
2005						
At 1 April 2004		37,500,000	-	1,891,076	-	39,391,076
Net profit for the year		-	-	9,668,601	-	9,668,601
Dividends paid	22	-	-	(9,000,000)	-	(9,000,000)
At 31 March 2005		37,500,000	-	2,559,677	-	40,059,677

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2005

	2005 \$	2004 \$
Operating Activities		
Profit from ordinary activities before taxation	3,452,700	3,331,780
Adjustments for:		
Depreciation of property, plant and equipment	2,482,904	2,607,718
Property, plant and equipment written off	17,558	1,363
Gain on disposal of property, plant and equipment	(200)	(53,742)
Bad debts recovered from an associate	(57,594)	-
Gain on liquidation of a subsidiary	(911)	-
Gain on disposal of financial asset	(34,366)	-
Allowance for diminution in value of financial assets (written back)/made	27,173	(67,468)
Dividend income	(8,513)	(4,631)
Interest income	(201,765)	(196,213)
Operating profit before changes in working capital	5,676,986	5,618,807
Changes in working capital:		
Inventories	(2,915)	10,593
Trade receivables	(67,803)	46,794
Other receivables, deposits and prepayments	(130,172)	166,381
Trade payables and accruals	1,001,827	(43,253)
Deposits and other payables	(186,611)	713,329
Balances with related parties	160,440	(108,716)
Cash generated from operations	6,451,752	6,403,935
Income tax paid	(824,904)	(1,429,291)
Cash flows from operating activities	5,626,848	4,974,644
Investing Activities		
Dividends received	8,513	4,631
Interest received	217,316	208,510
Proceeds from disposal of property, plant and equipment	200	70,494
Purchase of property, plant and equipment	(2,891,978)	(1,675,828)
Proceeds from disposal of financial assets	17,075,600	1,000,000
Purchase of financial assets	-	(4,250,000)
Proceeds from bad debts recovered from an associate	57,594	-
Capital distribution from liquidation of a subsidiary	14,547	-
Cash flows from investing activities	14,481,792	(4,642,193)
Financing Activities		
Dividends paid to minority shareholders of a subsidiary	-	(120,000)
Dividends paid to shareholders of the Company	(9,000,000)	(1,755,000)
Cash flows from financing activities	(9,000,000)	(1,875,000)
Net (decrease)/increase in cash and cash equivalents	11,108,640	(1,542,549)
Cash and cash equivalents at beginning of year	6,631,770	8,174,319
Cash and cash equivalents at end of year (note 10)	17,740,410	6,631,770

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 6 June 2005.

1 Domicile and Activities

Eng Wah Organization Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 400 Orchard Road, #16-06 Orchard Towers, Singapore 238875.

The principal activities of the Company are those relating to the rental of retail space. The Company also acts as a holding company and provides management services to its subsidiaries. The principal activities of the subsidiaries are as set out in note 4.

The immediate and ultimate holding company is Eng Wah Holdings Pte Ltd, a company incorporated in the Republic of Singapore.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the "Group") and the Group's interest in associates.

2 Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards including related Interpretations promulgated by the Council on Corporate Disclosure and Governance.

The financial statements, which are expressed in Singapore dollars, are prepared on the historical cost basis, except for the revaluation of the Group's freehold office premises.

2.2 Consolidation

i) Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses. Subsidiaries are consolidated with the Company in the Group's financial statements from the date control commences until the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

2 Summary of Significant Accounting Policies (cont'd)

2.2 Consolidation

ii) Associates

Associates are companies in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are stated in the Company's balance sheet at cost less impairment losses.

The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence commences until the date that significant influence ceases. The Group's investment in associates includes goodwill (net of accumulated amortisation) on acquisition. When the Group's share of losses exceeds the carrying amount of the associates, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associates.

iii) Transactions Eliminated on Consolidation

All significant intra-group transactions, balances and unrealised gains are eliminated on consolidation. Unrealised gains resulting from transactions with associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3 Foreign Currency Transactions

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange approximate to those ruling at the balance sheet date. Transactions in foreign currencies are translated at rates ruling on transaction dates. Translation differences are included in the profit and loss account.

2.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation except for freehold office premises which is stated at its revalued amount. The revalued amount is the fair value determined on the basis of existing use at the date of revaluation. Revaluation is performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of the asset does not differ materially from that which would be determined using fair value at the balance sheet date.

Any increase in revaluation is credited to the revaluation reserve unless it offsets a previous decrease recognised in the profit and loss account. A decrease in value is recognised in the profit and loss account where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation surplus is transferred from the revaluation reserve to accumulated profits and is not taken into account in arriving at the gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

2 Summary of Significant Accounting Policies (cont'd)

2.4 Property, Plant and Equipment

Depreciation is provided on a straight-line basis so as to write off the cost of property, plant and equipment over their estimated useful lives as follows:-

Freehold residential unit and renovation	- 5 to 50 years
Freehold office premises	- 50 years
Leasehold land and buildings	- 50 years
Plant and equipment	- 6 ² / ₃ to 10 years
Cinema equipment, fixtures and fittings	- 3 to 10 years
Concession equipment, fixtures and fittings	- 2 to 10 years
Office furniture and equipment	- 3 to 10 years
Motor vehicles	- 5 years

Fully depreciated assets are retained in the balance sheet until they are no longer in use.

2.5 Other Financial Assets

Unquoted equity shares held for the long-term are stated at cost less allowance for diminution in value which, in the opinion of the directors, are other than temporary.

Quoted equity shares and unquoted debt securities held for the short-term are stated at the lower of cost and market value/net realisable value, determined on an individual investment basis. Any increases and decreases in carrying amount are included in the profit and loss account.

2.6 Trade and Other Receivables

Trade and other receivables are stated at cost less allowance for doubtful receivables.

2.7 Goodwill

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is stated at cost less accumulated amortisation and impairment losses.

Goodwill on acquisition of subsidiaries that occurred prior to 1 January 2001 were written off against reserves and has not been retrospectively capitalised and amortised. Goodwill on acquisition of subsidiaries after 1 January 2001 is amortised in the profit and loss account using the straight-line method over its estimated useful life of not more than 20 years.

Negative goodwill arising on acquisition represents the excess of the fair value of the identifiable net assets acquired over the cost of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

2 Summary of Significant Accounting Policies (cont'd)

2.7 Goodwill

To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss account over the weighted average useful life of those assets that are depreciable or amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the profit and loss account. For acquisitions before 1 January 2001, negative goodwill was taken to reserves.

In arriving at the gain or loss on disposal of an entity, the unamortized balance of goodwill relating to the entity disposed of, or for acquisitions prior to 1 January 2001, the goodwill previously written off against reserves, is included as part of the cost of the investment.

2.8 Inventories

Inventories, comprising mainly snacks and drinks, are stated at the lower of cost and net realisable value.

2.9 Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. All impairment losses are recognised in the profit and loss account.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment are recognised in the profit and loss account.

2.10 Trade and Other Payables

Trade and other payables are stated at cost.

2.11 Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill, not deductible for tax purposes and on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

2 Summary of Significant Accounting Policies (cont'd)

2.11 Deferred Tax

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.12 Revenue Recognition

- (i) Film takings, income from filmlets and slides are recognised as revenue when the movies, advertisements or commercials are screened.
- (ii) Rental income is accrued on a time-apportioned basis.
- (iii) Interest income from bank deposits and debt securities are recognised on an accrual basis.
- (iv) Management fee income is recognised as revenue when the services are provided.
- (v) Dividend from subsidiaries and associates are recognised when the right to receive payment is established. Dividends from other investments are recognised upon receipt.

Revenue excludes goods and services and other sales taxes and is arrived at after deduction of discounts.

2.13 Operating Lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the profit and loss account on a straight-line basis over the terms of the respective leases. Contingent rentals are charged to the profit and loss account in the accounting period in which they are incurred.

2.14 Dividends

Dividends on ordinary shares are recognised as a liability in the period in which they are approved.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

3 Property, Plant and Equipment

Group	Freehold residential unit and renovation \$	Freehold office premises \$	Leasehold land and buildings \$	Plant and equipment \$	Cinema equipment, fixtures and fittings \$	Concession equipment, fixtures and fittings \$	Office furniture and equipment \$	Motor vehicles \$	Total \$
At 1 April 2004	314,382	3,832,709	28,398,514	5,772,613	13,707,163	370,256	697,149	1,026,642	54,119,428
Additions	-	-	-	5,019	2,801,307	-	38,997	46,655	2,891,978
Disposals/Write-offs	-	-	-	(2,150)	(22,275)	(45,363)	(34,249)	(52,594)	(156,621)
Surplus on revaluation	-	3,527,901	-	-	-	-	-	-	3,527,901
Adjustment on revaluation	-	(1,360,610)	-	-	-	-	-	-	(1,360,610)
At 31 March 2005	314,382	6,000,000	28,398,514	5,775,482	16,486,195	324,903	701,897	1,020,703	59,022,076
Accumulated Depreciation									
At 1 April 2004	81,335	1,283,956	5,968,636	4,387,054	11,321,298	358,801	593,040	593,645	24,587,765
Depreciation charge for the year	6,597	76,654	566,516	469,913	1,175,929	6,313	49,373	131,609	2,482,904
Disposals/Write-offs	-	-	-	-	(6,872)	(45,348)	(34,249)	(52,594)	(139,063)
Adjustment on revaluation	-	(1,360,610)	-	-	-	-	-	-	(1,360,610)
At 31 March 2005	87,932	-	6,535,152	4,856,967	12,490,355	319,766	608,164	672,660	25,570,996
Carrying Amount									
At 31 March 2005	226,450	6,000,000	21,863,362	918,515	3,995,840	5,137	93,733	348,043	33,451,080
At 31 March 2004	233,047	2,548,753	22,429,878	1,385,559	2,385,865	11,455	104,109	432,997	29,531,663

At 31 March 2005, the Group revalued its freehold office premises based on an independent professional valuation by Jones Lang LaSalle Property Consultants Pte Ltd on an existing use open market basis. The surplus on revaluation of \$3,527,901 has been taken to revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

3 Property, Plant and Equipment (cont'd)

Company	Leasehold land and building \$	Cinema equipment, fixtures and fittings \$	Office furniture and equipment \$	Motor vehicles \$	Total \$
Cost					
At 1 April 2004	2,380,918	534,601	104,980	470,165	3,490,664
Additions	-	125,800	36,930	-	162,730
At 31 March 2005	2,380,918	660,401	141,910	470,165	3,653,394
Accumulated Depreciation					
At 1 April 2004	1,137,758	457,232	39,968	96,768	1,731,726
Depreciation charge for the year	46,162	53,723	34,343	94,033	228,261
At 31 March 2005	1,183,920	510,955	74,311	190,801	1,959,987
Carrying Amount					
At 31 March 2005	1,196,998	149,446	67,599	279,364	1,693,407
At 31 March 2004	1,243,160	77,369	65,012	373,397	1,758,938

At 31 March, the following freehold and leasehold properties of the Group are mortgaged to banks to secure banking facilities granted to the Group.

	Group	
	2005 \$	2004 \$
Carrying value -		
Freehold office premises	6,000,000	2,548,753
Leasehold land and buildings	20,666,365	21,186,718
	26,666,365	23,735,471

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

3 Property, Plant and Equipment (cont'd)

Particulars of the properties of the Group are as follows:-

Description	Location	Approximate Area (sq. feet)	Tenure
Condominium unit	Lot 208, Section 63, Jalan Binjai, Kuala Lumpur, Malaysia	1,509*	Freehold
Office units	400 Orchard Road, Singapore	7,330*	Freehold
Empress Theatre	321 Clementi Avenue 3, Singapore	16,000#	99 years leasehold commencing July 1978
Jubilee Entertainment Complex	61 Ang Mo Kio Avenue 8, Singapore	18,300#	99 years leasehold commencing July 1979
Mandarin Theatre	535 Kallang Bahru, Singapore	15,000#	99 years leasehold commencing May 1975
Toa Payoh Entertainment Centre	450 Toa Payoh Lorong 6, Singapore	15,000#	99 years leasehold commencing August 1970

* denotes floor space

denotes land area

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

4 Investments in Subsidiaries

Company	
2005	2004
\$	\$
9,293,379	9,293,376

Unquoted equity shares, at cost

Details of the subsidiaries, all of which are incorporated and carry on business in the Republic of Singapore, are as follows:-

Name of Subsidiary	Principal Activities	Effective Equity Interest held by the Group		Cost of Investments	
		2005 %	2004 %	2005 \$	2004 \$
Eng Wah Film (Private) Limited	Film distributor, rental of office and retail spaces, cinema operator and investment trading	100	100	2,990,430	2,990,430
Eng Wah Investments Pte Ltd and its subsidiaries	Investment holding	100	100	2	2
- EWO Entertainment Concepts Pte Ltd	Investment holding	100	100	-	-
- EWO Food Concepts Pte Ltd	Operation and management of concession stands	100	100	-	-
- Jubilee Leisure (S) Pte Ltd	Liquidated	-	70	-	-
EWO Cinemas Pte Ltd	Cinema operator	100	100	25,000	25,000
Goh & Goh Properties Pte Ltd	Cinema operator	100	100	1,745,494	1,745,494
Kin Wah Company (Private) Limited	Cinema operator and rental of retail space	100	100	3,151,201	3,151,201
Wah Pho (Private) Limited	Cinema operator and rental of retail space	100	100	1,381,249	1,381,249
Reapwell Pte. Ltd	Entertainment and leisure-related operator (Currently inactive)	100	-	1	-
Highworth Pte. Ltd	Cinema operator and investment holding (Currently inactive)	100	-	1	-
Topwise Pte. Ltd	Inactive	100	-	1	-
				9,293,379	9,293,376

During the financial year, the Company acquired the wholly owned subsidiaries, Highworth Pte Ltd, Reapwell Pte Ltd and Topwise Pte Ltd, each with an issued and paid-up share capital of \$1.

All the above subsidiaries are audited by KPMG Singapore.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

5 Interests in Associates

	Group	
	2005	2004
	\$	\$
Unquoted equity shares, at cost	175,000	175,000
Long-term loan receivable	1,243,452	1,243,452
	<u>1,418,452</u>	<u>1,418,452</u>
Share of post-acquisition losses	(1,418,452)	(1,418,452)
	<u>-</u>	<u>-</u>

The long-term loan to an associate is unsecured, interest-free and not repayable within the next 12 months.

Details of the associates, all of which are incorporated and carry on business in the Republic of Singapore, are as follows:-

Name of Associate	Principal Activities	Effective Equity Interest held by the Group	
		2005	2004
		%	%
Mercurine Pte Ltd #	Cinema operator	50	50
Show Theatres Pte Ltd *	Under liquidation	25	25

Audited by KPMG Singapore.

* Not required to be audited.

6 Other Financial Assets

	Group		Company	
	2005	2004	2005	2004
	\$	\$	\$	\$
Long-term:				
Unquoted equity shares, at cost	405,000	405,000	30,000	30,000
Short-term:				
Quoted equity shares, at cost	563,349	604,583	-	-
Allowance for diminution in value	371,391	344,218	-	-
	<u>191,958</u>	<u>260,365</u>	<u>-</u>	<u>-</u>
Floating rate notes	-	17,000,000	-	17,000,000
	<u>191,958</u>	<u>17,260,365</u>	<u>-</u>	<u>17,000,000</u>
Market value of quoted equity shares	230,118	311,507	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

6 Other Financial Assets (cont'd)

Movements in allowance for diminution in value of financial assets during the financial year were as follows:

	Group	
	2005 \$	2004 \$
At 1 April	344,218	411,686
Allowance made/(reversed) during the year (note 17)	27,173	(67,468)
At 31 March	371,391	344,218

7 Trade Receivables

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Trade receivables	444,520	516,695	15,195	20,540
Allowance for doubtful receivables -				
At 1 April	164,417	120,926	-	-
Allowance made during the year (note 17)	-	43,491	-	-
Allowance utilised during the year	(139,978)	-	-	-
At 31 March	24,439	164,417	-	-
	420,081	352,278	15,195	20,540

8 Amounts Due from/to Related Parties

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Amounts due from				
Ultimate holding company	-	374	-	-
Subsidiaries				
- trade	-	-	315,103	329,718
- non-trade	-	-	45,187	644,475
- loan	-	-	17,995,000	8,938,557
Allowance for doubtful receivables (note 17)	-	-	18,355,290	9,912,750
	-	-	505,000	505,000
	-	-	17,850,290	9,407,750

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

B Amounts Due from/to Related Parties (cont'd)

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Amounts due from				
Associate				
- non-trade	622,923	771,173	602,830	605,064
- trade	10,875	-	-	-
	633,798	771,173	602,830	605,064
Allowance for doubtful receivables - At 1 April	16,238	16,238	16,238	16,238
Allowance written back during the year (note 17)	(1,121)	-	(1,121)	-
At 31 March	15,117	16,238	15,117	16,238
	618,681	754,935	587,713	588,826
Amounts due from related parties	618,681	755,309	18,438,003	9,996,576
Amounts due to				
Subsidiaries				
- non-trade	-	-	202,572	92,183
- loan	-	-	-	800,000
	-	-	202,572	892,183
Associate (trade)	26,201	2,388	-	-
Amounts due to related parties	26,201	2,388	202,572	892,183

The amounts due from/to the above related parties are unsecured, interest-free and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

9 Other Receivables, Deposits and Prepayments

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Other receivables	191,043	139,880	156,748	71,074
Allowance for doubtful receivables - At 1 April	48,921	48,921	48,715	48,715
Allowance written back during the year (note 17)	(3,361)	-	(3,361)	-
At 31 March	45,560	48,921	45,354	48,715
	145,483	90,959	111,394	22,359
Deposits	169,603	178,289	61,389	53,901
Prepayments	244,576	239,380	23,417	30,399
Income tax recoverable	678	158,934	-	158,256
	414,857	576,603	84,806	242,556
Other receivables, deposits and prepayments	560,340	667,562	196,200	264,915

10 Cash and Cash Equivalents

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Cash at bank and in hand	4,039,470	4,089,008	657,096	2,102,331
Fixed deposits	13,700,940	2,542,762	10,908,165	1,077,414
	17,740,410	6,631,770	11,565,261	3,179,745

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

11 Deposits and Other Payables

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Rental deposits received	975,876	1,162,910	-	-
Tender deposits received	29,049	29,049	-	-
Advance receipts from customers	977,507	229,883	234,688	20,651
Advance billings to tenants	139,861	88,436	-	-
Amounts due to suppliers of property, plant and equipment	101,186	866,467	25,941	708,441
Other payables	240,791	274,136	124,803	166,049
	2,464,270	2,650,881	385,432	895,141

12 Deferred Tax Liabilities

Net deferred tax liabilities is attributable to the following temporary differences:-

	At 1/4/2004 \$	(Credited)/ Charged to Profit and Loss Account (Note 20) \$	At 31/3/2005 \$
Group			
Property, plant and equipment	754,853	249,270	1,004,123
Trade receivables	(3,267)	(1,038)	(4,305)
Others	(386)	386	-
	751,200	248,618	999,818
Company			
Property, plant and equipment	26,600	16,150	42,750

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

12 Deferred Tax Liabilities (cont'd)

At 31 March, the following temporary differences have not been recognised:

	Group	
	2005 \$	2004 \$
Deductible temporary differences	40,400	(259,972)
Unabsorbed wear and tear allowances	47,862	430,177
Unutilised tax losses	176,148	47,862
	<u>264,410</u>	<u>218,067</u>

The unutilised tax losses and unabsorbed wear and tear allowances of the Group are available for carry forward and set-off against future taxable profits subject to agreement with the Comptroller of Income Tax and compliance with Sections 37 and 23 respectively of the Income Tax Act, Chapter 134. The deductible temporary differences do not expire under current tax legislation. In accordance with the Group's accounting policy as set out in note 2.11, deferred tax assets have not been recognised in respect of the above temporary differences.

13 Share Capital

	Group	
	2005 \$	2004 \$
Authorised:- 200,000,000 ordinary shares of \$0.25 each	50,000,000	50,000,000
Issued and fully paid:- 150,000,000 ordinary shares of \$0.25 each	37,500,000	37,500,000

14 Reserves

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Capital reserve	1,595,717	1,595,717	-	-
Revaluation reserve	3,527,901	-	-	-
Accumulated profits	3,220,303	8,997,751	2,559,677	1,891,076
	<u>8,343,921</u>	<u>10,593,468</u>	<u>2,559,677</u>	<u>1,891,076</u>

Capital Reserve:

This comprises negative goodwill arising on consolidation of subsidiaries.

Revaluation Reserve:

This comprises the net cumulative increase in the fair value of freehold office premises of the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

15 Revenue

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Film operations	14,476,981	12,723,524	-	-
Property rental income	4,898,281	5,103,067	-	-
Food operations	2,332,108	1,901,601	-	-
Gross dividends from subsidiaries	-	-	12,000,000	2,475,000
Management fee income from subsidiaries	-	-	2,931,035	2,762,552
Management fee income from an associate	60,000	60,000	-	-
	21,767,370	19,788,192	14,931,035	5,237,552

16 Other Operating Income

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Gross dividends from quoted equity shares	8,513	4,631	-	-
Interest income				
- unquoted debt securities	67,995	168,642	67,995	168,642
- banks and others	133,770	27,571	111,075	16,064
Rental of ticketing software	42,000	42,000	252,000	252,000
Accountancy fee income from an associate	60,000	60,000	-	-
Gain on disposal of property, plant and equipment	200	53,742	-	-
Bad debts recovered from an associate	57,594	-	-	-
Grants from Infocomm Development Authority of Singapore	56,346	-	19,311	-
Gain on disposal of quoted equity shares	34,366	-	-	-
Miscellaneous income	226,530	256,609	107,434	190,642
	687,314	613,195	557,815	627,348

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

17 Profit from Operations

	Note	Group		Company	
		2005 \$	2004 \$	2005 \$	2004 \$
Allowance made/(written back)					
- Doubtful receivables					
- trade	7	-	43,491	-	-
- non-trade	9	(3,361)	-	(3,361)	-
- subsidiaries	8	-	-	-	505,000
- associates	8	(1,121)	-	(1,121)	-
- Diminution in value of financial assets	6	27,173	(67,468)	-	-
Auditors' remuneration paid to auditors of the Company					
- Audit fees		49,000	50,500	24,000	24,000
- Non audit fees		146,638	59,567	115,900	20,500
Bad debts written off (trade)		1,434	-	-	-
Depreciation of property, plant and equipment	3	2,482,904	2,607,718	228,261	300,710
Property, plant and equipment written off	3	17,558	1,363	-	-
Loss on foreign exchange		594	2,413	-	-
Operating lease expenses*		1,505,461	1,296,038	213,282	213,282
Salaries, wages and other related staff costs		2,186,537	2,083,581	884,072	842,507
Contributions to Central Provident Fund		259,610	284,971	102,393	111,767
Number of employees as at 31 March		126	119	32	31

*Includes contingent rent paid to lessors of \$816,835 (2004 : \$607,412) for the Group.

18 Discontinuing Operations

The Group announced on 21 April 2004, the proposed sale of its entertainment business to a newly incorporated company ("Newco") at its net book value, the consideration for which will be satisfied entirely by the issue of shares of Newco to the Company. The Newco shares will in turn be distributed in specie to the shareholders of the Company in proportion to their shareholdings in the Company, effected by way of a capital reduction, under Section 73 of the Companies Act, Chapter 50, of the capital of the Company by an amount representing the net book value of Newco.

The financial information on the entertainment business as at and for the year ended 31 March 2005, with comparatives for 2004, are as follows:-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

18 Discontinuing Operations (cont'd)

	Group	
	2005 \$	2004 \$
Balance Sheet		
Total assets	18,841,971	15,245,113
Total liabilities	6,637,280	4,351,688
Profit and Loss Account		
Revenue	17,305,927	15,144,941
Total expenses	(15,954,913)	(14,457,382)
Profit before taxation	1,351,014	687,559
Taxation	(269,270)	(223,043)
Profit after taxation	1,081,744	464,516
Cash Inflow/(Outflow)		
Cash flows from operating activities	3,708,074	2,984,070
Cash flows from investing activities	(4,770,356)	(1,083,517)
Cash flows from financing activities	-	(942,604)
Net cash flows	(1,062,282)	957,949

19 Directors' Remuneration

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Directors of the Company				
- Directors' salaries and related costs	755,547	824,139	755,547	824,139
- Directors' fees	165,000	165,000	165,000	165,000
- Estimated monetary value of benefits	131,490	50,917	99,602	28,500
	1,052,037	1,040,056	1,020,149	1,017,639

Number of directors in each remuneration band:-

	2005	2004
\$500,000 and above	-	-
\$250,000 to \$499,999	1	1
\$0 to \$249,999	8	8
Total	9	9

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

20 Taxation

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Current tax				
- Current year	641,380	1,026,099	2,436,600	496,700
- Under/(over) provision in respect of prior years	(659,850)	461,909	(2,041)	-
	(18,470)	1,488,008	2,434,559	496,700
Deferred tax				
- Movements in temporary differences	181,880	(167,700)	16,150	(23,600)
- Change in tax rate	-	(91,900)	-	(5,000)
- Under/(over) provision in respect of prior years	66,738	(2,800)	-	(2,800)
	248,618	(262,400)	16,150	(31,400)
Tax expense	230,148	1,225,608	2,450,709	465,300
Reconciliation of Effective Tax Rate				
Profit from ordinary activities	3,452,700	3,331,780	12,119,310	2,225,048
Income tax at 20% (2004 : 20%)	690,540	666,356	2,423,862	445,010
Non-deductible expenses	235,213	214,622	72,365	44,972
Tax exempt revenue	(111,458)	(75,909)	(43,527)	(16,864)
Change in tax rate	-	(91,900)	-	(5,000)
Tax benefits not recognised	9,269	53,190	-	-
Under/(over) provision in prior years				
- current tax	(659,850)	461,909	(2,041)	-
- deferred tax	66,738	(2,800)	-	(2,800)
Others	(304)	140	50	(18)
	230,148	1,225,608	2,450,709	465,300

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

21 Earnings Per Share (Group)

Earnings per share are calculated based on the Group's net profit for the year of \$3,222,552 (2004 : \$2,104,332) and the weighted average number of shares in issue during the financial year of 150,000,000 (2004 : 150,000,000) ordinary shares.

22 Dividends

	Group and Company	
	2005	2004
	\$	\$
Final dividend paid of 0.75 cents (2004 : 0.75 cents) per share less tax at 20% (2004 : 22%)	900,000	877,500
Special dividend paid of 0.75 cents (2004: 0.75 cents) per share less tax at 20% (2004 : 22%)	900,000	877,500
Special interim dividend paid of 6 cents (2004 : Nil) per share less tax at 20%	7,200,000	-
	<u>9,000,000</u>	<u>1,755,000</u>

After the balance sheet date, the Directors have proposed the following dividends, which have not been provided for in the financial statements:

	Group and Company	
	2005	2004
	\$	\$
Final dividend proposed of 0.75 cents (2004: 0.75 cents) per share less tax at 20% (2004 : 20%)	900,000	900,000
Special dividend proposed of Nil (2004 : 0.75 cents per share less tax at 20%)	-	900,000
	<u>900,000</u>	<u>1,800,000</u>

23 Segment Information

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

23 Segment Information (cont'd)

Business Segments

The main business segments of the Group comprise film, property leasing and food operations.

	Film operations \$	Property leasing operations \$	Food operations \$	Others \$	Elimination \$	Total Group \$
Revenue and Expenses						
2005						
Total revenue from external customers	14,476,981	4,898,281	2,332,108	60,000	-	21,767,370
Inter-segment revenue	-	680,614	-	14,951,670	(15,632,284)	-
Total revenue	14,476,981	5,578,895	2,332,108	15,011,670	(15,632,284)	21,767,370
Segment results	(173,593)	2,821,053	807,670	367,366	-	3,822,496
Unallocated expenses						(369,796)
Profit from operations						3,452,700
Taxation						(230,148)
Net profit for the year						3,222,552
2004						
Total revenue from external customers	12,723,524	5,103,067	1,901,601	60,000	-	19,788,192
Inter-segment revenue	-	593,700	-	4,471,526	(5,065,226)	-
Total revenue	12,723,524	5,696,767	1,901,601	4,531,526	(5,065,226)	19,788,192
Segment results	(413,582)	2,925,681	557,330	405,354	-	3,474,783
Unallocated expenses						(143,003)
Profit from operations						3,331,780
Taxation						(1,225,608)
Minority interests						(1,840)
Net profit for the year						2,104,332

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

23 Segment Information (cont'd)

	Film operations \$	Property leasing operations \$	Food operations \$	Others \$	Elimination \$	Total Group \$
Assets and Liabilities						
2005						
Segment assets	15,632,307	22,256,063	2,160,266	12,751,056	-	52,799,692
Income tax recoverable						678
Amounts due from related parties						618,681
Other unallocated assets						-
Total assets						53,419,051
Segment liabilities	3,713,945	1,346,532	168,609	186,369	-	5,415,455
Current and deferred tax liabilities						2,012,875
Other unallocated liabilities						146,800
Total liabilities						7,575,130
2004						
Segment assets	14,184,776	19,646,832	1,420,974	19,352,708	-	54,605,290
Income tax recoverable						158,934
Amounts due from related parties						755,309
Other unallocated assets						113,000
Total assets						55,632,533
Segment liabilities	2,801,475	1,638,886	101,617	71,674	-	4,613,652
Current and deferred tax liabilities						2,773,824
Other unallocated liabilities						112,745
Total liabilities						7,500,221
Capital Expenditure						
2005	2,891,978	-	-	-	-	2,891,978
2004	1,647,799	26,039	1,990	-	-	1,675,828

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

23 Segment Information (cont'd)

	Film operations \$	Property leasing operations \$	Food operations \$	Others \$	Elimination \$	Total Group \$
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Significant Non-Cash Expenses

2005

Depreciation of property, plant and equipment	1,638,213	838,378	6,313	-	-	2,482,904
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2004

Depreciation of property, plant and equipment	1,683,845	888,353	35,520	-	-	2,607,718
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Geographical Segments

The Group operates predominantly in Singapore.

24 Significant Related Party Transactions

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Transactions with Directors

Directors' remuneration is disclosed in note 19.

There were no material contracts of the Company and its subsidiaries involving the interests of the chief executive officer, each director or controlling shareholder which are still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Other Related Party Transactions

During the financial year, other than as disclosed in notes 16 and 17, there were the following significant transactions with related parties, based on terms agreed by the parties:-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

24 Significant Related Party Transactions (cont'd)

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Subsidiaries				
- Computer software rental income	-	-	210,000	210,000
- Software maintenance fee income	-	-	39,000	39,000
- Office rental paid/payable	-	-	213,282	213,282
Relative of a director *				
- Consultancy fees paid	96,000	93,300	96,000	93,300
Associate				
- Computer software rental income	42,000	42,000	42,000	42,000
- Software maintenance fee income	7,800	7,800	7,800	7,800

* Mr Oh Chee Eng, who acts as an Investment Consultant for the Company, is the spouse of the executive director, Ms Goh Min Yen.

25 Financial Risk Management

Financial Risk Management Objectives and Policies

Exposure to credit, interest rate and currency risk arises in the normal course of business. The Group has risk management policies and guidelines which set out their overall business strategies, tolerance of risk and general risk management philosophy. All policies are reviewed by the Executive Committee, which comprises the executive directors.

Credit Risk

The Group has credit policies in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Cash and fixed deposits are placed with banks and financial institutions which are regulated. The Group invests its surplus cash in only those financial instruments of high credit rating and with pre-approved counterparties of high credit quality.

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Interest Rate Risk

The Group's exposure to market risk for changes in interest rates relates primarily to floating rate notes and fixed deposits.

It is the Group's policy to place cash in terms of deposits on a short-term basis and therefore changes in market interest rates will minimise the interest rate exposure.

Effective Interest Rates and Repricing Analysis

In respect of interest-earning financial assets, the following table indicates their effective interest rates at balance sheet date and the periods in which they reprice.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

25 Financial Risk Management (cont'd)

	2005		2004	
	Effective Interest rate % p.a.	Within 1 year \$	Effective Interest rate % p.a.	Within 1 year \$
Group				
Floating rate notes	0.75% to 2.00%	-	0.75% to 2.00%	17,000,000
Fixed deposits	1%	13,700,940	0.7%	2,542,762
		<u>13,700,940</u>		<u>19,542,762</u>
Company				
Floating rate notes	0.75% to 2.00%	-	0.75% to 2.00%	17,000,000
Fixed deposits	1%	10,908,165	0.6%	1,077,414
		<u>10,908,165</u>		<u>18,077,414</u>

Foreign Currency Risk

The Company's foreign currency risk relates mainly to deposits with banks that are denominated in Malaysian Ringgit. The Company does not use foreign currency forward contracts or currency options to hedge its exposure.

Fair Values

The carrying amounts of the Group's and the Company's financial assets and liabilities recorded at the balance sheet date, except as disclosed in the following paragraph, are approximate to their fair values as these are the amounts receivable and payable under the normal trade credit terms or on demand.

The fair value of short-term quoted equity shares is the quoted bid price at the balance sheet date. For the non-current balances with related parties, the fair value cannot be practically determined as they have no fixed terms of repayment to ascertain the future cash flows reliably. However, the directors are of the view that the fair values of these balances approximate their carrying amounts at the balance sheet date.

It is not practicable to estimate the fair value of the Group's and the Company's long-term unquoted equity investments because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. However, the directors believe that the carrying amounts recorded at the balance sheet date reflect the corresponding fair values.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

26 Operating Lease Commitments

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases as follows:-

	Group	
	2005 \$	2004 \$
Payable:-		
Within 1 year	1,093,000	1,282,000
After 1 year but within 5 years	3,851,000	4,884,000
After 5 years	1,057,000	2,886,000
	6,001,000	9,052,000

The Group leases two cineplexes under operating leases. The leases run from 1998 for a period of 6 years and 14 years respectively. Lease payments for one of the leased cineplexes is determined at the higher of a fixed amount or 15% of gross revenue from film takings whilst the other is determined at the higher of a fixed amount or 16% of gross revenue from film takings and is subject to an upward revision of 15% every three years.

27 Subsequent Event

On 18 May 2005, the Company announced its plan to bring an internationally acclaimed cabaret, Crazy Horse Paris, to Singapore. The Company's wholly owned subsidiary, Reapwell Pte Ltd ("Reapwell"), entered into a licence agreement for the exclusive right to produce in Singapore an adaptation of the original Paris, France theatrical stage production. In respect of this, Reapwell has leased premises in Clarke Quay for a term of 6 years.

ANALYSIS OF SHAREHOLDINGS

AS AT 15 JUNE 2005

AUTHORISED SHARE CAPITAL	:	\$50,000,000
ISSUED AND FULLY PAID-UP CAPITAL	:	\$37,500,000
CLASS OF SHARES	:	Ordinary shares of \$0.25 each
VOTING RIGHTS	:	1 vote per share

Size Of Shareholdings	No. Of Shareholders	%	No. Of Shares	%
1 - 999	161	4.86	78,104	0.05
1,000 - 10,000	2,750	83.11	7,984,002	5.32
10,001 - 1,000,000	390	11.79	22,421,394	14.95
1,000,001 & above	8	0.24	119,516,500	79.68
TOTAL	3,309	100.00	150,000,000	100.00

Approximately 28% of the issued ordinary shares of the Company is held in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

Top Twenty Shareholders

Name Of Shareholder	No. Of Shares	%
ENG WAH HOLDINGS PTE LTD	105,000,000	70.00
SO FOI CHIN	3,392,000	2.26
UOB KAY HIAN PTE LTD	2,561,500	1.71
KEA CHEE TONG @ KE CHI YET @ KIA CHEE YET	2,402,500	1.60
CITIBANK NOMINEES S'PORE PTE LTD	1,702,000	1.13
HONG LEONG FINANCE NOMINEES PTE LTD	1,660,000	1.11
TEO CHIANG LONG	1,500,000	1.00
DBS NOMINEES PTE LTD	1,298,500	0.87
UNITED OVERSEAS BANK NOMINEES PTE LTD	700,500	0.47
NG KAH THIM @ LAU SHEE THIM	614,500	0.41
YEE LAT SHING	600,000	0.40
WONG SONG SIW @ WONG HONG SIEW	589,500	0.39
GOH ENG WAH @ GOH KEE WAH	560,000	0.37
HELENE KANG	560,000	0.37
QUEK SUAN KIAT	494,000	0.33
LIM SAI YANG	450,000	0.30
HSBC (SINGAPORE) NOMINEES PTE LTD	432,000	0.29
ANG HAO YAO	420,000	0.28
GOH ENG GUAN @ GOH KEE GUAN	405,000	0.27
TOTAL	125,342,000	83.56

Substantial Shareholders

Name Of Substantial Shareholder	Number Of Shares in which Substantial Shareholder has an Interest		Deemed Interest	
	Direct Interest	%		%
ENG WAH HOLDINGS PTE LTD	105,000,000	70.00	-	-
GOH ENG WAH	560,000	0.37	*105,000,000	70.00
MOK YUET HENG	-	-	*105,000,000	70.00

* These interests arise by virtue of their interests in Eng Wah Holdings Pte Ltd.

ENG WAH ORGANIZATION LIMITED

(Company Registration Number 196800320E)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Seventh ANNUAL GENERAL MEETING of ENG WAH ORGANIZATION LIMITED will be held at The Legends Fort Canning Park, Legends 1 (Park Level), 11 Canning Walk, Singapore 178881 on Thursday, 28 July 2005 at 9.30 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the Audited Accounts of the Company for the financial year ended 31 March 2005 together with the Reports of the Directors and the Auditors.
2. To approve the payment of a final dividend of 3 per cent (2004: 3 per cent) less income tax for the financial year ended 31 March 2005.
3. To re-elect the following Directors:
 - (a) Mr Foo Kok Swee @ Pu Kok Swi; and
 - (b) Datuk Mohamed Nazim bin Abdul Razakeach of whom retires by rotation pursuant to Article 91 of the Articles of Association of the Company.
4. To re-appoint the following Directors pursuant to Section 153(6) of the Companies Act, Chapter 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting:
 - (a) Mr Goh Eng Wah; and
 - (b) Mdm Mok Yuet Heng.
5. To approve Directors' fees of \$165,000 (2004: \$165,000) for the financial year ended 31 March 2005.
6. To re-appoint Messrs KPMG as Auditors and authorise the Directors to fix their remuneration.
7. To transact any other business that may properly be transacted at an Annual General Meeting.

As Special Business

8. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"That pursuant to Section 161 of the Companies Act (Cap. 50), approval be and is hereby given to the Directors to issue shares in the Company at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10 per cent of the issued share capital of the Company for the time being."

BY ORDER OF THE BOARD

Melissa Anne Teo Eu-Leng

Joint Secretary

12 July 2005

Notes:

- (1) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not also be a member.
- (2) The instrument appointing a proxy must be deposited at the registered office of the Company not less than 48 hours before the time of the Meeting.
- (3) Item 3 – Re-election of Directors

Mr Foo Kok Swee @ Pu Kok Swi and Datuk Mohamed Nazim bin Abdul Razak, if re-elected, will remain members of the Company's Audit Committee, Nominating Committee and Remuneration Committee, and will be considered as independent Directors for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Mr Foo and Datuk Mohamed Nazim will continue as Chairman of the Remuneration Committee and Chairman of the Nominating Committee, respectively.

ENG WAH ORGANIZATION LIMITED
(Company Registration Number 196800320E)

PROXY FORM - ANNUAL GENERAL MEETING

I/ We, _____ (Name)

of _____ (Address)

being a member/members of **ENG WAH ORGANIZATION LIMITED** hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/ or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to vote for me/us on my/our behalf, at the Annual General Meeting of the Company, to be held on 28 July 2005, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No	Resolution	To be used on a show of hands		To be used in the event of a Poll	
		For*	Against*	No. of Votes For**	No. of Votes Against**
Ordinary Business					
1	Adoption of Reports and Accounts				
2	Declaration of final dividend				
3	(a) Re-election of Mr Foo Kok Swee @ Pu Kok Swi				
	(b) Re-election of Datuk Mohamed Nazim bin Abdul Razak				
4	(a) Re-appointment of Mr Goh Eng Wah as a Director				
	(b) Re-appointment of Mdm Mok Yuet Heng as a Director				
5	Approval of Directors' Fees				
6	Re-appointment of Messrs KPMG as Auditors				
7	Any other ordinary business				
Special Business					
8	Authority to issue shares				

* Please indicate your vote "For" or "Against" with a tick (✓) within the box provided.

** If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2005

Total Number of Shares Held	
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Signature(s) of Member(s)/ Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A proxy need not be a member of the Company.
4. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 400 Orchard Road #16-06 Orchard Towers, Singapore 238875 not less than 48 hours before the time set for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

General

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.