

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),  
HALF YEAR AND FULL YEAR RESULTS1 (a) An income statement (for the group) together with a comparative statement for the  
corresponding period of the immediately preceding financial year.

	Note	Group S\$'000		
		2006	2005	+/(-)%
Turnover		77,011	70,033	9.96
Cost of sales		(50,269)	(43,156)	16.48
Gross Profit		26,742	26,877	(0.50)
Other operating income		2,071	2,652	(21.91)
Distribution and selling expenses		(8,832)	(9,379)	(5.83)
Administrative expenses		(12,927)	(12,942)	(0.12)
Other operating expenses		(2,162)	(4,348)	(50.28)
Profit from operations		4,892	2,860	71.05
Finance expenses		(941)	(735)	28.03
Interest income		40	21	90.48
Share of results of associate		(16)	(16)	-
Profit before tax	1	3,975	2,130	86.62
Taxation		(850)	(283)	200.35
Profit after tax		3,125	1,847	69.19
Attributable to:				
Equity holders of the company		3,148	1,711	83.99
Minority interests		(23)	136	N.M.
		3,125	1,847	69.19

NM: Not meaningful

**Note**

	Group S\$'000		
	2006	2005	+/(-)%

## 1 Profit before tax is derived at after

**crediting / (charging) :**

Depreciation of property, plant and equipment	(1,838)	(2,258)	(18.60)
Write-back of impairment loss/ (impairment loss) on property	719	(1,170)	(161.45)
Impairment of goodwill	-	(30)	(100.00)
Gain/(loss) on disposal of property, plant and equipment	41	(89)	(146.07)
Amortisation of land occupancy rights	(14)	(14)	-
Allowance for doubtful debts (non-trade)	-	(60)	(100.00)
Fair value gain/(loss) on quoted equity investments	85	(1,134)	(107.50)
Write-back of/(provision for) inventory obsolescence	100	(50)	(300.00)
Gain on disposal of quoted equity investments	-	926	(100.00)
Recognition of negative goodwill	-	166	(100.00)
Dividend income	10	245	(95.92)
Fair value loss on interest rate swap	(107)	-	N.M.

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.

	Group		Company	
	S\$'000		S\$'000	
	2006	2005	2006	2005
<b>Equity attributable to equity holders of the Company</b>				
Share capital	17,764	16,649	17,764	16,649
Share premium	-	1,115	-	1,115
Reserves	7,183	3,367	3,564	2,142
	24,947	21,131	21,328	19,906
Minority interest	1,113	1,372	-	-
<b>Total equity</b>	<b>26,060</b>	<b>22,503</b>	<b>21,328</b>	<b>19,906</b>
<b>Non-current assets</b>				
Property, plant and equipment	22,280	15,088	-	-
Land occupancy rights	501	535	-	-
Goodwill	1,758	1,758	-	-
Investment in associate	20	26	-	-
Investment in subsidiaries	-	-	11,714	11,912
Quoted equity investments	6,094	-	6,094	-
Deferred tax asset	196	64	-	-
Due from subsidiaries (non-trade)	-	-	600	4,511
	30,849	17,471	18,408	16,423
<b>Current assets</b>				
Inventories	11,291	15,012	-	-
Trade receivables	4,754	4,327	-	-
Other receivables, deposits and prepayments	2,731	2,304	-	-
Due from subsidiaries (trade)	-	-	672	785
Due from subsidiaries (non-trade)	-	-	6,369	3,000
Quoted equity investments	3,960	1,924	-	-
Fixed deposits	1,678	2,028	-	-
Cash and bank balances	2,157	3,147	141	191
	26,571	28,742	7,182	3,976
<b>Total assets</b>	<b>57,420</b>	<b>46,213</b>	<b>25,590</b>	<b>20,399</b>
<b>Current liabilities</b>				
Trade payables	4,939	6,413	-	-
Bills payable	2,594	2,850	-	-
Other payables and accruals	4,981	4,650	358	211
Tax payable	1,033	945	21	42
Due to subsidiary (non-trade)	-	-	2,183	240
Due to minority shareholders of subsidiary (non-trade)	436	494	-	-
Due to director of a subsidiary (non-trade)	400	530	-	-
Term loan (current portion)	2,759	1,318	1,700	-
Bank overdrafts	5,928	1,627	-	-
Lease obligations (current portion)	119	151	-	-
Unearned revenue	523	341	-	-
	23,712	19,319	4,262	493
<b>Non-current liabilities</b>				
Term loans	7,257	4,042	-	-
Deferred tax liability	96	42	-	-
Lease obligations	295	307	-	-
	7,648	4,391	-	-
<b>Total liabilities</b>	<b>31,360</b>	<b>23,710</b>	<b>4,262</b>	<b>493</b>
<b>Net assets</b>	<b>26,060</b>	<b>22,503</b>	<b>21,328</b>	<b>19,906</b>

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

Amount repayable in one year or less, or on demand

As at 31.12.06		As at 31.12.05	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
8,687	-	2,945	-

Amount repayable after one year

As at 31.12.06		As at 31.12.05	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
7,257	-	4,042	-

Details of any collateral

The Group's borrowings are secured by the following:

- a fixed and floating charge on all the subsidiaries' building and a first legal mortgage on the subsidiary's building.
- a fixed and floating charge on all the subsidiary's assets and undertaking and a first legal mortgage on the subsidiary's factory
- corporate guarantee from the Company and a subsidiary

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

	2006	2005
	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	3,975	2,130
<b>Adjustments for:</b>		
Share of loss of associate	16	16
Depreciation charge of property, plant and equipment	1,838	2,258
(Gain)/loss on disposal of property, plant and equipment	(41)	89
(Write-back of impairment loss)/impairment loss on property	(719)	1,170
Interest expense	941	731
Interest income	(40)	(21)
Allowance for doubtful debts (non-trade)	-	60
(Write-back of)/provision for inventory obsolescence	(100)	50
Amortisation of land occupancy rights	14	14
Impairment of goodwill	-	30
Fair value (gain)/loss on quoted equity investments	(85)	1,134
Expenses on share-based payments	-	56
Recognition of negative goodwill	-	(166)
Fair value loss on interest rate swap	107	-
<b>Operating cash flow before working capital changes</b>	<b>5,906</b>	<b>7,551</b>
<b>Decrease / (increase) in :</b>		
Inventories	3,820	2,941
Trade receivables	(245)	(471)
Other receivables, deposits and prepayments	(427)	(56)
Due from associate (non-trade)	-	(3)
<b>Increase / (decrease) in:</b>		
Trade payables	(1,473)	771
Bills payable	(256)	(1,398)
Other payables and accruals	224	(559)
Due to a minority shareholder of a subsidiary (trade)	(57)	(171)
Due to directors of a subsidiary (non trade)	(130)	530
<b>Net cash inflow from operating</b>	<b>7,362</b>	<b>9,135</b>

Interest paid	(941)	(731)
Interest received	40	21
Income taxes paid	(834)	(339)
Translation difference	(61)	152
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<b>Net cash inflow from operating activities</b>	<b>5,566</b>	<b>8,238</b>
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment - net	(8,563)	(736)
Proceeds from disposal of fixed assets	236	-
Purchase of quoted equity investments	(6,405)	-
Proceeds from disposal of quoted equity investments	-	3,516
Acquisition of subsidiary, net cash and cash equivalents	-	(2,824)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(14,732)</b>	<b>(44)</b>
<b>Cash flows used in financing activities</b>		
Repayment of lease obligations - net	(45)	(118)
Proceeds from term loan	7,142	-
Repayment of term loans	(2,484)	(1,318)
Dividends to minority interests	(200)	-
Dividends paid to shareholders	(888)	-
	<hr/>	<hr/>
<b>Net cash inflow/(outflow) from financing activities</b>	<b>3,525</b>	<b>(1,436)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,641)</b>	<b>6,758</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,548</b>	<b>(3,210)</b>
<b>Cash and cash equivalents at end of year (Note A)</b>	<b><u>(2,093)</u></b>	<b><u>3,548</u></b>

**Note A: Cash and cash equivalents**

	<b>2006</b>	<b>2005</b>
	S\$'000	S\$'000
Cash and bank balances	2,157	3,147
Fixed deposits	1,678	2,028
Bank overdrafts	(5,928)	(1,627)
	<hr/>	<hr/>
<b>Cash and bank equivalents</b>	<b><u>(2,093)</u></b>	<b><u>3,548</u></b>

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding year.

S\$'000	Group						
	Share Capital	Share Premium	Translation reserve	Capital reserve	Accumulated profit	Minority interest	Total
<b>Balance as at 1 January 2005</b>	16,201	846	568	79	860	1,955	20,509
Net effect of exchange differences	-	-	94	-	-	7	101
Net profit for the year	-	-	-	-	1,711	136	1,847
Expense on share-based payments	-	-	-	56	-	-	56
Issuance of ordinary shares in exchange for issued share capital of a subsidiary	448	269	-	-	-	-	717
Acquisition of a subsidiary	-	-	-	-	-	353	353
Acquisition of the remaining minority interest in subsidiaries	-	-	-	-	-	(1,080)	(1,080)
<b>Balance as at 31 December 2005 and 1 January 2006</b>	<b>16,649</b>	<b>1,115</b>	<b>662</b>	<b>135</b>	<b>2,571</b>	<b>1,371</b>	<b>22,503</b>
Net effect of exchange differences	-	-	(86)	-	-	(35)	(121)
Net profit/(loss) for the year	-	-	-	-	3,148	(23)	3,125
Reclassification of share premium*	1,115	(1,115)	-	-	-	-	-
Fair value adjustment for quoted shares	-	-	-	1,640	-	-	1,640
Dividends on ordinary shares	-	-	-	-	(888)	-	(888)
<b>Balance as at 31 December 2006</b>	<b>17,764</b>	<b>-</b>	<b>576</b>	<b>1,775</b>	<b>4,831</b>	<b>1,313</b>	<b>26,259</b>

S\$'000	Company				
	Share Capital	Share Premium	Capital reserve	Accumulated profit	Total
<b>Balance as at 1 January 2005</b>	16,201	846	79	(755)	16,371
Net profit for the year	-	-	-	2,762	2,762
Expense on share-based payments	-	-	56	-	56
Issuance of ordinary shares in exchange for issued share capital of a subsidiary	448	269	-	-	717
<b>Balance as at 31 December 2005 and 1 January 2006</b>	<b>16,649</b>	<b>1,115</b>	<b>135</b>	<b>2,007</b>	<b>19,906</b>
Net profit for the year	-	-	-	669	669
Reclassification of share premium*	1,115	(1,115)	-	-	-
Fair value adjustment for quoted shares	-	-	1,640	-	1,640
Dividends on ordinary shares	-	-	-	(888)	(888)
<b>Balance as at 31 December 2006</b>	<b>17,764</b>	<b>-</b>	<b>1,775</b>	<b>1,788</b>	<b>21,327</b>

\* In accordance with the Companies (Amendment) Act 2005, on 30 January 2006, the shares of the company ceased to have a par value and the amount standing in the share premium reserve became part of the company's share capital.

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, 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.

Not Applicable

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

The figures have not been audited nor reviewed by the Group's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not Applicable

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Other than the adoption of the new Financial Reporting Standards (FRS) as mentioned in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2005.

**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 amendments to FRS 39 *Financial Instruments: Recognition and Measurement - Financial Guarantee Contracts*, which took effect from financial years beginning on or after 1 January 2006, require the Company to measure the financial guarantees given to banks for bank borrowings of its subsidiaries at fair value upon inception of the guarantees. These guarantees are subsequently measured at the higher of their initial fair values less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. Previously, these financial guarantees were accounted for as contingent liabilities whereby a loss was recognised only if it is probable that it would be incurred.

The adoption of the amendments to FRS 39 is assessed to have no material financial impact on the results and the opening balance of the accumulated profits of the Company for the year ended 31 December 2006. This change has no impact to the Group's financial statements.

**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**

	31.12.06 cents	31.12.05 cents
(i) Based on weighted average number of ordinary share in issue	2.837	1.562
(ii) On a fully diluted basis	2.837	1.562

**Footnote:**

Earnings per ordinary share on existing issued share capital for the year ended 31 December 2006 was computed based on the weighted average number of shares in issue of 110,993,254 ( 31 December 2005: 110,993,254)

**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	
	S\$		S\$	
	31.12.06	31.12.05	31.12.06	31.12.05
Net asset value per ordinary share based on existing share as at period	0.24	0.20	0.19	0.18

**Footnote:**

Net asset value per ordinary share is based on the weighted average number of 110,993,254 ordinary shares in issue during the year ended 31 December 2006 ( 31 December 2005: 110,993,254 shares)

**8 A review of the performance of the group to the extent necessary for a reasonable understanding of the group's business. The view must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any materials factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

For the year ended 31 December 2006, the group's turnover increased by 10% from \$70m to \$77m. The profit after tax for the year ended was \$3.1m, an increased of 69% as compared to \$1.8m in previous financial year.

The significant improvement was mainly due to the following:

- (1) Incorporation of full year result of a newly acquired subsidiary, Chuan Seng Leong Pte Ltd, in previous year.
- (2) Write back of impairment loss on building in the current year.
- (3) Fair value gain on quoted investments in the current year as compared to fair value loss in prior year.

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

Not applicable.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Consumers' retail concepts have changed over the years, especially with the growing affluence of the consumers. The Company and its subsidiaries has faced many challenges in growing its Furniture Business.

The Board has considered several strategic options for the Furniture Business. One of these options would have been to continue to grow the Furniture Business. However, such growth would require expansion of its distribution network both locally and overseas to gain global scale. Currently, the Furniture Business have minimal overseas presence. This strategy, which would entail significant risk, human resource investment and capital which may have to be raised from shareholders would not guarantee good returns for the Novena Group.

In view of the above, the Board has decided to divest the Furniture Business at an attractive premium to the net tangible asset value of the Furniture Business. The Group has on 17th February 2007, entered into an agreement with TT International Ltd to divest its Furniture Business at an approximate consideration of \$13.5mil. The Company will emerge holding more than 14% of the issued and paid-up share capital of the Purchaser.

The Purchaser is a leading Singapore-based player in the global trading of consumer electronics and household appliances, including its own house brand AKIRA, sells such products to over 60 countries worldwide. It has an established network in emerging markets particularly in South East Asia such as Indonesia, Malaysia and Vietnam just to name a few. It also has proven strengths in brand building and distribution. The Proposed Transaction will give the Company an opportunity to participate and leverage in the future growth of the Purchaser's business via its shareholding in the Purchaser.

The Board believes that the Proposed Transaction allows the Company to realize value in the Furniture Business which it has built over the years, thus benefiting Shareholders and other stakeholders alike.

After Completion of the Proposed Transaction, the Novena Group will retain its Beauty division under its wholly owned subsidiaries Beaute Spring Pte Ltd, Niclas International Pte Ltd, Fasta International Pte Ltd and BSP Global Pte Ltd, as well as its interest in the distribution of FMCG products through its subsidiary, Chuan Seng Leong Pte Ltd. The Novena Group retains its interest in furniture related activities in Taiwan and China and is reviewing its options in regards of these. Moving forward, the Group intends to source for new businesses that will create good value and benefit the Shareholders and the company. Appropriate announcements would be made in due course.

**11 Dividend**

**(a) Current Financial Period Reported On**

**Any dividend recommended for the current financial period report on?**

Name of Dividend:	First and Final
Dividend type:	Cash
Dividend rate:	1 cent per ordinary share
No of shares:	110,993,254
Tax rate:	20%

**(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

Name of Dividend:	First and Final
Dividend type:	Cash
Dividend rate:	1 cent per ordinary share
No of shares:	110,993,254
Tax rate:	20%

**(c) Date Payable**

To be advised

**(d) Books closure date**

To be advised

**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 Segmental 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.**

	<b>Furniture S\$'000</b>	<b>Beauty S\$'000</b>	<b>Others S\$'000</b>	<b>Elimination S\$'000</b>	<b>Group S\$'000</b>
<b>2006</b>					
<b>Turnover</b>					
External sales	40,048	36,963	-		77,011
Intersegement sales	3,780	4,746	2,575	(11,101)	-
Total Sales					<u>77,011</u>
Profit from operation	2,762	578	1,495	57	4,892
Finance (expenses)/income	(363)	(482)	1	(57)	(901)
Share of loss of associate	(16)	-	-	-	(16)
Profit before tax					<u>3,975</u>
Taxation	(626)	(318)	(9)	103	(850)
Minority interests				23	23
Net profit for the year					<u>3,148</u>
Assets	21,805	20,917	29,129	(14,431)	57,420
Liabilities	(18,640)	(6,822)	381	13,509	(31,360)
Capital expenditures	313	8,245	5		8,563
Depreciation and amortisation	1,345	501	6	-	1,852
Other significant non-cash expenses	14	-	-	-	14
	<b>Furniture S\$'000</b>	<b>Beauty S\$'000</b>	<b>Others S\$'000</b>	<b>Elimination S\$'000</b>	<b>Group S\$'000</b>
<b>2005</b>					
<b>Turnover</b>					
External sales	44,404	25,629	-	-	70,033
Intersegement sales	3,848	18,277	4,735	(26,860)	-
Total Sales					<u>70,033</u>
(Loss)/profit from operations	(428)	3,134	3,236	(3,082)	2,860
Finance (expenses)/income	(528)	(281)	-	74	(735)
Interest income	7	14	-	-	21
Share of associates results	15	-	-	-	(16)
Profit before tax					<u>2,130</u>
Taxation	266	(503)	(563)	517	(283)
Minority interests	-	-	-	(136)	(136)
Net profit for the year					<u>1,711</u>
Assets	23,250	13,909	17,609	(8,555)	46,213
Liabilities	(25,102)	(13,058)	(2,898)	17,348	(23,710)
Capital expenditures	659	281	13	-	953
Depreciation and amortisation	1,722	545	4	-	2,271
Other significant non-cash expenses	2,428	-	86	-	2,514

**14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

	<b>Sales to external customers</b>		<b>Assets</b>		<b>Capital expenditure</b>	
	<b>2006 S\$'000</b>	<b>2005 S\$'000</b>	<b>2006 S\$'000</b>	<b>2005 S\$'000</b>	<b>2006 S\$'000</b>	<b>2005 S\$'000</b>
Singapore	71,327	65,861	53,656	41,575	8,484	922
People Republic of China	3,173	2,326	2,676	2,903	79	22
Taiwan	814	1,316	1,088	1,735	-	9
Others	1,697	530	-	-	-	-
	<u>77,011</u>	<u>70,033</u>	<u>57,420</u>	<u>46,213</u>	<u>8,563</u>	<u>953</u>

**15 A breakdown of sales**

	Group		Inc/Dec %
	2006 S\$'000	2,005 S\$'000	
Sales reported for the first half of the year	38,578	27,849	38.53
Profit after tax before deducting minority interest reported for the first half of the year	1,680	1,541	
Sales reported for the second half of the year	38,433	42,184	(8.89)
Profit after tax before deducting minority interest reported for the second half of the year	1,468	307	

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

	Latest Full year (S\$'000)	Previous Full year (S\$'000)
Ordinary	888	888
Preference	-	-
Total	888	888

**BY ORDER OF THE BOARD**

**MR TOH SOON HUAT**  
**ACTING CHAIRMAN/CHIEF EXECUTIVE OFFICER**  
**26 FEBRUARY 2007**

**Singapore**