

NOVENA HOLDINGS LIMITED

Half Year Financial Statements and Dividends Announcement

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Note</u>	Group		
		S\$'000		
		1.1.06 to 30.6.06	1.1.05 to 30.6.05	+/(-)%
Turnover		38,578	27,849	38.53
Cost of sales		(25,239)	(15,231)	65.71
Gross Profit		13,339	12,618	5.71
Other operating income		874	407	114.74
Distribution and selling expenses		(4,916)	(4,586)	7.20
Administrative expenses		(6,096)	(5,548)	9.88
Other operating expenses		(749)	(806)	(7.07)
Profit from operations		2,452	2,085	17.60
Finance expenses, net		(254)	(226)	12.39
Share of profit of associate		-	4	(100.00)
Profit before tax	1	2,198	1,863	17.98
Taxation		(518)	(322)	60.87
Profit after tax		1,680	1,541	9.02
Attributable to:				
Minority interests		47	107	(56.07)
Equity holders of the company		1,633	1,434	13.88
		1,680	1,541	9.02

Note

1 Profit before tax is derived at after

crediting / (charging) :

	Group		
	S\$'000		
	1.1.06 to 30.6.06	1.1.05 to 30.6.05	+/(-)%
Depreciation of property, plant and equipment	(818)	(1,111)	(26.37)
Impairment of goodwill	-	(30)	(100.00)
Loss on disposal of plant and equipment	(72)	(26)	176.92
Amortisation of land occupancy rights	(20)	(7)	185.71
Fair value gain on quoted equity investments	600	262	129.01
Interest on borrowings	(263)	(270)	(2.59)
Interest income	9	1	800.00
Foreign exchange gain	-	44	(100.00)

NM: Not meaningful

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	
	30.6.06	31.12.05	30.6.06	31.12.05
Equity attributable to equity holders of the Company				
Share capital	17,764	16,649	17,764	16,649
Share premium	-	1,115	-	1,115
Reserves	4,013	3,367	1,225	2,142
	<u>21,777</u>	<u>21,131</u>	<u>18,989</u>	<u>19,906</u>
Minority interests	1,387	1,372	-	-
Total equity	<u>23,164</u>	<u>22,503</u>	<u>18,989</u>	<u>19,906</u>
Non-current assets				
Property, plant and equipment	14,692	15,088	-	-
Land occupancy rights	508	535	-	-
Goodwill	1,758	1,758	-	-
Investment in associate	15	25	-	-
Investment in subsidiaries	-	-	11,912	11,912
Investment securities	3,635	-	3,635	-
Deferred tax asset	68	64	-	-
Due from subsidiaries (non-trade)	-	-	4,089	4,511
	<u>20,676</u>	<u>17,470</u>	<u>19,636</u>	<u>16,423</u>
Current assets				
Inventories	13,989	15,012	-	-
Trade receivables	3,780	4,327	-	-
Other receivables, deposits and prepayments	2,568	2,304	-	-
Due from subsidiaries (trade)	-	-	993	785
Due from subsidiaries (non-trade)	-	-	2,500	3,000
Quoted equity investments	3,845	1,924	-	-
Fixed deposits	1,673	2,028	-	-
Cash and bank balances	1,439	3,147	155	191
	<u>27,294</u>	<u>28,742</u>	<u>3,648</u>	<u>3,976</u>
Total assets	<u>47,970</u>	<u>46,212</u>	<u>23,284</u>	<u>20,399</u>
Current liabilities				
Trade payables	4,937	6,411	-	-
Bills payable	4,117	2,850	-	-
Other payables and accruals	3,617	4,650	155	211
Tax payable	933	944	33	42
Due to subsidiary (non-trade)	-	-	2,452	240
Due to minority shareholders of subsidiary (non-trade)	431	494	-	-
Due to directors of a subsidiary (non-trade)	200	530	-	-
Term loan (current portion)	2,273	1,318	1,655	-
Bank overdrafts	4,843	1,627	-	-
Lease obligations (current portion)	137	152	-	-
Unearned revenue	416	341	-	-
	<u>21,904</u>	<u>19,317</u>	<u>4,295</u>	<u>493</u>
Non-current liabilities				
Term loans	2,567	4,042	-	-
Deferred tax liability	42	42	-	-
Lease obligations	293	308	-	-
	<u>2,902</u>	<u>4,392</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>24,806</u>	<u>23,709</u>	<u>4,295</u>	<u>493</u>
Net assets	<u>23,164</u>	<u>22,503</u>	<u>18,989</u>	<u>19,906</u>

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

Amount repayable in one year or less, or on demand

As at 30.06.006		As at 31.12.05	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
7,116	-	2,945	-

Amount repayable after one year

As at 30.06.06		As at 31.12.05	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
2,567	-	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 a subsidiary
- mortgage of shares and other securities of the holding company
- pledge of fixed deposits from 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.

	1.1.06 to 30.6.06 S\$'000	1.1.05 to 30.6.05 S\$'000
Cash flows from operating activities:		
Profit before tax	2,198	1,863
Adjustments for:		
Share of results of associate	-	(4)
Depreciation charge of property, plant and equipment	818	1,111
Loss on disposal of plant and equipment	72	26
Interest expense	263	270
Interest income	(9)	(1)
Amortisation of land occupancy rights	20	7
Fair value gain on quoted equity investments	(600)	(262)
Expenses on share-based payments	-	56
Impairment of goodwill	-	30
Recognition of negative goodwill	-	(166)
Operating profit before working capital changes	2,762	2,930
Decrease / (increase) in :		
Inventories	1,023	(135)
Trade receivables	546	438
Other receivables, deposits and prepayments	(264)	(522)

Increase / (decrease) in:

Trade payables	(1,475)	(664)
Bills payable	1,267	(439)
Other payables and accruals	(958)	(1,071)
Due to a minority shareholder of a subsidiary (non trade)	(62)	(67)
Due to directors of a subsidiary (non trade)	(330)	-

Cash generated from operations **2,509** **470**

Interest paid	(263)	(270)
Interest received	9	1
Income taxes (paid) / refunded	(532)	16
Translation difference	(65)	41

Net cash generated from operating activities **1,658** **258****Cash flows used in investing activities**

Purchase of property, plant and equipment	(545)	(584)
(Purchase) / sale of quoted equity investments	(4,956)	1,017
Acquisition of additional interest in subsidiaries	-	(1,080)

Net cash used in investing activities **(5,501)** **(647)****Cash flows used in financing activities**

Repayment of term loans	(520)	(659)
Repayment of lease obligations	(28)	(72)
Payment of dividends	(888)	-
Fixed deposit pledged to bank	(1,673)	-

Net cash used in from financing activities **(3,109)** **(731)****Net decrease in cash and cash equivalents** **(6,952)** **(1,120)****Cash and cash equivalents at beginning of year** **3,548** **(3,210)****Cash and cash equivalents at end of year (Note A)** **(3,404)** **(4,330)****Note A: Cash and cash equivalents**

1.1.06 to	1.1.05 to
30.6.06	30.6.05
S\$'000	S\$'000

Cash and bank balances	1,439	932
Fixed deposits (unsecured)	-	130
Bank overdrafts	(4,843)	(5,392)

Cash and bank equivalents **(3,404)** **(4,330)**

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						Total
	Share Capital	Share Premium	Translation reserve	Capital reserve	Accumulated profit/(loss)	Minority interest	
Balance as at 1 January 2005	16,201	846	568	79	860	1,955	20,509
Currency translation differences	-	-	77	-	-	(106)	(29)
Net profit for the year	-	-	-	56	1,434	107	1,597
Acquisition of the remaining minority interest in subsidiaries	-	-	-	-	-	(1,080)	(1,080)
Balance as at 30 June 2005	16,201	846	645	135	2,294	876	20,997
Balance as at 1 January 2006	16,649	1,115	662	135	2,571	1,372	22,504
Currency translation differences	-	-	(100)	-	-	(32)	(132)
Net profit for the year	-	-	-	-	1,633	47	1,680
Dividend	-	-	-	-	(888)	-	(888)
Transfer of share premium to share capital (see Note)	1,115	(1,115)	-	-	-	-	-
Balance as at 30 June 2006	17,764	-	562	135	3,316	1,387	23,164

S\$'000	Company					Total
	Share Capital	Share Premium	Translation reserve	Capital reserve	Retained profit/(loss)	
Balance as at 1 January 2005	16,201	846	-	79	(756)	16,370
Net profit for the year	-	-	-	56	(161)	(105)
Balance as at 30 June 2005	16,201	846	-	135	(917)	16,265
Balance as at 1 January 2006	16,649	1,115	-	135	2,007	19,906
Net loss for the year	-	-	-	-	(29)	(29)
Dividend	-	-	-	-	(888)	(888)
Transfer of share premium to share capital (see Note)	1,115	(1,115)	-	-	-	-
Balance as at 30 June 2006	17,764	-	-	135	1,090	18,989

Note: Under the Companies (Amendment) Act 2006, effective 30 January 2006, the concepts of "par value" and "authorised share capital" were abolished . The amount standing to the credit of the Company's share premium account as at 30 January 2006 has become part of the Company's share capital as at that date.

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.

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.

Not applicable.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	30.06.06 cents	30.06.05 cents
(i) Based on weighted average number of ordinary share in issue	1.472	1.328
(ii) On a fully diluted basis	1.472	1.328

Footnote:

Earnings per ordinary share on existing issued share capital for the year ended 30 June 2006 was computed based on the weighted average number of shares in issue of 110,993,254 (30 June 2005: 108,004,736)

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\$	
	30.06.06	31.12.05	30.06.06	31.12.05
Net asset value per ordinary share based on existing share as at period	0.20	0.19	0.17	0.18

Footnote:

Net asset value per ordinary share is based on the weighted average number of 110,993,254 ordinary shares in issue as at 30 June 2006 (31 December 2005: 109,498,995 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.**

The Group's turnover for the current period ended June 2006 increased by 39% from \$28 mil to \$39 mil. The profit before tax for the current period was \$2.2 mil, an increase of 18% as compared to the previous period . The increment was largely due to the incorporation of the result of the newly acquired entity, Chuan Seng Leong Pte Ltd, in the second half of 2005 and a fair value gain on quoted equity investments amounting to \$0.6 mil.

The Group net outflow of \$7.0 mil was due to net cash outflow used in the purchase of quoted equity investments of which \$3.6 mil was used to purchase a 10% strategic stake in Apex-Pal International Limited , a company listed in the stock exchange. In addition an amount of \$0.9 mil was paid as dividend during the period.

- 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.**

The Group will continue to strengthen its branding and retail concepts and widen its product range in both the furniture and beauty divisions. The Group will also continue to improve its profitability through competitive pricing and by adopting appropriate cost savings strategies.

- 11 Dividend**

- (a) Current Financial Period Reported On**
Any dividend recommended for the current financial period report 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 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.**

Not Applicable.

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

Not Applicable.

- 15 A breakdown of sales**

Not Applicable.

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

Not Applicable.

BY ORDER OF THE BOARD

MR TOH SOON HUAT

ACTING CHAIRMAN/ CHIEF EXECUTIVE OFFICER

08 August 2006

Singapore