

Financial Statements Announcement for the 15-Month Period Ended 30 September 2007

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

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

	Group	
	1/7/2006 to 30/09/2007 S\$'000	1/7/2005 to 30/06/2006 S\$'000
Revenue from supply of building materials		
Project sales	5,530	8,328
Retail sales	1,397	2,093
Revenue from rental	22	-
Revenue from interior design & renovation	955	1,590
	7,904	12,011
Costs and expenses		
Changes in inventories of trading goods, excluding allowance for inventory obsolescence	(2,024)	(1,517)
Purchases and services consumed	(4,275)	(7,701)
(Allowance) / Write-back for inventory obsolescence	(2,237)	485
Staff costs	(1,592)	(2,070)
Depreciation of property, plant and equipment	(858)	(856)
Write-back of impairment losses of property, plant and equipment	1,114	343
Other operating expenses	(3,273)	(2,774)
Other income	1,690	86
Finance costs	(1,001)	(704)
	(12,456)	(14,708)
Loss before taxation	(4,552)	(2,697)
Taxation	(414)	-
Loss attributable to shareholders	(4,966)	(2,697)

The following consolidated profit and loss comparative figures on rental expenses have been reclassified to better reflect the nature of the expenses under 'other operating expenses' and to conform with current year's presentation:

	Group	
	As restated	As previously stated
<u>Profit & Loss Account</u>	S\$'000	S\$'000
Purchases and services consumed	(7,701)	(8,551)
Other operating expenses	(2,774)	(1,924)

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- 1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

Loss before taxation is stated after crediting / (charging) the following:

	Group	
	1/7/2006 to 30/09/2007 S\$'000	1/7/2005 to 30/06/2006 S\$'000
Bad trade debts recovered	31	4
Allowance for uncollectible trade debts	(428)	(3)
Allowance for uncollectible non-trade debts	(65)	-
Allowance for lower of cost and market value of quoted investments	-	(3)
Investment acquired from conversion of trade debt	4	-
Amount due to a director written off	1,600	-
Interest expenses	(975)	(668)
Gain on disposal of property, plant and equipment	16	48
Property, plant and equipment written off	(270)	-
(Allowance) / Write-back for inventory obsolescence	(2,237)	485
Gain on disposal of quoted investments	104	-
Gain on disposal of subsidiary	61	-
Foreign exchange gain/(loss)	49	(61)

- 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	
	30/09/2007 S\$'000	30/06/2006 S\$'000	30/09/2007 S\$'000	30/06/2006 S\$'000
Property, plant and equipment	6,917	7,487	-	-
Investments	-	30	-	-
Subsidiaries	-	-	6,667	3,402
Amount due from a subsidiary (non-trade)	-	-	4,997	3,500
Current assets				
Inventories	3,024	7,286	-	-
Trade receivables	2,243	1,997	-	-
Other receivables	214	180	-	-
Prepayments	38	35	4	-
Tax recoverable	1	278	-	18
Amount due from a subsidiary (non-trade)	-	-	-	201
Fixed deposits (secured)	14	14	-	-
Cash and bank balances	24	53	5	4
	5,558	9,843	9	223
Assets classified as held for sale (Note 1)	1,318	4,405	-	-
	6,876	14,248	9	223

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	Group		Company	
	30/09/2007	30/06/2006	30/09/2007	30/06/2006
	\$'000	\$'000	\$'000	\$'000
Current liabilities				
Trade payables	947	2,770	-	-
Bills payable to banks (secured)	3,011	3,517	-	-
Construction contracts - work-in-progress	-	19	-	-
Amount due to a director	-	1,750	-	-
Amount due to a subsidiary (non-trade)	-	-	284	-
Other payables	778	1,217	193	127
Bank borrowings (Note 2)	2,962	6,301	-	-
Bank overdrafts (secured)	2,373	2,621	-	-
Lease obligations	49	141	-	-
	10,120	18,336	477	127
Net current (liabilities)/assets	(3,244)	(4,088)	(468)	96
Non-current liabilities				
Bank borrowings (Note 2)	425	-	-	-
Lease obligations	71	283	-	-
Convertible loan (Note 3)	4,819	-	4,819	-
	(1,642)	3,146	6,377	6,998
Equity				
Share capital	13,193	13,193	13,193	13,193
Convertible loan (Note 3)	178	-	178	-
Accumulated losses	(15,013)	(10,047)	(6,994)	(6,195)
	(1,642)	3,146	6,377	6,998

Note 1: In adopting FRS 105: Non-Current Assets Held for Sale and Discontinued Operations, the Group has reclassified a subsidiary's freehold and leasehold properties that are intended for disposal, as assets held for sale. The freehold property and one leasehold property has been disposed during the period.

Note 2: In compliance with FRS 1 (revised): Presentation of Financial Statements, which became applicable to the Group from 1 July 2005, the Group had reclassified \$0.2 million (2006: \$4.14 million) of non-current loans at 30 September 2007 to current liabilities due to delay in bullet repayments by a subsidiary.

Note 3: Pursuant to the Company's announcements dated 25 April 2007 and 12 June 2007 on the Convertible Loan Agreement and the Supplemental Agreement respectively, entered into with Merryland Pacific Limited, Lee Yong Miang, Lim On Hock, Ong Soon Liong, Chua Beng Huat and Lee Kian Soo, the loan of \$4.997 million has been fully advanced to the Company as at 30 September 2007 and the additional \$1.052 million was received on 11 October 2007. In accordance with FRS 32 Financial Instruments: Disclosure and Presentation, the convertible loan, a compound financial instrument, is separately classified into 2 components - liability component and equity component.

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1(b)(ii) In relation to the aggregate amount of the group's borrowings and debts securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

	As at 30/09/2007		As at 30/06/2006	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	5,384	-	9,063	-
Amount repayable after one year	496	-	283	-

Details of any collateral:

The Group's borrowings are secured by the following:

- Legal mortgage on a subsidiary's leasehold properties and freehold property
- Finance leases secured by a subsidiary's motor vehicles
- Corporate guarantee
- Joint & several personal guarantee by the directors of the Company

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

	Group	
	01/07/2006 to 30/09/2007	01/07/2005 to 30/06/2006
	S\$'000	S\$'000
Cash flow from operating activities		
Loss before taxation	(4,552)	(2,697)
Adjustments for:		
Bad trade debts recovered	(31)	4
Allowances for uncollectible trade debts	428	(3)
Allowances for uncollectible non-trade debts	65	-
Amount due to a director written off	(1,600)	-
Allowances for lower of cost and market value of quoted investments	-	3
Investment acquired from conversion of trade debt	(4)	-
Depreciation of property, plant and equipment	858	856
Write-back of impairment losses on property, plant and equipment	(1,114)	(343)
Interest expenses	975	668
Gain on disposal of property, plant and equipment	(16)	(48)
Property, plant and equipment written off	270	-
Allowances / (write-back) for inventory obsolescence	2,237	(485)
Gain on disposal of quoted investments	(104)	-
Gain on disposal of subsidiary	(61)	-
Operating cashflow before working capital changes	<u>(2,649)</u>	<u>(2,045)</u>

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(Increase) / decrease in assets		
Inventories	2,025	1,517
Trade receivables	(713)	1,525
Other receivables and prepayments	(116)	99
Increase / (decrease) in liabilities		
Trade payables	(1,553)	54
Other payables	(383)	358
(Repayment of) / amount owing to directors	(150)	1,030
Construction contracts - work-in-progress	(19)	(63)
Cash (used in) / generated from operations	<u>(3,558)</u>	<u>2,475</u>
Interest paid	(975)	(668)
Income tax paid	(137)	-
Net cash (used in) / generated from operating activities	<u>(4,670)</u>	<u>1,807</u>
Cash flow from investing activities		
Proceeds from sales of quoted equity investments	138	-
Disposal of subsidiary, net of cash disposed (Note B)	(44)	-
Proceeds from sales of property, plant and equipment	3,522	426
Purchase of property, plant and equipment	-	(67)
Net cash generated from investing activities	<u>3,616</u>	<u>359</u>
Cash flow from financing activities		
Repayment of bank borrowings	(2,914)	(1,624)
Repayment of lease obligations	(304)	(131)
Decrease in bills payable to banks	(506)	(326)
Proceeds from issuance of unsecured convertible loan	4,997	-
Net cash generated from / (used in) financing activities	<u>1,273</u>	<u>(2,081)</u>
Net increase in cash and cash equivalents	219	85
Cash and cash equivalents at beginning of period / year	(2,568)	(2,653)
Cash and cash equivalents at end of period / year	<u>(2,349)</u>	<u>(2,568)</u>

Note A: Cash and Cash Equivalents

Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts as at 30 September 2007 and 30 June 2006:

	<u>30/09/2007</u>	<u>30/06/2006</u>
	\$'000	\$'000
Cash and bank balances	24	53
Fixed deposit	14	14
Bank overdrafts (secured)	(2,373)	(2,621)
	<u>(2,335)</u>	<u>(2,554)</u>
Less: fixed deposit pledged	(14)	(14)
	<u>(2,349)</u>	<u>(2,568)</u>

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Note B: Disposal of Subsidiary

During the financial period, the net assets/(liabilities) disposed on disposal of subsidiary comprised the following:

	\$'000
Property, plant and equipment	137
Trade receivables	70
Other receivables	14
Cash and bank balances	44
Trade payables	(270)
Other payables	(56)
Net liabilities of subsidiary disposed of	(61)
Gain on disposal of subsidiary	61
Proceeds from disposal of subsidiary ^{^^}	-
Less: Cash and bank balances of subsidiary disposed	(44)
Cash flow on disposal of subsidiary, net of cash disposed	(44)

^{^^}The subsidiary was disposed at a nominal sum of \$1.

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 financial year.

	Share capital S\$'000	Share premium S\$'000	Convertible loan S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Group					
As at 01/07/2005	12,996	197	-	(7,350)	5,843
Transfer of share premium reserve to share capital account (Note 4)	197	(197)	-	-	-
Net loss for the year	-	-	-	(2,697)	(2,697)
As at 30/06/2006	13,193	-	-	(10,047)	3,146
As at 01/07/2006	13,193	-	-	(10,047)	3,146
Recognition of equity component of convertible loan	-	-	178	-	178
Net loss for the 15-month period	-	-	-	(4,966)	(4,966)
As at 30/09/2007	13,193	-	178	(15,013)	(1,642)

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	Share capital S\$'000	Share premium S\$'000	Convertible loan S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Company					
As at 01/07/2005	12,996	197	-	(6,074)	7,119
Transfer of share premium reserve to share capital account (Note 4)	197	(197)	-	-	-
Net loss for the year	-	-	-	(121)	(121)
As at 30/06/2006	13,193	-	-	(6,195)	6,998
As at 01/07/2006	13,193	-	-	(6,195)	6,998
Recognition of equity component of convertible loan	-	-	178	-	178
Net loss for the 15-month period	-	-	-	(799)	(799)
As at 30/09/2007	13,193	-	178	(6,994)	6,377

Note 4: As a result of the Companies (Amendment) Act 2005, which came into effect on 30 January 2006, the concept of authorised share capital and par value has been abolished. The amount in the share premium account was thus transferred to the Company's share capital account in the previous financial year.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes 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 as at the end of the corresponding period of the immediately preceding financial year.

There is no change in the Company's issued share capital since the last financial year.

However, subsequent to the period end, at the Extraordinary General Meeting held by the Company on 18 October 2007, the Investors had on the same day, exercised their right of Conversion under the Convertible Loan Agreement. Accordingly, on 19 October 2007, 230,000,000 New Shares were allotted and issued to the Investors. On the same day, 10,000,000 Referral Fee Shares were also allotted and issued.

2

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

The figures have not been audited or reviewed by the auditors.

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

Not Applicable.

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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as those in its audited financial statements as at 30 June 2006.

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.

None.

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

	Group	
	30/09/2007	30/06/2006
	Cents	Cents
Loss per share based on loss attributable to shareholders		
Based on existing issued share capital	7.64	4.15
Based on fully diluted basis	1.95	4.15
	\$'000	\$'000
Loss for the period attributable to shareholders of the Company used in computation of basic and diluted earnings per share	4,966	2,697
Weighted average number of ordinary shares for basic earnings per share computation ('000)	64,978	64,978
Dilutive effect of convertible loan ('000)	190,000	-
Weighted average number of ordinary shares adjusted for effect of dilution ('000)	254,978	64,978

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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	
	30/09/2007	30/06/2006	30/09/2007	30/06/2006
	Cents	Cents	Cents	Cents
* Net asset value per ordinary share based on existing issued share capital as at the end of the period on	(2.53)	4.84	9.81	10.77

* The net asset value per share is computed based on issued shares of the Group and Company as at 30 September 2007 and 30 June 2006.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The operating subsidiaries of the Group are Nam Huat Tiling & Panelling Co Pte Ltd ("NHTP"), Nam Tat Pte Ltd ("NT") and Nam Hong Properties Pte Ltd ("NHP").

The Group recorded a turnover of \$7.90 million and a loss after tax of \$4.97 million for the 15 months of FY2007 ended 30 September 2007. This compares against a turnover of \$12.01 million and a loss after tax of \$2.70 million for the 12 months of FY2006 ended 30 June 2006.

The \$2.27 million increase in Group losses resulted mainly from a \$5.67 million loss from:

- Decrease in gross profits arising from increase in provision for stock obsolescence	\$2.72 million
- Loss of profits from decrease in turnover	\$0.95 million
- Increase in professional fees and interest expenses	\$0.62 million
- Increase in provision for bad and doubtful debts	\$0.43 million
- Additional provision for tax	\$0.41 million
- Increase in loss from disposal of property, plant and equipment	\$0.30 million
- Decrease in gross profits arising from decrease in selling prices	\$0.24 million
	<u>\$5.67 million</u>

This was offset by a \$3.40 million gain from:

- Director's loan written off	\$1.60 million
- Reversal of impairment losses on property, plant and equipment	\$0.77 million
- Decrease in salaries and CPF contributions	\$0.52 million
- Increase in gain in other income	\$0.31 million
- Decrease in operating expenses and depreciation	\$0.20 million
	<u>\$3.40 million</u>

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The low turnover recorded in FY2007 resulted from the completion of most supply contracts and orders in hand. During this period, the Group operated under financial constraints and had to prioritise its resources to service and fulfill existing commitments and contracts in hand. This resulted in a reduction of turnover as the Group refrained from active participation for new orders which required immediate imports and deliveries.

The Group has since strengthened its financial position with the injection of fresh funds from the \$6.049 million convertible loan, which was converted into equity via an issue and allotment of new shares on 19 October 2007, after the balance sheet date of 30 September 2007.

Management has continued the drive to refocus on the core strengths of the Group; reduce operational and other costs; dispose of non-profitable assets; and redeployment of resources in the recovery of the Group to re-assert its engagement in the new phase of property developmental and construction activities currently abounding in the Singapore economy.

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

In the announcement of the Group's 12-Month Interim Results for the twelve months ended 30 June 2007, made on 21 August 2007, the Directors stated that "barring any unforeseen circumstances, the Directors expect the Group to improve on its operational losses from the previous financial year."

The Directors had anticipated an improvement of the Group's performance based on the expected improved turnover for the months of July to September 2007 and reduction of operational and other costs. These, however, were offset by additional provisions for inventory obsolescence and bad & doubtful debts.

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 current upbeat property market augurs well for the Group's business, especially in the residential and commercial sectors, particularly of premium grade apartments and commercial developments for which NHTP has established a long track record in the provision of professional services and high quality marble/granite, ceramic tiles and other finishing materials.

The injection of \$6.049 million equity funds and the participation by the new substantial Shareholders on the Board have provided significant financial and business strengths to the Group to re-embark on a growth strategy to capitalise on the many good business deals and projects coming on-stream from a revitalised construction sector in an active property market.

Barring unforeseen circumstances, the Group is expected to perform better in the current financial year.

In accordance with Rule 705 of the SGX-ST Listing Manual, the Company will hold its Annual General Meeting on or before 31 January 2008.

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11 Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? None

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not Applicable.

(d) Book closure date

Not Applicable.

12 If no dividend has been declared / recommended, a statement to that effect.

No dividend has been declared/recommended since the end of the previous financial year ended 30 June 2006.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2 & Q3 or Half Year Results)**

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recent audited annual financial statements, with comparative information for the immediate preceding year.

	Building Materials Project segment S\$'000	Retail segment S\$'000	Interior Design & Renovation S\$'000	Rental S\$'000	Adjustment & Elimination S\$'000	Group S\$'000
2007						
Turnover	5,530	1,711	955	571	(863)	<u>7,904</u>
Loss before taxation	73	(4,438)	(482)	(151)	1,447	(3,551)
Unallocated expenses						(1,001)
Taxation						(414)
Net loss for the period						<u><u>(4,966)</u></u>

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	Building Materials Project segment S\$'000	Retail segment S\$'000	Interior Design & Renovation S\$'000	Rental S\$'000	Adjustment & Elimination S\$'000	Group S\$'000
Assets	8,114	12,616	-	(264)	(6,674)	13,792
Unallocated assets						1
Total assets						<u>13,793</u>
Liabilities	1,087	558	-	79	-	1,724
Unallocated liabilities						13,711
Total liabilities						<u>15,435</u>
Capital expenditure	-	-	-	-	-	-
Depreciation of property, plant and equipment	322	551	21	-	(36)	858
Write-back of impairment losses on property, plant and equipment	(334)	(780)	-	-	-	(1,114)
2006						
Turnover	8,328	2,291	2,022	670	(1,300)	<u>12,011</u>
Loss before taxation	1,239	(3,043)	(83)	(203)	97	(1,993)
Unallocated expenses						(704)
Taxation						-
Net loss for the year						<u>(2,697)</u>
Assets	8,945	15,957	123	57	(3,595)	21,487
Unallocated assets						278
Total assets						<u>21,765</u>
Liabilities	3,095	1,747	665	249	-	5,756
Unallocated liabilities						12,863
Total liabilities						<u>18,619</u>
Capital expenditure	267	125	11	-	24	427
Depreciation of property, plant and equipment	339	563	27	-	(73)	856
Writeback of impairment losses on property, plant and equipment	(103)	(240)	-	-	-	(343)

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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.

Please refer to preceding paragraph 8.

15 A breakdown of sales.

	FY2007 S\$'000	Group FY2006 S\$'000	% increase / (decrease)
(a) Sales reported for first half year	2,940	7,408	(60.31)
(b) Operating loss after tax	(2,529)	(1,209)	109.18
(c) Sales reported for second half year*	4,964	4,603	7.84
(d) Operating loss after tax*	(2,437)	(1,488)	63.78

* Second half of FY2007 covers the 9-month period ended 30 September 2007, whereas for FY2006, it covers the 6 months to 30 June 2006.

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

Total Annual Dividend

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

17 Confirmation by the Board [Pursuant to Rule 705(4) of the Listing Manual]

The Board of Directors of the Company hereby confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the 15 months ended 30 September 2007 to be false or misleading.

BY ORDER OF THE BOARD

Paul Goh Moh Chye
Managing Director
29 November 2007