

## 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.

	Note	Group		
		1.1.08 to 30.06.08	1.1.07 to 30.06.07 (Restated)	+ / (-) %
<b>CONTINUING OPERATIONS</b>				
Turnover		17,564	21,961	(20.02)
Cost of sales		(14,538)	(16,929)	(14.12)
Gross Profit		3,026	5,032	(39.87)
Other operating income		197	17,134	(98.85)
Distribution and selling expenses		(1,413)	(1,642)	(13.92)
Administrative expenses		(4,481)	(3,742)	19.73
Other operating expenses		(361)	(2,272)	(84.11)
Land compensation		5,169	-	NM
Profit from operations		2,137	14,510	(85.27)
Finance income		119	195	(38.80)
Finance expenses		(89)	(147)	(39.30)
Share of (loss)/ profit of associate		(21)	19	NM
Profit before tax	1	2,146	14,577	(85.28)
Taxation		(934)	(792)	17.91
Profit after tax from continuing operations		1,212	13,785	(91.21)
<b>DISCONTINUING OPERATIONS</b>				
Profit after tax from discontinued operations	2	-	8,430	(100.00)
Total Profit after tax		1,212	22,215	(94.54)
Attributable to:				
Minority interests		981	(64)	NM
Equity holders of the company		231	22,279	(98.96)
		1,212	22,215	(94.54)

**Note**

	Group		
	1.1.08 to 30.06.08	1.1.07 to 30.06.07 (Restated)	+ / (-) %

**1 Profit before tax is derived at after****Crediting / (charging) :**

Depreciation of property, plant and equipment	(294)	(321)	(8)
Gain on disposal of property, plant and equipment	5	15,557	NM
Land compensation	5,169	-	NM
Fair value (loss)/ gain on quoted equity investments	(1,031)	138	(846)
(Loss)/ gain on disposal of quoted equity investments	(74)	1,388	NM
Fair value change on derivative financial instrument	-	107	NM
Amortisation of land occupancy rights	-	4	NM
Impairment loss of goodwill	-	(1,758)	NM

NM: Not meaningful

**2 Discontinued Operations**

On 27 July 2007, the Group disposed off its entire equity stake in the Furniture Business to TT International .  
The operating performance of the Furniture Business up to 30 June 2007 was presented separately on the income statement as "Discontinued Operations".

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.

	<b>Group</b>		<b>Company</b>	
	<b>S\$'000</b>		<b>S\$'000</b>	
	<b>30.06.08</b>	<b>31.12.07</b>	<b>30.06.08</b>	<b>31.12.07</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	44,606	35,210	44,606	35,210
Reserves	10,451	24,269	(3,562)	11,912
	<u>55,057</u>	<u>59,479</u>	<u>41,044</u>	<u>47,122</u>
<b>Minority interests</b>	1,963	972	-	-
<b>Total equity</b>	<u>57,020</u>	<u>60,451</u>	<u>41,044</u>	<u>47,122</u>
<b>Non-current assets</b>				
Property, plant and equipment	3,835	4,505	227	254
Land occupancy rights	-	498	-	-
Investment in associate	9	29	-	-
Investment in subsidiaries	-	-	10,746	10,746
Quoted equity investments	36,164	26,265	36,164	26,265
Due from subsidiaries (non-trade)	-	-	2,360	2,360
	<u>40,008</u>	<u>31,297</u>	<u>49,498</u>	<u>39,625</u>
<b>Current assets</b>				
Inventories	5,949	5,915	-	-
Trade receivables	3,038	4,078	-	43
Other receivables, deposits and prepayments	1,427	2,210	396	701
Due from subsidiaries (non-trade)	-	-	1,201	1,231
Quoted equity investments	1,986	3,616	410	821
Fixed deposits	11,034	21,500	-	9,242
Cash and bank balances	4,321	3,073	898	989
	<u>27,755</u>	<u>40,392</u>	<u>2,906</u>	<u>13,027</u>
<b>Total assets</b>	<u>67,763</u>	<u>71,689</u>	<u>52,404</u>	<u>52,652</u>
<b>Current liabilities</b>				
Trade payables	2,704	3,198	-	-
Bills payable	-	580	-	-
Other payables and accruals	557	1,208	138	282
Tax payable	1,920	1,027	816	821
Due to subsidiary (non-trade)	-	-	10,384	4,405
Due to directors of a subsidiary (non-trade)	200	200	-	-
Term loan	224	224	-	-
Bank overdrafts	2,024	1,436	-	-
Lease obligations	64	70	-	-
Deferred rental	200	200	-	-
Unearned revenue	748	735	-	-
	<u>8,641</u>	<u>8,878</u>	<u>11,337</u>	<u>5,508</u>
<b>Non-current liabilities</b>				
Term loans	971	1,082	-	-
Deferred tax liability	46	46	22	22
Deferred rental	932	1,032	-	-
Lease obligations	153	200	-	-
	<u>2,102</u>	<u>2,360</u>	<u>22</u>	<u>22</u>
<b>Total liabilities</b>	<u>10,743</u>	<u>11,238</u>	<u>11,359</u>	<u>5,530</u>
<b>Net assets</b>	<u>57,020</u>	<u>60,451</u>	<u>41,044</u>	<u>47,122</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 30.06.08		As at 31.12.07	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
2,248	-	1,660	-

Amount repayable after one year

As at 30.06.08		As at 31.12.07	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
971	-	1,082	-

Details of any collateral

The Group's borrowings are secured by the following:

- a first legal mortgage on the subsidiary's leasehold property
- corporate guarantee from the company
- pledge of fixed deposits from subsidiaries

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

	1.1.08 to 30.06.08	1.1.07 to 30.06.07
	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>		
<b>Profit before tax:</b>		
From continuing operations	2,147	14,577
From discontinued operations	-	8,430
	<u>2,147</u>	<u>23,007</u>
<b>Adjustments for:</b>		
Share of loss/(profit) of associate	21	(19)
Depreciation of property, plant and equipment	294	847
Gain on disposal of property, plant and equipment	(5)	(15,557)
Land compensation	(5,169)	-
Interest expense	89	285
Interest income	(119)	(90)
Amortisation of land occupancy rights	-	(4)
Fair value loss/(gain) on quoted equity investments	1,031	(4,768)
Impairment loss of goodwill	-	1,758
Fair value change on derivative financial instrument	-	(107)
<b>Operating (loss)/profit before working capital changes</b>	<u>(1,711)</u>	<u>5,352</u>
<b>Decrease / (increase) in :</b>		
Inventories	(34)	1,168
Trade receivables	1,040	(370)
Other receivables, deposits and prepayments	783	(6,320)

**Increase / (decrease) in:**

Trade payables	(494)	1,146
Bills payable	(580)	471
Other payables and accruals	(638)	(1,320)
Due to a minority shareholder of a subsidiary (non trade)	-	(117)
Due to directors of a subsidiary (non trade)	-	(50)

**Cash used in operations**

Interest paid	(89)	(285)
Interest received	119	90
Income taxes paid	(96)	(584)
Translation difference	(15)	17

**Net cash used in operating activities****Cash flows used in investing activities**

Purchase of property, plant and equipment	(35)	(460)
(Purchase)/ sale of quoted equity investments	(12,867)	700
Proceeds from disposal of property, plant and equipment	6,084	25,398

**Net cash (used in)/generated from investing activities****Cash flows used in financing activities**

Repayment of term loans	(112)	(7,450)
Repayment of lease obligations	(52)	(114)
Issuance of new ordinary shares	9,396	10,710
Payment of dividends	(10,505)	(1,216)
Fixed deposit pledged to bank	7,351	(3,806)

**Net cash generated from/(used in) from financing activities****Net (decrease)/ increase in cash and cash equivalents****Cash and cash equivalents at beginning of year****Cash and cash equivalents at end of year (Note A)****Note A: Cash and cash equivalents**

	<b>1.1.08 to</b>	<b>1.1.07 to</b>
	<b>30.06.08</b>	<b>30.06.07</b>
	S\$'000	S\$'000
Cash and bank balances	4,321	14,637
Fixed deposits (unsecured)	8,634	6,809
Bank overdrafts	(2,024)	(476)
<b>Cash and bank equivalents</b>	<b>10,931</b>	<b>20,970</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					Total
	Share Capital	Translation reserve	Other reserves	Accumulated profit	Minority interest	
<b>Balance as at 1 January 2007</b>	<b>17,764</b>	<b>575</b>	<b>1,775</b>	<b>4,866</b>	<b>1,112</b>	<b>26,092</b>
Net effect of exchange differences	-	96	(72)	-	11	35
Net profit/(loss) for the year	-	-	-	22,279	(64)	22,215
Dividends on ordinary shares	-	-	-	(1,216)	-	(1,216)
Issuance of new ordinary shares	10,710	-	-	-	-	10,710
Fair value adjustment on quoted shares	-	-	2,390	-	-	2,390
<b>Balance as at 30 June 2007</b>	<b>28,474</b>	<b>671</b>	<b>4,093</b>	<b>25,929</b>	<b>1,059</b>	<b>60,226</b>
<b>Balance as at 1 January 2008</b>	<b>35,210</b>	<b>677</b>	<b>(19,526)</b>	<b>43,118</b>	<b>972</b>	<b>60,451</b>
Net effect of exchange differences	-	22	-	-	10	32
Net profit for the year	-	-	-	231	981	1,212
Warrants exercised	9,396	-	-	-	-	9,396
Dividends on ordinary shares	-	-	-	(10,505)	-	(10,505)
Fair value adjustment on quoted shares	-	-	(3,566)	-	-	(3,566)
<b>Balance as at 30 June 2008</b>	<b>44,606</b>	<b>699</b>	<b>(23,092)</b>	<b>32,844</b>	<b>1,963</b>	<b>57,020</b>

S\$'000	Company			Total
	Share Capital	Other reserves	Accumulated profit	
<b>Balance as at 1 January 2007</b>	<b>17,764</b>	<b>1,775</b>	<b>1,726</b>	<b>21,265</b>
Net profit for the year	-	-	4,202	4,202
Dividends on ordinary shares	-	-	(1,216)	(1,216)
Issuance of new ordinary shares	10,710	-	0	10,710
Fair value adjustment on quoted shares	-	2,390	-	2,390
<b>Balance as at 30 June 2007</b>	<b>28,474</b>	<b>4,165</b>	<b>4,712</b>	<b>37,351</b>
<b>Balance as at 1 January 2008</b>	<b>35,210</b>	<b>(19,454)</b>	<b>31,366</b>	<b>47,122</b>
Net loss for the year	-	-	(1,403)	(1,403)
Warrants exercised	9,396	-	-	9,396
Dividends on ordinary shares	-	-	(10,505)	(10,505)
Fair value adjustment on quoted shares	-	(3,566)	-	(3,566)
<b>Balance as at 30 June 2008</b>	<b>44,606</b>	<b>(23,020)</b>	<b>19,458</b>	<b>41,044</b>

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.

**Changes in company's share capital:**

	Quantity	Share capital S\$ '000
Balance as at 1 January 2008	302,954,700	35,210
Warrants exercised by shareholders	117,443,297	9,396
<b>Balance as at 30 June 2008</b>	<b>420,397,997</b>	<b>44,606</b>

The Company has 24,514,312 number of outstanding warrants as at 30 June 2008. Each warrant can be used to subscribe for an ordinary share at S\$ 0.08.

**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 2007.

**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 adoption of the new/revised FRS is currently assessed to have no significant impact on the financial position and the results of the current period and prior period of the Group.

**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**

	<b>30.06.08</b>	<b>30.06.07 (Restated)</b>
	cents	cents
<b>Earnings / (loss) per ordinary share attributable to the equity holders of the company from continuing operations</b>		
(i) Based on weighted average number of ordinary share in issue	0.07	10.84
(ii) On a fully diluted basis	0.07	10.84

**Footnote:**

Earnings per ordinary share on existing issued share capital for the year ended 30 June 2008 was computed based on the weighted average and diluted number of shares in issue of 324,615,442 and 326,025,854 respectively ( 30 June 2007: 127,186,429 )

**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.

<b>Group</b>		<b>Company</b>	
<b>S\$</b>		<b>S\$</b>	
<b>30.06.08</b>	<b>31.12.07</b>	<b>30.06.08</b>	<b>31.12.07</b>

Net asset value per ordinary share based on existing share as at period

0.14	0.20	0.10	0.16
------	------	------	------

**Footnote:**

Net asset value per ordinary share is based on 420,397,997 ordinary shares in issue as at 30 June 2008 (31 December 2007: 302,954,700 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 2008 decreased by 20.02% from S\$ 22.0 million to S\$ 17.6 million. The profit before tax for the current period was S\$ 2.1 million, a decrease of 85.28% as compared to 1H07. During the current period, the Group reported a "one off" gain of about S\$ 5.2 million from land compensation attributed from its overseas subsidiary.

During the period, the shareholders have exercised 117,443,297 number of warrants for conversion into ordinary shares, resulting in an increase in share capital from S\$ 35.2 million to S\$ 44.6 million. In addition, an amount of S\$ 10.5 million 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.**

Pending the acquisition of new businesses, the scale of recurrent profitability and turnover of the Group will be constrained. Moving forward, the Group will continue to explore new businesses so as to enhance shareholder value.

**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**

No dividend has been declared / recommended for the half year ended 30 June 2008.

- 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.

- 17 Negative assurance confirmation on interim financial results under SGX Listing Rule 705(4) of the Listing Manual**

The Board of Directors of Novena Holdings Limited confirms that to the best of their knowledge, nothing has come to its attention which may render the unaudited interim financial results for half year ended 30 June 2008 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**MR TOH SOON HUAT**  
**ACTING CHAIRMAN/ CHIEF EXECUTIVE OFFICER**

**12 August 2008**  
**Singapore**