

NOVENA HOLDINGS LIMITED

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2007

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		
		2007	2006	+ / (-) %
			(Restated)	
CONTINUING OPERATIONS				
Turnover		54,270	40,195	35.02
Cost of sales		(32,401)	(30,589)	5.92
Gross Profit		21,869	9,606	127.66
Other operating income		43,790	389	11,157.07
Distribution and selling expenses		(2,790)	(3,126)	(10.75)
Administrative expenses		(9,652)	(5,153)	87.31
Other operating expenses		(4,190)	(1,014)	313.21
Profit from operations		49,027	702	6,883.90
Finance expenses		(401)	(638)	(37.15)
Finance income		467	33	1,315.15
Share of results of associate		19	(16)	(218.75)
Profit before tax	1	49,112	81	60,532.10
Taxation		(3,011)	(157)	1,817.83
Profit/(loss) after tax from continuing operations		46,101	(76)	(60,759.21)
DISCONTINUED OPERATIONS				
(Loss)/profit after tax from discontinued operations	2	(506)	3,235	(115.64)
Total Profit after tax for the year		45,595	3,159	1,343.34
Attributable to:				
Equity holders of the company		45,697	3,183	1,335.66
Minority interests		(102)	(24)	325.00
		45,595	3,159	1,343.34

Note

	Group		
	S\$'000		
	2007	2006	+ / (-) %
		(Restated)	

- 1 **Profit before tax from continuing operations is derived at after**

crediting / (charging) :

Gain on disposal of quoted equity investments	1,847	-	N.M.
Gain on disposal of furniture business	25,230	-	N.M.
Gain on disposal of property, plant and equipment - net	15,040	41	36,582.93
Gain on liquidation of subsidiary	580	-	N.M.
Write-back of impairment loss on property	-	719	N.M.
Write-back of inventory obsolescence	-	100	(100.00)
Fair value gain/(loss) on interest rate swap	107	(107)	N.M.
Impairment of goodwill	(1,758)	-	N.M.
Fair value loss/(gain) on quoted equity investments	(861)	85	N.M.
Depreciation of property, plant and equipment	(721)	(828)	(12.92)
Impairment of trade debts	(38)	-	N.M.
Amortisation of land occupancy rights	(3)	(14)	(78.57)

NM: Not meaningful

2 Discontinued Operations

On 17 Feb 2007, the Company publicly announced the decision of its Board of Directors to dispose of its entire equity stake in its Furniture Business to TT International Limited.

On 27 July 2007, the Group completed the sale of its entire equity stake in the Furniture Business to TT International. Total consideration for the sale is satisfied by the issuance of 67,500,000 new shares in TT International at \$0.44 per share (market value at date of transaction). The operating performance of the Furniture Business up to 27 July 2007 was presented separately on the income statement as "Discontinued Operations".

a) An analysis of the results of the discontinued operations is as follows:

	S\$'000	
	2007	2006
Revenue	19,661	36,830
Net expenses	(20,167)	(32,941)
(Loss)/profit before taxation of discontinued operations	(506)	3,889
Taxation	-	(654)
(Loss)/profit after taxation of discontinued operations	(506)	3,235
Gain from disposal of discontinued operations	25,230	-

b) The impact of the discontinued operations on the cashflows of the Group is as follows:

	S\$'000	
	2007	2006
Net cash generated from/(used in) :		
Operating activities	1,329	4,521
Investing activities	3,596	(1,998)
Financing activities	(2,706)	(5,932)
Total Cash flows	2,219	(3,409)

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	
	2007	2006	2007	2006
Equity attributable to equity holders of the Company				
Share capital	35,210	17,764	35,210	17,764
Reserves	24,269	7,216	11,912	3,502
	59,479	24,980	47,122	21,266
Minority interest	972	1,112	-	-
Total equity	60,451	26,092	47,122	21,266
Non-current assets				
Property, plant and equipment	4,505	22,280	254	-
Land occupancy rights	498	501	-	-
Goodwill	-	1,758	-	-
Investment in associate	29	20	-	-
Investment in subsidiaries	-	-	10,746	11,652
Quoted equity investments	26,265	6,094	26,265	6,094
Deferred tax asset	-	87	-	-
Due from subsidiaries (non-trade)	-	-	2,360	600
	31,297	30,740	39,625	18,346
Current assets				
Inventories	5,915	11,343	-	-
Trade receivables	4,078	4,507	43	-
Other receivables, deposits and prepayments	2,210	2,838	701	-
Due from subsidiaries (trade)	-	-	-	672
Due from subsidiaries (non-trade)	-	-	1,231	6,369
Quoted equity investments	3,616	3,960	821	-
Fixed deposits	21,500	1,678	9,242	-
Cash and bank balances	3,073	2,157	989	141
	40,392	26,483	13,027	7,182
Total assets	71,689	57,223	52,652	25,528

Current liabilities				
Trade payables	3,198	5,070	-	-
Bills payable	580	2,594	-	-
Other payables and accruals	1,208	4,763	282	358
Tax payable	1,027	968	821	21
Deferred rental (current portion)	200	-	-	-
Due to subsidiary (non-trade)	-	-	4,405	2,183
Due to minority shareholders of subsidiary (non-trade)	-	436	-	-
Due to director of a subsidiary (non-trade)	200	400	-	-
Term loan (current portion)	224	2,759	-	1,700
Bank overdrafts	1,436	5,825	-	-
Lease obligations (current portion)	70	119	-	-
Derivative financial instruments	-	107	-	-
Unearned revenue	735	523	-	-
	<u>8,878</u>	<u>23,564</u>	<u>5,508</u>	<u>4,262</u>
Non-current liabilities				
Term loans	1,082	7,258	-	-
Deferred tax liability	46	14	22	-
Lease obligations	200	295	-	-
Deferred rental (non current)	1,032	-	-	-
	<u>2,360</u>	<u>7,567</u>	<u>22</u>	<u>-</u>
Total liabilities	11,238	31,131	5,530	4,262
Net assets	<u>60,451</u>	<u>26,092</u>	<u>47,122</u>	<u>21,266</u>

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

Amount repayable in one year or less, or on demand

<u>As at 31.12.07</u>		<u>As at 31.12.06</u>	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
1,660	-	8,687	-

Amount repayable after one year

<u>As at 31.12.07</u>		<u>As at 31.12.06</u>	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
1,082	-	7,258	-

Details of any collateral

The Group's borrowings are secured by the following:

- a first legal mortgage on a subsidiary's property
- corporate guarantee from the Company and a director of 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.

	2007 S\$'000	2006 S\$'000
Cash flows from operating activities:		
Profit before tax		
From continuing operations	49,112	81
From discontinued operations	(506)	3,889
Adjustments for:		
Share of (profit)/loss of associate	(19)	16
Gain on disposal of furniture business	(25,230)	-
Gain on disposal of property, plant and equipment - net	(15,040)	(21)
Fair value loss on interest rate swap	(107)	107
(Write-back of impairment loss)/impairment loss on property	-	(719)
Impairment of goodwill	1,758	-
Fair value loss/(gain) on quoted equity investments	861	(85)
Depreciation charge of property, plant and equipment	721	1,838
Impairment of trade debts	38	-
Amortisation of land occupancy rights	3	14
Interest expense	393	742
Interest income	(361)	(45)
Operating cash flow before working capital changes	11,623	5,817
Decrease / (increase) in :		
Inventories	566	3,669
Trade receivables	107	(180)
Other receivables, deposits and prepayments	(2,115)	(533)
Due from associate (non-trade)	-	(1)
Increase / (decrease) in:		
Trade payables	1,980	(1,341)
Bills payable	(2,014)	(256)
Other payables and accruals	313	295
Due to a minority shareholder of a subsidiary (trade)	-	(57)
Due to directors of a subsidiary (non trade)	(200)	(130)
Net cash inflow from operations	10,260	7,283
Interest paid	(393)	(742)
Interest received	361	45
Income taxes paid	(2,774)	(839)
Translation difference	39	(34)
Net cash inflow from operating activities	7,493	5,713
Cash flows from investing activities		
Purchase of property, plant and equipment - net	(577)	(8,445)
Proceeds from disposal of property, plant and equipment	25,044	193
Purchase of quoted equity investments (net)	(12,217)	(6,405)
Liquidation of subsidiary (Note B)	239	-
Discontinued operations (Note C)	3,010	-
Net cash generated from/(used in) investing activities	15,499	(14,657)
Cash flows from financing activities		
Repayment of lease obligations - net	(272)	(163)
Proceeds from term loan	-	4,657
Repayment of term loans	(7,595)	-
Proceeds from issuance of placement shares	10,710	-
Dividends to minority interests	-	(200)
Dividends paid to shareholders	(1,216)	(888)
Warrant exercised	508	-
Net cash inflow from financing activities	2,135	3,406
Net increase/(increase) in cash and cash equivalents	25,127	(5,538)
Cash and cash equivalents at beginning of year	(1,990)	3,548
Cash and cash equivalents at end of year (Note A)	23,137	(1,990)

Note A: Cash and cash equivalents

	2007	2006
	S\$'000	S\$'000
Cash and bank balances	3,073	2,157
Fixed deposits	21,500	1,678
Bank overdrafts	(1,436)	(5,825)
Cash and bank equivalents	<u>23,137</u>	<u>(1,990)</u>

Note B: Liquidation of subsidiary

The attributable net assets and proceeds from liquidation of 65% owned subsidiary, Da Vinci Collection Ltd (Taiwan), net of cash paid out during the year were as follows:

	2007
	S\$'000
Property, plant and equipment	74
Inventory	711
Trade receivables	38
Other receivables, deposits & prepayments	33
Cash and bank balances	229
Trade payables	(17)
Other payables and accruals	(126)
Due to minority shareholders of subsidiary	(436)
Minority shareholder's share of loss	(38)
Attributable net assets disposed	<u>468</u>
Cash and bank balances of the subsidiary	(229)
Net cash inflow on liquidation of subsidiary	<u>239</u>

Note C: Discontinued operations

The attributable net assets and proceeds from disposal of Furniture subsidiaries, net of cash disposed during the year were as follows:

	2007
	S\$'000
Property, plant and equipment	9,846
Deferred tax asset	67
Inventory	4,150
Trade and other receivables	2,022
Fixed deposits	134
Cash and bank balances	2,790
Trade and other payable	(7,363)
Tax payable	(127)
Term loan	(1,115)
Bank overdraft	(3,479)
Attributable net assets disposed	<u>6,925</u>
Cash and bank balances of the subsidiaries	555
Total consideration	(29,700)
Gain on disposal of furniture business	25,230
Net cash inflow on discontinued operations	<u>3,010</u>

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 reserves	Other reserves	Accumulated profit	Minority interest	Total
Balance as at 1 January 2006	16,649	1,115	662	135	2,570	1,372	22,503
Net effect of exchange differences	-	-	(86)	-	-	(236)	(322)
Net profit/(loss) for the year	-	-	-	-	3,183	(24)	3,159
Net change in fair value adjustments reserves	-	-	-	1,640	-	-	1,640
Transfer of share premium reserves to capital reserves	1,115	(1,115)	-	-	-	-	-
Dividends of ordinary shares	-	-	-	-	(888)	-	(888)
Balance as at 31 December 2006 and 1 January 2007	17,764	-	576	1,775	4,865	1,112	26,092
Net effect of exchange differences	-	-	101	(71)	-	(38)	(8)
Net profit/(loss) for the year	-	-	-	-	45,697	(102)	45,595
Issuance of new ordinary shares	17,446	-	-	-	-	-	17,446
Fair value adjustment for quoted shares	-	-	-	(21,230)	-	-	(21,230)
Dividends on ordinary shares	-	-	-	-	(7,444)	-	(7,444)
Balance as at 31 December 2007	35,210	-	677	(19,526)	43,118	972	60,451

S\$'000	Company				
	Share Capital	Share Premium	Other reserves	Accumulated profit	Total
Balance as at 1 January 2006	16,649	1,115	135	2,007	19,906
Net profit for the year	-	-	-	607	607
Net change in fair value adjustments reserves	-	-	1,641	-	1,641
Transfer of share premium reserves to capital reserves	1,115	(1,115)	-	-	-
Dividends of ordinary shares	-	-	-	(888)	(888)
Balance as at 31 December 2006 and 1 January 2007	17,764	-	1,776	1,726	21,266
Net profit for the year	-	-	-	37,084	37,084
Fair value adjustment for quoted shares	-	-	(21,230)	-	(21,230)
Issuance of new ordinary shares	17,446	-	-	-	17,446
Dividends on ordinary shares	-	-	-	(7,444)	(7,444)
Balance as at 31 December 2007	35,210	-	(19,454)	31,366	47,122

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 \$'000
Balance as at 1 January 2007	110,993,254	17,764
Issue of shares in exchange for quoted equity investment	37,310,849	10,710
Allotment of shares as payment of interim dividend	148,304,103	6,228
Warrants exercised by shareholders	6,346,494	508
Balance as at 31 December 2007	<u>302,954,700</u>	<u>35,210</u>

Number of shares that may be issued on conversion of all outstanding convertibles

Company has 141,957,609 outstanding warrants as at year end.
Each warrant can be used to subscribe for an ordinary share for \$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.

The Group has applied the same accounting policies and methods of computation as the most recently audited financial statements, except where new/ revised Singapore Financial Reporting Standards ("SFRS") become effective from this financial year.

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 SFRS that are effective from this financial year do not have a significant financial impact on the financial statements 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

	31.12.07	31.12.06 (Restated)
	cents	cents
Earnings/(loss) per ordinary share attributable to the equity holders of the Company		
- from continuing operations		
Basic	16.73	(0.02)
Diluted	15.75	(0.02)
- from discontinued operations		
Basic	(0.18)	1.46
Diluted	(0.17)	1.46
	shares	shares (Restated)
Computed based on the following weighted average number of shares		
Basic	274,985,280	221,986,508
Diluted	292,097,978	221,986,508

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\$	
	31.12.07	31.12.06	31.12.07	31.12.06
Net asset value per ordinary share	0.20	0.24	0.16	0.19

Footnote:

Net asset value per ordinary share is based on the 302,954,700 ordinary shares in issue during the year ended 31 December 2007 (31 December 2006: 110,993,254 shares, before rights issue made in 2007.)

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.

Group's turnover from the continuing operations increased from \$40mil in FY 06 to \$54mil in FY 07. The increase of about 35% was mainly attributable to the significant increase in dividend income received . Performance by the retailing and distribution companies was generally maintained.

The Group recorded a \$46 mil profit after tax for the FY 2007 which was a huge increase as compared to prior years. The significant increase was attributable to several key reasons namely:

- One off capital gains of about \$15 mil from the sale of property
- A one off capital gain from the divestment of the furniture business amounting to about \$25mil
- Dividend income of about \$12mil from investment in quoted shares

In view of the above, the Group has increased its net assets by 132% to \$60mil and now has cash and bank balances of more than \$23mil. It also has about \$30 mil invested in quoted shares. As at 31 Dec 07, the Group has substantial shareholdings in TT International (14.3%), Tung Lok (14.3%) and Nico Steel (9%).

As for the continuing operations, the Group will continue to strengthen its branding and retail businesses including widening its products range. In addition, the Group would also focus in developing new house brands and continue to secure more profitable distribution agencies.

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.

With the divestment of the Furniture Business, 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. In addition, the 80% subsidiary Chuan Seng Leong Pte Ltd remains one of the main revenue generators for the Beauty Division.

The current year's outstanding financial performance was due to several one-off non recurring transactions involving investments and properties. Pending the acquisition of new businesses, the scale of recurrent profitability and turnover of the Group will be constrained .Moving forward, the Group intends to source for new business that will create good value and benefit the Shareholders and the Company.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period report on?

Name of Dividend:	Interim	Special	Final
Dividend type:	Cash	Cash	Cash
Dividend rate:	5.1 cent per ordinary share	2.0 cent per ordinary share	0.5 cent per ordinary share
No of shares:	148,304,103	302,954,700	302,954,700
Tax rate:	18%	Exempt (one tier)	Exempt (one tier)

(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:	1.0 cent per ordinary share
No of shares:	121,304,103
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.**

	Furniture	Beauty	Others	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2007					
Turnover					
External sales	3,367	37,600	13,303		54,270
Intersegment sales	-	3,373	286	(3,659)	-
Total Sales					<u>54,270</u>
(Loss)/profit from operations	(698)	13,904	35,821	-	49,027
Finance expense					(401)
Interest income					467
Share of profit of associate					19
Profit before tax					<u>49,112</u>
Taxation					(3,011)
Minority interests					102
Net profit from continuing operations					<u>46,203</u>
Net loss from discontinued operations					(506)
Profit for the year					<u>45,697</u>
Assets	2,262	24,899	54,328	(9,800)	71,689
Liabilities	(522)	(12,533)	(7,973)	9,790	(11,238)
Capital expenditures	91	341	272	-	704
Depreciation and amortisation	118	585	18	-	721
2006 (Restated)					
Turnover					
External sales	3,512	36,683	-	-	40,195
Intersegment sales	474	4,787	2,184	(7,445)	-
Total Sales					<u>40,195</u>
(Loss)/profit from operations	(489)	1,074	745	(628)	702
Finance expense					(638)
Interest income					33
Share of associates results					(16)
Profit before tax					<u>81</u>
Taxation					(157)
Minority interests					24
Net profit from continuing operations					<u>(52)</u>
Net loss from discontinued operations					<u>3,235</u>
Profit for the year					<u>3,183</u>
Assets	21,805	21,333	29,129	(15,044)	57,223
Liabilities	(18,665)	(21,062)	(6,804)	15,399	(31,132)
Capital expenditures	313	8,245	5	-	8,563
Depreciation and amortisation	340	501	-	-	841
Other significant non-cash expenses	100	-	-	-	100

- 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.**

	Sales to external customers		Assets		Capital expenditure	
	2007	2006	2007	2006	2007	2006
	S\$'000	(Restated) S\$'000	S\$'000	(Restated) S\$'000	S\$'000	(Restated) S\$'000
Singapore	50,329	36,208	69,428	53,656	614	8,484
People's Republic of China	2,835	3,173	2,261	2,676	90	79
Taiwan	575	814	-	1,088	-	-
Others	531	-	-	-	-	-
	<u>54,270</u>	<u>40,195</u>	<u>71,689</u>	<u>57,420</u>	<u>704</u>	<u>8,563</u>

15 A breakdown of sales

	Group		Inc/Dec
	2007	2006	
	S\$'000	(Restated) S\$'000	%
Sales reported for the first half of the year	39,049	20,058	94.68
Profit after tax before deducting minority interest reported for the first half of the year	22,279	1,680	
Sales reported for the second half of the year	15,221	20,137	(24.41)
Profit after tax before deducting minority interest reported for the second half of the year	23,316	1,479	

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	7,444	888
Preference	-	-
Total	7,444	888

BY ORDER OF THE BOARD

MR TOH SOON HUAT
ACTING CHAIRMAN/ CHIEF EXECUTIVE OFFICER
27 Feb 2008

Singapore