Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

Half Year Financial Statement And Dividend Announcement

PART I 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

	6 months ended 31/12/2004 S$'000	6 months ended 31/12/2003 S$'000	Change %
Revenue	**33,234**	**28,214**	**17.8**
Cost of sales	(25,178)	(21,168)	18.9
Gross profit	**8,056**	**7,046**	**14.3**
Other operating income	261	273	(4.4)
Selling and distribution costs	(2,072)	(1,707)	21.4
Administrative expenses	(3,001)	(2,911)	3.1
Other operating expense	(18)	-	NA
Profit from operations	**3,226**	**2,701**	**19.4**
Finance costs	(628)	(670)	(6.3)
Profit before income tax	**2,598**	**2,031**	**27.9**
Income tax expense	(205)	(80)	156.2
Profit after income tax	**2,393**	**1,951**	**22.7**
Minority interests	71	4	NM
Net profit for the year	**2,464**	**1,955**	**26.0**

NA – Not applicable
NM – Not meaningful

Notes to Profit and Loss account

Other operating income		
Rental income	79	87
Interest income	60	156
Foreign exchange gain	81	26
Others	41	4
	261	273

Profit from operations		
After charging:-		
Depreciation and amortization	617	404
Loss on disposal of fixed assets	18	-

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	
	31 December 2004	30 June 2004	31 December 2004	30 June 2004
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Current assets				
Cash	1,203	822	690	338
Trade receivables	7,313	5,750	6,690	5,367
Other receivables and prepayments	6,174	7,538	4,076	4,424
Inventories	11,922	11,578	1,819	1,325
Amount owing by subsidiaries	-	-	9,416	12,537
Total current assets	**26,612**	**25,688**	**22,691**	**23,991**
Non-current assets				
Investment in subsidiaries	-	-	8,996	8,996
Property, plant and equipment	13,331	12,273	1,477	1,355
Unquoted investments and other assets	2,054	2,072	2,022	2,024
Development costs	344	472	-	-
Total non-current assets	**15,729**	**14,817**	**12,495**	**12,375**
Total assets	**42,341**	**40,505**	**35,186**	**36,366**
LIABILITIES AND EQUITY				
Current liabilities				
Bank overdrafts and bills payable	12,853	12,233	9,508	8,912
Trade payables	2,901	2,532	518	173
Other payables	1,558	2,619	601	1,490
Income tax provision	245	116	205	116
Finance lease obligations: current portion	198	387	161	118
Long-term bank loans: current portion	403	247	110	107
Amount owing to subsidiaries	-	-	12,486	15,148
Total current liabilities	**18,158**	**18,134**	**23,589**	**26,064**
Non-current liabilities				
Finance lease obligations	2,360	2,570	377	260
Long-term bank loans	1,283	667	991	429
Deferred tax liabilities	177	153	-	-
Total non-current liabilities	**3,820**	**3,390**	**1,368**	**689**
Minority interests	**-**	**53**	**-**	**-**
Capital and reserves				
Issued capital	5,570	4,642	5,570	4,642
Capital reserve	2,363	3,291	2,074	3,002
Currency translation reserve	(1,786)	(757)	-	-
Accumulated profits	13,659	11,195	2,028	1,412
Dividend reserve	557	557	557	557
Total equity	**20,363**	**18,928**	**10,229**	**9,613**
Total liabilities and equity	**42,341**	**40,505**	**35,186**	**36,366**

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

Amount repayable in one year or less, or on demand

As at 31/12/2004		As at 30/06/2004	
Secured	Unsecured	Secured	Unsecured
13,454 (S$'000)	-	12,867 (S$'000)	-

Amount repayable after one year

As at 31/12/2004		As at 30/06/2004	
Secured	Unsecured	Secured	Unsecured
3,643 (S$'000)	-	3,237 (S$'000)	-

Borrowings and gearing ratio

Total borrowings of $17.1 million include bank overdraft, bills payable, term loans and finance lease obligations. Total borrowings increased marginally by some 6.2% due mainly to (1) financing of acquisition of land and building in Vietnam and (2) investments in working capital. Term loans and finance lease obligations of $4.2 million were mainly used to fund expansions in Vietnam, which accounted for about 24.8% of the total borrowings.

The Group's gearing ratio remained relatively constant at 0.8 times.

Details of any collateral

The bank facilities of the Company are secured by a legal mortgage on the Company's leasehold building and a negative pledge on the Company's assets.

The bank facilities of subsidiaries are secured by a legal mortgage on the subsidiary's leasehold land and buildings and guaranteed by the Holding Company.

The Group's finance lease obligations are secured by the lessors' charge over the leased assets.

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

Consolidated cash flows statement

	31 December 2004 S$'000	31 December 2003 S$'000
Cash flows from operating activities		
Profit before income tax	2,598	2,031
Adjustments for:		
- Depreciation and amortization	617	404
- Interest income	(60)	(156)
- Interest expense	628	670
- Loss (gain) on disposal of fixed assets	18	(4)
Operating profit before working capital changes	**3,801**	**2,945**
Trade receivables	(1,563)	(714)
Other receivables and prepayments	1,383	(1,008)
Inventories	(344)	(1,543)
Trade payables	369	1,042
Other payables	(1,061)	(601)
Cash generated from operations	**2,585**	**121**
Interest received	60	156
Interest paid	(628)	(670)
Income tax paid	(52)	(153)
Net cash from (used in) operating activities	**1,965**	**(546)**
Cash flows from investing activities		
Purchase of fixed assets and development costs	(1,548)	(662)
Net cash used in investing activities	**(1,548)**	**(662)**
Cash flows from financing activities		
Proceeds from borrowings	1,174	1,731
Net cash from financing activities	**1,174**	**1,731**
Net effect of exchange rate changes in consolidating subsidiaries	(1,029)	(133)
Net increase in cash and cash equivalents	**562**	**390**
Cash and cash equivalents overdrawn at beginning of year	540	(341)
Cash and cash equivalents overdrawn at end of year	**1,102**	**49**
Represented by:		
Cash and bank balances	**1,203**	**910**
Bank overdrafts	**(101)**	**(861)**
	1,102	**49**

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**

	Issued capital	Capital reserve	Currency translation reserve	Dividend reserve	Accumulated profits	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
Balance as at 30/6/2003	4,642	3,291	(437)	362	7,893	15,751
Issue of new shares	-	-	-	-	-	-
Currency translation differences	-	-	(528)	-	-	(528)
Net profit for the year	-	-	-	-	1,955	1,955
Balance as at 31/12/2003	**4,642**	**3,291**	**(965)**	**362**	**9,848**	**17,178**
Group						
Balance as at 30/6/2004	4,642	3,291	(757)	557	11,195	18,928
Issue of new shares	928	(928)	-	-	-	-
Currency translation differences	-	-	(1,029)	-	-	(1,029)
Net profit for the year	-	-	-	-	2,464	2,464
Balance as at 31/12/2004	**5,570**	**2,363**	**(1,786)**	**557**	**13,659**	**20,363**
Company						
Balance as at 30/6/2003	4,642	3,002	-	362	1,541	9,547
Issue of new shares	-	-	-	-	-	-
Net profit for the year	-	-	-	-	305	305
Balance as at 31/12/2003	**4,642**	**3,002**	**-**	**362**	**1,846**	**9,852**
Company						
Balance as at 30/6/2004	4,642	3,002	-	557	1,412	9,613
Issue of new shares	928	(928)	-	-	-	-
Net profit for the year	-	-	-	-	616	616
Balance as at 31/12/2004	**5,570**	**2,074**	**-**	**557**	**2,028**	**10,229**

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 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**

During the financial period ended 31 December 2004, the Company proposed a one-for-five bonus issue, which has been paid for by capitalising the sum of $928,400 from the Company's Share Premium account. The proposed bonus issue was subsequently approved by shareholders at the Extraordinary General Meeting (EGM) held on 28 October 2004 and the bonus shares were then listed on the Singapore Exchange Securities Trading Limited Dealing and Automated Quotation System on 29 December 2004.

The Company's paid-up share capital has thus been enlarged from 92,840,000 ordinary shares of $0.05 each to 111,408,000 ordinary shares of $0.05 each.

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.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications 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 Company has applied the same accounting policies and methods of computations as in the Company's latest audited financial statements for the year ended 30 June 2004.

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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	31 December 2004	31 December 2003
Adjusted earnings per ordinary share *(Note 1)*	2.2 cents	1.8 cents

Note 1 – calculated based on 111,408,000 ordinary shares (adjusted for bonus shares)

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 period reported on and (b) immediately preceding financial year

	31 December 2004	30 June 2004 (Note 1)
Group		
Net asset value per ordinary share	18.3 cents	17.0 cents
Company		
Net asset value per ordinary share	9.2 cents	8.6 cents

Note 1 – calculated based on 111,408,000 ordinary shares (adjusted for bonus shares)

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review 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 material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Revenue and Profits

For the six months ended 31 December 2004, both Revenue and Net Profit rose strongly, as compared to the last corresponding period. Revenue increased by 17.8%, or $5.0 million, to $33.2 million while Net Profit grew by 26.0%, or $0.5 million, to $2.5 million.

The healthy performance during the period under review were primarily driven by:-

- consistent execution of our focused marketing strategy – that led to strong sales performance in the UK/Europe and the fast-emerging U.S. market. These regions contributed about two-thirds of our total revenue.

- successful change in our product mix – that resulted in the use of higher-value materials. Coupled with our design strength, it complements our existing range of wood products and has thus moved our product range steadily up the value chain.

- continual research and development of new products – which enabled us to continually launch latest designs, which are and have been market-oriented and production-feasible.

- efficient capacity utilisation – resulting in higher output ratio and shorter delivery lead-time. We managed to recover from the previous low start to achieve a high utilisation ratio of approximately 90%.

Whilst gross profit increased by some 14.3%, gross profit margin did decline slightly due mainly to soaring raw material prices and the upward price adjustment lagged the material prices increase. Gross profit margin remained a credible 24.2%.

Our Net Profit outpaced revenue growth as a result of:-

- higher capacity utilisation. This brought our unit fixed operating costs further down and thus administrative expenses declined as a percentage of our revenue.

- lower finance cost. The increase in borrowings was far lower than revenue growth due to our prudent working capital management. Additionally, we were able to borrow at lower effective interest rate.

As a result, net profit margin increased by some 0.5 percentage point to 7.4% due to good cost control.

Financial position

Assets

Non-current assets increased by $0.9 million due mainly to our new factory in Vietnam, of which the total investment cost was partially offset by depreciation and amortization.

Current assets increased by $0.9 million as a result of higher revenue. Significant movements during the six-month period were:-

- Stocks and trade receivables rose by some $0.3 million and $1.6 million respectively on the back of higher revenue. Both increases were modest compared to our revenue growth. Stock turnover improved significantly by about 3 weeks.

- Other receivables reduced by some $1.4 million due mainly to refund of taxes and reduction in advances to our sub-contractors.

- Cash and bank balances increased by $0.4 million mainly due to improved operating cash flows as a result of higher operating profit and lower working capital investments.

Liabilities

Current liabilities remained relatively constant at $18.2 million.

Non-current liabilities rose by some $0.4 million due to increase in term loans for financing our newly acquired land and building in Vietnam, which is partially offset by repayment of existing finance lease obligations.

Shareholders' equity

Overall, net assets rose by $1.4 million to $20.4 million as a result of higher accumulated retained earnings (net of currency realignment on consolidation). During the period under review, we capitalised $0.9 million from our share premium account for a one-for-five bonus issue.

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

The Directors have previously stated that, barring unforeseen circumstances, the Board expects the performance for the financial year ending 2005 ("FY2005") to exceed that of FY2004.

The performance for the first half of 2005 exceeded that of 2004. For the six months ended 31 December 2004 as compared to the last corresponding period, Revenue increased by $5.0 million to $33.2 million, a period-on-period 17.8% increase while Net Profit rose $0.5 million to $2.5 million, a period-on-period 26.0% increase.

10. **A commentary at the date of the announcement of the 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**

Going forward, the Group expects the global upswing and positive buying sentiments in our key markets to continue to trend upwards. While we continue to monitor any changes in the cost of raw materials closely, we expect the growth momentum of the Group to remain strong due the following factors:-

- Execution of consistent growth strategies - we will continue to focus on broadening our higher-profile clientele and enhancing our design-intensive sales mix. These strategies have been effective in snaring contracts from upscale customers, who are typically less price-sensitive, as we step up our bid to increase our market share.

- Expansion of cost-effective production bases – our recently acquired fifth factory in Vietnam has since commenced trial production and the results have been encouraging. We are confident that our previous hands-on experience in surmounting the production learning curve would effectively bring capacity utilisation of the new factory up to an optimum rate of some 85% to 90% when it becomes fully operational.

- Intensified research and development efforts – we will continue to beef up our product development team. Some of the new designs, which we are going to unveil include Koda's "traditional contemporary" range integrating rustic elements into contemporary designs, a multi-functional range and a fresh range that introduces the use of exotic materials.

- Accelerated marketing investments – reflecting the growing customer response and our confidence in the latest designs, we are taking up the largest-ever exhibition floor space at the upcoming international furniture fairs to be held in Singapore, Malaysia (Kuala Lumpur), and China (Dongguan and Guangzhou).

- Strong orders book – As at 31 January 2005, we have some $22.3 million worth of orders for delivery within 4 months.

Given the above-mentioned, the Board of Directors is confident that the Group's performance for the financial year ending 30 June 2005 to exceed that of FY2004, barring any unforeseen circumstances.

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) Books closure date

Not applicable

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

No interim dividend has been declared / recommended for the financial period ended 31 December 2004

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 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

James Koh Jyh Gang
Managing Director

4 February 2005