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

Consolidated Profit and Loss Statement

	6 months ended 31/12/2005 S$'000	6 months ended 31/12/2004 S$'000	Change %
Revenue	**41,458**	**33,234**	**24.7**
Cost of sales	(30,986)	(25,178)	23.1
Gross profit	**10,472**	**8,056**	**30.0**
Other operating income	203	261	(22.2)
Selling and distribution costs	(2,290)	(2,072)	10.5
Administrative expenses	(3,796)	(3,001)	26.5
Other operating expense	(310)	(18)	1622.2
Finance costs	(493)	(628)	(21.5)
Profit before income tax	**3,786**	**2,598**	**45.7**
Income tax expense	(199)	(205)	(2.9)
Profit after income tax	**3,587**	**2,393**	**49.9**
Attributable to:			
Equity holders of the parent	**3,587**	**2,464**	**45.6**
Minority interest	**-**	**(71)**	**NA**
	3,587	**2,393**	**49.9**

NA – Not applicable

Notes to Profit and Loss account

Other operating income		
Rental income	111	79
Interest income	57	60
Foreign exchange gain	-	81
Gain on disposal of fixed assets	4	
Others	31	41
	203	**261**
Other operating expenses		
Stock write-off	136	-
Foreign exchange loss	174	-
Loss on disposal of fixed assets	-	18
	310	**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

Consolidated Balance Sheet

	Group		Company	
As at	31 December 2005 S$' 000	30 June 2005 S$' 000	31 December 2005 S$' 000	30 June 2005 S$' 000
ASSETS				
Current assets				
Cash	1,443	1,200	434	267
Trade receivables	9,634	7,512	6,625	5,965
Other receivables and prepayments	9,710	7,173	6,226	4,057
Inventories	8,187	9,992	1,395	1,923
Amount owing by subsidiaries	-	-	5,177	5,236
Total current assets	**28,974**	**25,877**	**19,857**	**17,448**
Non-current assets				
Investment in subsidiaries	-	-	11,061	11,061
Property, plant and equipment	13,131	13,389	1,306	1,386
Unquoted investments and other assets	2,313	2,171	2,284	2,144
Development costs	210	256	-	-
Total non-current assets	**15,654**	**15,816**	**14,651**	**14,591**
Total assets	**44,628**	**41,693**	**34,508**	**32,039**
LIABILITIES AND EQUITY				
Current liabilities				
Bank overdrafts and bills payable	4,051	7,837	1,825	4,888
Trade payables	3,412	2,434	438	350
Other payables	3,655	3,239	1,953	1,721
Income tax payable	396	268	305	206
Finance lease obligations: current portion	526	495	97	111
Long-term bank loans: current portion	772	293	772	193
Amount owing to subsidiaries	-	-	15,536	13,497
Total current liabilities	**12,812**	**14,566**	**20,926**	**20,966**
Non-current liabilities				
Finance lease obligations	2,760	3,022	323	365
Long-term bank loans	3,088	899	3,088	771
Deferred tax liabilities	161	165	-	-
Total non-current liabilities	**6,009**	**4,086**	**3,411**	**1,136**
Minority interests	**-**	**-**	**-**	**-**
Capital and reserves				
Issued capital	5,570	5,570	5,570	5,570
Capital reserve	2,363	2,363	2,074	2,074
Currency translation reserve	(1,029)	(1,099)	-	-
Accumulated profits	18,457	15,316	2,527	1,402
Dividend reserve	446	891	-	891
Total equity	**25,807**	**23,041**	**10,171**	**9,937**
Total liabilities and equity	**44,628**	**41,693**	**34,508**	**32,039**

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 December 2005		As at 30 June 2005	
Secured	Unsecured	Secured	Unsecured
5,349 (S$'000)	-	8,625 (S$'000)	-

Amount repayable after one year

As at 31 December 2005		As at 30 June 2005	
Secured	Unsecured	Secured	Unsecured
5,848 (S$'000)	-	3,921 (S$'000)	-

Borrowings and gearing ratio

Total borrowings of $11.2 million include bank overdraft, bills payable, term loans and finance lease obligations. Total borrowings reduced by some 10.8% given lower working capital investments and improved operating cash flows.

The Group's gearing ratio improved to 0.4 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 2005 S$'000	31 December 2004 S$'000
Cash flows from operating activities		
Profit before income tax	3,786	2,598
Adjustments for:		
Depreciation and amortization	605	617
Interest income	(57)	(60)
Interest expense	493	628
(Gain) Loss on disposal of fixed assets	(4)	18
Provisions for stocks write-off	136	-
Operating profit before working capital changes	**4,959**	**3,801**
Trade receivables	(2,122)	(1,563)
Other receivables and prepayments	(2,537)	1,383
Inventories	1,669	(344)
Trade payables	978	369
Other payables	416	(1,061)
Cash generated from operations	**3,363**	**2,585**
Interest received	57	60
Interest paid	(493)	(628)
Dividend paid	(891)	-
Income tax paid	(70)	(52)
Net cash from operating activities	**1,966**	**1,965**
Cash flows from investing activities		
Purchase of plant & equipment	(297)	(1,548)
Increase in other investments	(142)	-
Net effects of exchange rates changes in consolidating subsidiaries	67	(1,029)
Net cash used in investing activities	**(372)**	**(2,577)**
Cash flows from financing activities		
Proceeds from (reduction in) long-term borrowings	2,437	(206)
Proceeds from (reduction in) short-term borrowings	(3,786)	1,380
Net cash from financing activities	**(1,349)**	**1,174**
Net increase in cash and cash equivalents	**245**	**562**
Cash and cash equivalents overdrawn at beginning of year	1,169	540
Cash and cash equivalents overdrawn at end of year end of year	**1,414**	**1,102**
Represented by:		
Cash and bank balances	**1,443**	**1,203**
Bank overdrafts	**(29)**	**(101)**
	1,414	**1,102**

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**

Statement of Changes in Equity

S$'000	Issued Capital	Capital reserve	Currency translation reserve	Dividend reserve	Accumulated profits	Total
Group						
Balance at 30/6/2005	**5,570**	**2,363**	**(1,099)**	**891**	**15,316**	**23,041**
Currency translation differences	-	-	70	-	-	70
Net profit for the year	-	-	-	-	3,587	3,587
Dividend paid	-	-	-	(891)	-	(891)
Proposed dividend	-	-	-	-	-	-
Balance at 31/122005	5,570	2,363	(1,029)	-	18,903	25,807
Company						
Balance at 30/6/2005	**5,570**	**2,074**	**-**	**891**	**1,402**	**9,937**
Net profit for the year	-	-	-	-	1,125	1,125
Dividend paid	-	-	-	(891)	-	(891)
Proposed dividend	-	-	-	-	-	-
Balance at 31/12/2005	5,570	2,074	-	-	2,527	10,171

S$'000	Issued capital	Capital reserve	Currency translation reserve	Dividend reserve	Accumulated Profits	Total
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 30/6/2004	**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**

There were no changes in the Company's share capital during the period under review.

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

	31 December 2005	31 December 2004
Adjusted earnings per ordinary share	3.2 cents	2.2 cents

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 2005	30 June 2005
Group		
Net asset value per ordinary share	23.2 cents	20.7 cents
Company		
Net asset value per ordinary share	9.1 cents	8.9 cents

Note 1 – calculated based on 111,408,000 ordinary 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**

<u>Revenue and Net Profit</u>

Both Revenue and Net Profit continued to perform strongly for the 6 months ended 31 December 2005 ("1H06"). Revenue compared to 1H05 rose by about 24.7%, or $8.2 million, to $41.5 million. Net Profit over the same period grew by a faster 45.6%, or $1.1 million, to $3.6 million over the comparative period.

The strong Revenue growth was due to:

- Strong sales in all our major markets and most notably to the UK/Europe and North America. Sales were well spread out amongst our key customers in the key markets.

- The strong demand continues to be triggered by our new contemporary designs of luxury, which subtly blends solid timbers with soft durable leathers.

- More value-add and the use of more premium materials (ie leather, fabrics and oak) resulting in a higher per unit ex-factory price.

- Better utilisation of capacity resulting in higher output ratio with a full period impact of add-on capacity.

Net Profit outpaced revenue growth as a result of:

- Better gross margin due to improvements in product mix and good product design. Gross margin improved by 1 percentage point to 25.2%.

- Higher operating leverage resulting in the ability to spread overheads over a larger Revenue base.

- Better operating cash flows resulting in a significant repayment of short-term debt and thus significant interest savings.

and despite:

- Continued rise in raw materials prices.

- Continued rise in freight costs.

- Weak demand for our outdoor furniture.

As a result of the above, Net Profit margin rose by 1.2 percentage points to 8.6%.

Financial Position

Assets

Non-current assets fell by some $0.2 million due mainly to depreciation and amortization. Note: whilst we have signed the contract to acquire new industrial land in Vietnam, we have not yet completed the transaction as it is subject to receipt of the relevant investment licenses. Accordingly, the payment we made remains a deposit and thus continues to be shown as a current asset (i.e. will not be capitalized and reclassified as a non-current asset until the approval is received).

Current assets increased by $3.1 million. Significant movements during the period were:

- Trade receivables rose by some $2.1 million largely paralleling higher Revenue. Thus Trade Receivables turnover remained relatively constant.

- Other receivables rose by some $2.5 million largely due to:

    - The deposit for the acquisition of new industrial land in Vietnam mentioned above; and

    - The fire that occurred in our Malaysia Operations. The insurance company has only made an interim payment and the amount outstanding is shown in other receivables.

- Cash and bank balances increased by $0.2 million (and despite a $1.3 million repayment in loans) largely due to continued strong operating cash flows as a result of higher operating profit.

- Stocks reduced by some $1.8 million largely due to:

    - Shorter delivery lead-times; and

    - The destruction of stock due to the fire we suffered in Malaysia. Such amount of stock (net of interim payment) has been reclassified as insurance claim receivable.

Liabilities

Current liabilities fell by $1.8 million. Significant movements during the period were:

- Trade payables and accruals rose paralleling higher Revenue. Thus Trade Payables turnover remained relatively constant.

- Short-term borrowings (bills payable & bank overdraft) fell sharply as a result of (1) continued strong operating cash flows position and (2) debts restructuring so that more long term debt is used to finance long term investments.

Non-current liabilities rose by some $1.9 million due to increase in long-term loans. This additional loan is to finance the deposit payments needed to secure the industrial land in Vietnam. It is now our policy to try to better match non-current investments with long-term financing thereby providing a better risk balance.

Shareholders' equity

Net assets rose by a healthy $2.8 million to $25.8 million as a result of higher accumulated retained earnings (net of currency realignment on consolidation).

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

The Directors had previously stated that, barring any unforeseen circumstances, the Board expected the performance for the financial year ending 2006 to exceed that of financial year ended 2005.

The performance for 1H06 exceeded that of 1H05. For 1H06 compared to1H05, Revenue increased by $8.2 million to $41.5 million, a period-on-period 24.7% increase while Net Profit rose sharply by $1.2 million to $3.6 million, a period-on-period 45.6% 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

The furniture industry is sensitive to changes in consumer taste, pricing and competition. We believe that our ability to anticipate design changes, to cost and price correctly in our niche and to compete on non-price issues such as quality, service and reliability, have stood us in good stead. Being able to stay competitively ahead – cost effectiveness, process efficiency and product differentiation are operational keystones.

With respect to the future we note that:

- Consumer tastes can change rapidly. However, indications from the many international shows we participate in suggest that our current range meets current consumer taste.

- Costs have been rising. Our choice of Vietnam has been good. We have been able to offset rising raw material and freight costs with productivity and value-add gains.

- In the past we have largely increased capacity by borrowing and building new factories. Whilst it remains important we own most of our production capacity, and thus be able to control rapid design changes and quality, we do not have to greenfield every factory or site. To better balance market needs and our risks, we will more actively consider acquisitions, joint ventures and sub-contracting.

- Whilst we have not seen any signs of demand from the US weakening, we are aware of the negative reports reflected on the US economy.

As of the date of this announcement, our order books remain high at approximately $25 million for a delivery lead time of 3 to 4 months. Further the orders are well spread out amongst our customers located in the UK/Europe, North America and Asia Pacific.

Based on the good results for 1H06 and given our comments above, the Board of Directors is confident that the Group's performance for the financial year ending 30 June 2006 will exceed that of financial year ended 2005, barring any unforeseen circumstances.

11. Dividend

(a) ***Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?
Yes

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Rate	
- per share (in cents)	0.5 cent per ordinary share (less tax)
- % of share capital	10%
Par value of shares ($)	$0.05
Tax Rate	20%

(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

To be announced

(d) Books closure date

To be announced

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. 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

9 February 2006