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MEDIA RELEASE

SMJ International's FY2014 net profit reaches S\$1.6 million

- **Results affected by slow demand in Singapore's private construction sector in 2014**
- **0.61 Singapore cents dividend declared**
- **While private construction slowdown in Singapore likely to continue, government construction activities set to increase**
- **Expecting opportunities from Indonesia's private and government sector**

SINGAPORE, 16 February 2015 – SMJ International Holdings Ltd. (“**SMJ International**” or the “**Company**”) together with its subsidiary (“**the SMJ Group**” or “**SMJ**”), a leading premier carpet specialist serving the commercial and institutional sectors in Asia, today announced that its net profit attributable to shareholders for the full year ended 31 December 2014 (“**FY2014**”) was S\$1.6 million, a 41.9% decrease from the previous full year ended 31 December 2013 (“**FY2013**”) of S\$2.7 million.

Results Highlights

SMJ International's FY2014 revenue decreased by approximately S\$1.8 million or 8.2% from S\$22.0 million in FY2013 to S\$20.2 million in FY2014, mainly due to a decrease in Distribution Sales during the year as compared to the previous year.

The decrease in Contract Sales and Distribution Sales in Singapore of approximately S\$0.1 million and S\$0.2 million respectively, was mainly due to the slowdown in private sector construction activities in 2014¹ which resulted in a lower demand for carpets from distributors. Regional Distribution Sales in countries such as Malaysia and Indonesia also declined due to a delay in construction projects in Malaysia and market uncertainty as a result of the general

¹ Source: Ministry of Trade and Industry Singapore press release on 25 November 2014

election in Indonesia. The increase of S\$0.8 million in sales to the Philippines distributors in FY2014 however, helped to cushion the impact of the decrease in overall Distribution Sales.

The Company's profit after tax for FY2014 decreased by approximately S\$1.1 million or 41.9% as compared to FY2013 mainly due to the IPO expenses of S\$0.4 million as well as the decrease in Distribution Sales revenue.

Financial Position

As at 31 December 2014, the Company had net assets of approximately S\$16.7 million compared to S\$12.2 million as at 31 December 2013. Cash and cash equivalent stood at S\$8.6 million as at 31 December 2014 compared to S\$5.5 million as at 31 December 2013, with the increase mainly due to the net IPO proceeds received less related expenses. The Company had a positive working capital of S\$14.8 million as at 31 December 2014 as compared to S\$11.1 million as at 31 December 2013.

The Board of Directors has declared a final dividend of 0.61 Singapore cents per ordinary share.

Business Outlook

Ms Rena Ho, SMJ International's Executive Director and Chief Executive Officer commented: ***"We believe that private organisations will continue to set prudent budgets for their office refurbishment projects or even postpone their refurbishments. However, we expect a rise in Singapore government construction activities. We also plan to intensify our marketing efforts in Indonesia as we see more opportunities arising from construction activities in both the private and government sector there."***

In the next 12 months, the Company expects a slowdown in the private sector construction activities in the Singapore market but a rise in construction activities for the government sector. In light of this, the Company believes that there should be more constructions and renovations of schools and learning institutes, hospitals, nursing homes and government offices. However, the pricing for government related projects is expected to be competitive and hence less lucrative.

In 2015, SMJ International will also focus their efforts on its export Distribution Sales. With the establishment of the new government in Indonesia, the Company expects to see more opportunities arising from construction activities in both the private and government sectors in Indonesia.

SMJ International's recent participation in Domotex Carpet Exhibition in Hannover, has seen encouraging responses from potential distributors from the previously untapped markets in the Middle East and eastern Europe. The Company is currently engaging with these potential distributors on the possibility of opening up the markets for SMJ's products in their respective countries.

Lastly, SMJ International is also actively seeking opportunities for potential acquisitions, joint ventures and or strategic alliances within the furnishing industry.

- End -

About SMJ International Holdings Ltd. (www.smjf.com.sg)

Established in 1988, SMJ Group is one of the leading premier carpet specialists serving commercial and institutional sectors in Asia with an established reputation and track record of more than 25 years.

SMJ Group specialises in the sale and distribution of a wide range of carpets marketed under its "SMJ" brand through its global distribution network of more than 260 carpet dealers, carpet importers and carpet installation companies in Singapore and over 20 countries mainly in Asia.

SMJ Group's 42,614 sq ft warehouse stocks a ready supply of carpets of more than 90 different designs in up to 400 different colours. SMJ Group is also the authorised supplier for the "Shaw Contract Group" range of carpets in Singapore.

Note to Media: This media release is to be read in conjunction with the announcement issued on SGXNET on the same date.

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