
**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE (“HY”) 2021**

This announcement has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	Note	<u>Group</u>	
		<u>HY2021</u> (Unaudited) S\$'000	<u>HY2020</u> (Unaudited) S\$'000
Revenue	4	23,665	16,722
Cost of sales		(18,319)	(15,421)
Gross profit		<hr/> 5,346	<hr/> 1,301
Other income and gains		327	941
Distribution costs		(280)	(113)
Administrative expenses		(2,537)	(2,439)
Finance costs		(196)	(318)
Other losses		(23)	(219)
Profit (Loss) before tax	6	<hr/> 2,637	<hr/> (847)
Income tax expense	7	(346)	(26)
Profit (Loss) for the period		<hr/> 2,291	<hr/> (873)
 <u>Other comprehensive income</u>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		145	85
Other comprehensive income for the period, net of tax		<hr/> 145	<hr/> 85
Total comprehensive income (loss) for the period		<hr/> <hr/> 2,436	<hr/> <hr/> (788)
Profit (Loss) attributable to owners of the Company, net of tax		2,291	(873)
Profit (Loss) net of tax		<hr/> 2,291	<hr/> (873)
Total comprehensive income (loss) attributable to owners of the Company		2,436	(788)
Total comprehensive income (loss)		<hr/> <hr/> 2,436	<hr/> <hr/> (788)
 Earnings (Loss) per share			
		Cents	Cents
Basic		2.12	(0.81)
Dilluted		<hr/> 2.12	<hr/> (0.81)

* Both basic and diluted earnings (loss) per share are the same as there are no dilutive ordinary share equivalents outstanding during the respective reporting periods.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	<u>Group</u>		<u>Company</u>	
		As at	As at	As at	As at
		<u>30.06.2021</u> <u>(Unaudited)</u> S\$'000	<u>31.12.2020</u> <u>(Audited)</u> S\$'000	<u>30.06.2021</u> <u>(Unaudited)</u> S\$'000	<u>31.12.2020</u> <u>(Audited)</u> S\$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	9	7,097	7,291	–	–
Right-of-use assets		585	759	–	–
Land use right		2,371	2,439	–	–
Investments in subsidiaries		–	–	11,283	11,283
Deferred tax assets		354	331	–	–
Total non-current assets		10,407	10,820	11,283	11,283
<u>Current assets</u>					
Inventories		21,513	21,073	–	–
Trade and other receivables		14,200	11,961	2,454	2,003
Other non-financial assets		356	552	39	24
Restricted cash		12	11	–	–
Cash and cash equivalents		6,993	6,003	243	671
Total current assets		43,074	39,600	2,736	2,698
Total assets		53,481	50,420	14,019	13,981
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	11	10,579	10,579	10,579	10,579
Retained earnings		21,598	19,307	3,036	3,109
Other reserves		405	260	–	–
Total equity		32,582	30,146	13,615	13,688
<u>Non-current liabilities</u>					
Financial liabilities - Lease liability		379	578	–	–
Other financial liabilities		8,051	9,576	–	–
Deferred tax liabilities		18	–	–	–
Total non-current liabilities		8,448	10,154	–	–
<u>Current liabilities</u>					
Income tax payable		338	119	–	–
Financial liabilities - Lease liability		400	390	–	–
Other financial liabilities		1,726	1,585	–	–
Trade and other payables		9,987	8,026	404	293
Total current liabilities		12,451	10,120	404	293
Total liabilities		20,899	20,274	404	293
Total equity and liabilities		53,481	50,420	14,019	13,981

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

GROUP

	<u>Total equity</u> S\$'000	<u>Attributable to parent sub-total</u> S\$'000	<u>Share capital</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Foreign currency translation reserve</u> S\$'000	<u>Statutory reserve</u> S\$'000
Current period:						
Opening balance at 1 January 2021	30,146	30,146	10,579	19,307	16	244
Changes in equity:						
Total comprehensive income for the period	2,436	2,436	–	2,291	145	–
Closing balance at 30 June 2021	<u>32,582</u>	<u>32,582</u>	<u>10,579</u>	<u>21,598</u>	<u>161</u>	<u>244</u>
Previous period:						
Opening balance at 1 January 2020	29,548	29,548	10,579	18,900	(170)	239
Changes in equity:						
Total comprehensive income (loss) for the period	(788)	(788)	–	(873)	85	–
Closing balance at 30 June 2020	<u>28,760</u>	<u>28,760</u>	<u>10,579</u>	<u>18,027</u>	<u>(85)</u>	<u>239</u>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

COMPANY

	<u>Total equity</u> S\$'000	<u>Share capital</u> S\$'000	<u>Retained earnings</u> S\$'000
Current period:			
Opening balance at 1 January 2021	13,688	10,579	3,109
Changes in equity:			
Total comprehensive loss for the period	(73)	–	(73)
Closing balance at 30 June 2021	<u>13,615</u>	<u>10,579</u>	<u>3,036</u>
Previous period:			
Opening balance at 1 January 2020	13,115	10,579	2,536
Changes in equity:			
Total comprehensive income for the period	530	–	530
Closing balance at 30 June 2020	<u>13,645</u>	<u>10,579</u>	<u>3,066</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	<u>HY2021</u> <u>(Unaudited)</u> S\$'000	<u>HY2020</u> <u>(Unaudited)</u> S\$'000
<u>Cash flows from operating activities</u>		
Profit (Loss) before tax	2,637	(847)
Adjustments for:		
Interest income	(1)	(13)
Interest expense	196	318
Depreciation of property, plant and equipment	414	439
Depreciation of right-of-use assets	177	112
Amortisation of land use right	68	68
Amortisation of intangible assets	–	15
Allowance for impairment on trade receivables	23	217
Reversal of impairment on trade receivables	(40)	(268)
Allowance for impairment on inventories	5	1,892
Reversal of impairment on inventories	(222)	(7)
Bad debts recovered	(14)	–
Gains on disposal of property, plant and equipment	(9)	(290)
Property, plant and equipment written-off	–	2
Net effect of exchange rate changes in consolidating foreign operations	137	132
Operating cash flows before changes in working capital	3,371	1,770
Inventories	(223)	1,332
Trade and other receivables	(2,208)	(263)
Other non-financial assets	196	(50)
Trade and other payables	3,314	(513)
Net cash flows from operations	4,450	2,276
Income taxes paid	(138)	(31)
Net cash flows from operating activities	4,312	2,245
<u>Cash flows from investing activities</u>		
Disposal of property, plant and equipment	20	650
Purchase of property, plant and equipment	(224)	(58)
Interest received	1	13
Net cash flows (used in) from investing activities	(203)	605
<u>Cash flows from financing activities</u>		
Repayment of borrowings	(3,782)	(8,188)
Proceeds from borrowings	1,050	9,772
Lease liabilities	(210)	(193)
Interest paid	(177)	(301)
Net cash flows (used in) from financing activities	(3,119)	1,090
Net increase in cash and cash equivalents	990	3,940
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	6,003	3,086
Cash and cash equivalents, consolidated statement of cash flows, ending balance	6,993	7,026

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General

Soon Lian Holdings Limited (the “Company”) is incorporated in Singapore with limited liability. The Company is an investment holding company. It is listed on the Catalist, which is a shares market on Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Group consist of the sale and supply of aluminium alloy materials.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the six months ended 30 June 2021.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main strategic operating segments according to the industry in which their customers operate:

- Segment 1: Precision Engineering
- Segment 2: Marine
- Segment 3: Stockists and traders
- Segment 4: Other customers

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Profit or loss from operations and reconciliations

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
1 January 2021 to 30 June 2021						
Revenue by segment						
Total revenue by segment	15,202	4,096	3,833	534	–	23,665
Recurring earnings before interest, taxes, depreciation, and amortisation (“EBITDA”)						
Finance costs	–	–	–	–	(196)	(196)
Depreciation and amortisation	–	–	–	–	(659)	(659)
Operating result before income taxes and other unallocated items	4,023	718	517	249	(638)	4,869
Other unallocated items					(2,232)	(2,232)
Profit before tax from continuing operations						2,637
Income tax expense						(346)
Profit from operations						2,291
1 January 2020 to 30 June 2020						
Revenue by segment						
Total revenue by segment	8,934	5,135	2,367	286	–	16,722
Recurring EBITDA						
Finance costs	–	–	–	–	(318)	(318)
Depreciation and amortisation	–	–	–	–	(634)	(634)
Operating result before income taxes and other unallocated items	2,301	729	439	116	(2,837)	748
Other unallocated items					(1,595)	(1,595)
Loss before tax from continuing operations						(847)
Income tax expense						(26)
Loss from operations						(873)

The above revenue is mainly from sale of aluminium alloy products.

4. Segment and revenue information (cont'd)

4.2 Assets and reconciliations

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
As at 30 June 2021:						
Total assets for reportable segments	10,483	1,122	1,983	85	–	13,673
Unallocated:						
Property, plant and equipment	–	–	–	–	7,097	7,097
Right-of-use assets	–	–	–	–	585	585
Land use right	–	–	–	–	2,371	2,371
Deferred tax assets	–	–	–	–	354	354
Inventories	–	–	–	–	21,513	21,513
Restricted cash	–	–	–	–	12	12
Cash and cash equivalents	–	–	–	–	6,993	6,993
Other unallocated amounts	–	–	–	–	883	883
Total group assets	10,483	1,122	1,983	85	39,808	53,481
As at 31 December 2020:						
Total assets for reportable segments	7,371	1,894	2,186	81	–	11,532
Unallocated:						
Property, plant and equipment	–	–	–	–	7,291	7,291
Right-of-use assets	–	–	–	–	759	759
Land use right	–	–	–	–	2,439	2,439
Deferred tax assets	–	–	–	–	331	331
Inventories	–	–	–	–	21,073	21,073
Restricted cash	–	–	–	–	11	11
Cash and cash equivalents	–	–	–	–	6,003	6,003
Other unallocated amounts	–	–	–	–	981	981
Total group assets	7,371	1,894	2,186	81	38,888	50,420

The assets are not allocated to operating segments because they are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis.

4. Segment and revenue information (cont'd)

4.3 Liabilities and reconciliations

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
As at 30 June 2021:						
Unallocated:						
Income tax payable	–	–	–	–	338	338
Borrowings	–	–	–	–	9,777	9,777
Lease liabilities	–	–	–	–	779	779
Trade and other payables	–	–	–	–	9,987	9,987
Deferred tax liabilities	–	–	–	–	18	18
Total group liabilities	–	–	–	–	20,899	20,899
As at 31 December 2020:						
Unallocated:						
Income tax payable	–	–	–	–	119	119
Borrowings	–	–	–	–	11,161	11,161
Lease liabilities	–	–	–	–	968	968
Trade and other payables	–	–	–	–	8,026	8,026
Total group liabilities	–	–	–	–	20,274	20,274

The liabilities are not allocated to operating segments because they are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis.

4.4 Other material items and reconciliations

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
<u>Impairment (reversal) of receivables and inventories and bad debts recovered (net)</u>						
HY2021	(5)	(23)	(3)	–	(217)	(248)
HY2020	26	(91)	11	3	1,885	1,834
<u>Expenditure for non-current assets</u>						
HY2021	–	–	–	–	224	224
HY2020	–	–	–	–	58	58

4.5 Geographical information

	Revenue		Non-current assets	
	HY2021 S\$'000	HY2020 S\$'000	As at 30.06.2021 S\$'000	As at 31.12.2020 S\$'000
Singapore	4,961	6,012	9,213	9,576
Malaysia	6,774	3,485	266	290
China	5,240	2,822	368	422
Taiwan	3,689	1,980	206	201
Indonesia	364	770	–	–
Other countries	2,637	1,653	–	–
Total operations	23,665	16,722	10,053	10,489

4. Segment and revenue information (cont'd)

4.5 Geographical information (cont'd)

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	<u>21,205</u>	<u>17,975</u>	<u>2,697</u>	<u>2,674</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	<u>20,543</u>	<u>20,155</u>	<u>404</u>	<u>293</u>

6. Profit (Loss) before tax

6.1 Significant items

	<u>Group</u>	
	<u>HY2021</u>	<u>HY2020</u>
	S\$'000	S\$'000
Foreign exchange adjustment gain	169	69
Depreciation of property, plant and equipment	(414)	(439)
Amortisation of land use right	(68)	(68)
Amortisation of intangible assets	–	(15)
Depreciation of right-of-use assets	(177)	(112)
Gains on disposal of property, plant and equipment, net	9	290
Reversal of impairment on trade receivables	40	268
Allowance for impairment on trade receivables	(23)	(217)
Reversal of impairment on inventories	222	7
Allowance for impairment on inventories	(5)	(1,892)
Bad debt recovered	14	–
Interest expense	(196)	(318)
Interest income	1	13
Government grant income	87	302

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<u>Group</u>	
	<u>HY2021</u>	<u>HY2020</u>
	S\$'000	S\$'000
Current income tax expense	(351)	(32)
Deferred tax movement	5	6
Income tax expense	<u>(346)</u>	<u>(26)</u>

8. Net asset value

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
	S\$	S\$	S\$	S\$
Net asset value per ordinary share (cents)	30.2	27.9	12.6	12.7

9. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$224,288 (30 June 2020: S\$57,666) and disposed of assets amounting to S\$10,826 (30 June 2020: S\$28,372).

10. Borrowings and debt securities

	<u>Group</u>		<u>Company</u>	
	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	1,144	2,486	–	–
Unsecured	1,383	1,249	–	–
	<u>2,527</u>	<u>3,735</u>	–	–
<u>Amount repayable after one year</u>				
Secured	4,316	4,506	–	–
Unsecured	3,873	5,226	–	–
	<u>8,189</u>	<u>9,732</u>	–	–

Details of any collaterals

The Group's borrowings consist of term loans, bank loans, bills payables and finance leases.

Certain of the Group's term loans, bank loans and other credit facilities are secured by the legal mortgages on the leasehold property, land use right and inventories. The finance leases are secured by the leased assets.

11. Share Capital

<u>Group and Company</u>	<u>Number of shares issued '000</u>	<u>Share capital S\$'000</u>
Ordinary shares of no par value: Balance as at 30 June 2021 and 31 December 2020	<u>108,000</u>	<u>10,579</u>

There has been no change in the Company's share capital since 31 December 2020.

The Company do not hold any treasury shares or convertible instruments as at 30 June 2021, 31 December 2020 and 30 June 2020.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021, 31 December 2020 and 30 June 2020.

12. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

13. Changes in contingent liabilities or contingent assets

There were no material changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2020.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

1. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business.

The condensed consolidated statement of financial position of Soon Lian Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

Statement of Comprehensive Income

The Group has registered a significant improvement in net profit to S\$2.3 million in HY2021, compared to net loss of S\$0.9 million in HY2020.

The Group's revenue increased by S\$7.0 million or 41.5%, from S\$16.7 million in HY2020 to S\$23.7 million in HY2021. This was mainly due to an increase in sales to our customers in the precision engineering and stockists and traders segments and partially offset by lower sales to customers in the marine segment.

Gross profit increased by S\$4.0 million or 310.9%, from S\$1.3 million in HY2020 to S\$5.3 million in HY2021. Gross profit margin increased by 14.8 percentage points, from 7.8% in HY2020 to 22.6% in HY2021. The increase in both gross profit and gross profit margin is mainly due to allowance for impairment on inventories of S\$1.9 million recognised in HY2020 as compared to a net reversal of impairment on inventories of S\$0.2 million in HY2021.

Other income and gains decreased by S\$0.6 million or 65.2%, from S\$0.9 million in HY2020 to S\$0.3 million in HY2021, mainly due to a decrease of S\$0.3 million in gain on disposal of property, plant and equipment, a decrease of S\$0.2 million in government grant income, and a decrease of S\$0.2 million in reversal of impairment on trade receivables, partially offset by an increase of S\$0.1 million in foreign exchange adjustment gain.

Distribution costs increased by S\$0.2 million or 147.8%, from S\$0.1 million in HY2020 to S\$0.3 million in HY2021, mainly due to an increase in commission expenses as a result of the increase in overseas sales made through agents.

Administrative expenses increased by S\$0.1 million or 4.0%, from S\$2.4 million in HY2020 to S\$2.5 million in HY2021, mainly due to the increase in depreciation of right-of-use assets.

Finance costs decreased by S\$0.1 million or 38.4%, from S\$0.3 million in HY2020 to S\$0.2 million in HY2021 due to the lower usage of trade finance facilities in HY2021.

Other losses decreased by S\$0.2 million or 89.5%, from S\$0.2 million in HY2020 to S\$0.02 million in HY2021, mainly due to the lower allowance for impairment on trade receivables.

As a result of the above, the Group recorded a profit before tax of S\$2.6 million in HY2021, as compared to a loss before tax of S\$0.8 million in HY2020.

1. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. (cont'd)

Statement of Financial Position

Non-current assets decreased by S\$0.4 million, from S\$10.8 million as at 31 December 2020 to S\$10.4 million as at 30 June 2021, mainly due to decrease in property, plant and equipment of S\$0.4 million, decrease in right-of-use assets of S\$0.2 million and decrease in land use right of S\$0.1 million as a result of depreciation charges, partially offset by purchase of property, plant and equipment of S\$0.2 million in HY2021.

Current assets increased by S\$3.5 million, from S\$39.6 million as at 31 December 2020 to S\$43.1 million as at 30 June 2021. This was mainly due to an increase in trade and other receivables of S\$2.2 million, cash and cash equivalents of S\$1.0 million and inventories of S\$0.4 million. Please refer to the section on "Statement of Cash Flows" below for the reasons for the increase in cash and cash equivalents.

Non-current liabilities decreased by S\$1.7 million, from S\$10.2 million as at 31 December 2020 to S\$8.4 million as at 30 June 2021, mainly due to net decrease in long-term bank loans of S\$1.5 million after repayment and decrease in lease liability (non-current portion) of S\$0.2 million.

Current liabilities increased by S\$2.3 million, from S\$10.1 million as at 31 December 2020 to S\$12.5 million as at 30 June 2021, mainly due to an increase in trade and other payables of S\$2.0 million, an increase in income tax payable of S\$0.2 million and an increase in other financial liabilities of S\$0.1 million.

The Group reported a positive working capital position of S\$30.6 million as at 30 June 2021, as compared to S\$29.5 million as at 31 December 2020.

Total equity increased by S\$2.5 million, from S\$30.1 million as at 31 December 2020 to S\$32.6 million as at 30 June 2021, mainly as a result of the net profit for the period.

Statement of Cash Flows

Net cash flows from operating activities was higher by S\$2.1 million in HY2021 as compared to HY2020, mainly due to the improvement on working capital management.

Net cash flows used in investing activities amounted to S\$0.2 million in HY2021, mainly due to the purchase of property, plant and equipment.

Net cash flows used in financing activities amounted to S\$3.1 million in HY2021, mainly due to a net decrease in borrowings of S\$2.7 million, interest payment of S\$0.2 million and repayment of lease liabilities of S\$0.2 million.

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

No forecast or prospect statement was previously disclosed.

3. 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 operating period and the next 12 months.

The COVID-19 pandemic continues to impact the global economy by disrupting supply chains, business activities and daily living. In spite of the challenges arising from this, the Group was able to deliver strong and solid growth in both its top and bottom lines.

In the year ahead, the macroeconomic landscape is expected to remain difficult, with the resurgence of new infections and variants already leading some countries to re-impose lockdowns. Notwithstanding this, the Group is cautiously optimistic that demand for our precision engineering segment will remain strong, in view that the outlook for the global semiconductor industry appears positive.

Going forward, the Group will continue to remain agile in addressing challenges and opportunities as they arise, and exercise prudence in the management of its working capital.

4. Dividend information

a. Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on?

No.

b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared/recommended for the corresponding period of the immediately preceding financial year?

No.

c. Date payable

Not applicable.

d. The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

No dividend has been declared or recommended for HY2021 as the Board of Directors of the Company deems it appropriate to conserve funds for the Group's business activities.

5. Interested person transactions

The Company does not have a mandate from its shareholders for any interested person transactions. There are no interested person transactions of S\$100,000 or more during the financial period under review.

6. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalyst Rules

The Company confirms that it has procured all the required undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720 (1) of the Catalyst Rules.

Soon Lian Holdings Limited
(Registration No: 200416295G)



Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

TAN YEE HO
Executive Chairman

TAN YEE LEONG
Chief Executive Officer and
Executive Director

Singapore
13 August 2021