

SOON LIAN HOLDINGS LIMITED
Co. Reg. No: 200416295G

**FULL YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by 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.

The contact person for the Sponsor is Ms Lam Siew Hwa, Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	<u>FY 2015</u>	<u>FY 2014</u>	<u>Change</u>
	<u>Unaudited</u>	<u>Audited</u>	%
	S\$'000	S\$'000	
Revenue	41,585	44,478	(6.5%)
Cost of Sales	(34,741)	(36,293)	(4.3%)
Gross Profit	6,844	8,185	(16.4%)
<u>Other Items of Income</u>			
Interest Income	5	5	–
Other Gains	123	10,230	(98.8%)
<u>Other Items of Expense</u>			
Marketing and Distribution Costs	(811)	(905)	(10.4%)
Administrative Expenses	(4,616)	(4,907)	(5.9%)
Finance Costs	(995)	(828)	20.2%
Other Losses	(2,454)	(286)	>100.0%
(Loss) Profit Before Tax from Continuing Operations	(1,904)	11,494	NM
Income Tax (Expense) Income	(38)	1	NM
(Loss) Profit from Continuing Operations, Net of Tax	(1,942)	11,495	NM
(Loss) Profit Attributable to Owners of The Parent, Net of Tax	(1,935)	11,494	NM
(Loss) Profit Attributable to Non-Controlling Interests, Net of Tax	(7)	1	NM
(Loss) Profit Net of Tax	(1,942)	11,495	NM

Consolidated Statement of Comprehensive (Loss)/ Income

	Group		
	<u>FY 2015</u>	<u>FY 2014</u>	<u>Change</u>
	<u>Unaudited</u>	<u>Audited</u>	
	S\$'000	S\$'000	%
(Loss) Profit Net of Tax	(1,942)	11,495	NM
Other Comprehensive (Loss) Income			
Exchange Differences on Translating Foreign Operations, Net of Tax	(3)	32	NM
Other Comprehensive (Loss) Income for the Year, Net of Tax	(3)	32	NM
Total Comprehensive (Loss) Income	(1,945)	11,527	NM
Total Comprehensive (Loss) Income Attributable to Owners of The Parent	(1,938)	11,526	NM
Total Comprehensive (Loss) Income Attributable to Non-Controlling Interests	(7)	1	NM
Total Comprehensive (Loss) Income	(1,945)	11,527	NM

NM – Not meaningful

Profit before tax is arrived at after crediting/ (charging) the following:

	Group		
	<u>FY 2015</u>	<u>FY 2014</u>	<u>Change</u>
	<u>Unaudited</u>	<u>Audited</u>	<u>%</u>
	S\$'000	S\$'000	%
Foreign exchange adjustment loss	(734)	(235)	>100.0%
Depreciation of property, plant and equipment	(1,198)	(858)	39.6%
Amortisation of intangible asset	(12)	–	NM
Directors' fee	(86)	(226)	(61.9%)
Gain on disposal of property, plant and equipment	62	10,006	(99.4%)
Allowance for impairment on trade receivables - reversal	18	87	(79.3%)
Allowance for impairment on trade receivables	(1,386)	–	NM
Bad debts written off	–	(2)	NM
Inventories written down - reversal	1	18	(94.4%)
Inventories written down	(333)	(49)	>100.0%
Forward contracts gains: transactions not qualifying as hedges	2	2	–
Interest expense	(995)	(828)	20.2%
Interest income	5	5	–
Other income	–	11	NM
Government grant	39	106	(63.2%)

NM – Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	<u>As at</u> <u>31.12.15</u> <u>Unaudited</u> S\$'000	<u>As at</u> <u>31.12.14</u> <u>Audited</u> S\$'000	<u>As at</u> <u>31.12.15</u> <u>Unaudited</u> S\$'000	<u>As at</u> <u>31.12.14</u> <u>Audited</u> S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	25,053	25,028	–	–
Intangible Assets	129	–	–	–
Investment in Subsidiaries	–	–	11,871	11,210
Deferred Tax Assets	380	337	–	–
Total Non-Current Assets	25,562	25,365	11,871	11,210
<u>Current Assets</u>				
Inventories	28,060	26,062	–	–
Trade and Other Receivables	11,050	13,368	1,912	1,934
Other Assets	84	132	13	13
Cash and Cash Equivalents	1,165	6,466	46	70
Total Current Assets	40,359	46,028	1,971	2,017
Total Assets	65,921	71,393	13,842	13,227
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	10,579	10,579	10,579	10,579
Retained Earnings	19,231	22,246	2,671	1,560
Statutory Reserve	225	225	–	–
Foreign Currency Translation Reserve	138	141	–	–
Equity, Attributable to Owners of the Parent, Total	30,173	33,191	13,250	12,139
Non-Controlling Interests	9	16	–	–
Total Equity	30,182	33,207	13,250	12,139
<u>Non-Current Liabilities</u>				
Other Financial Liabilities	13,753	14,354	–	–
Total Non-Current Liabilities	13,753	14,354	–	–
<u>Current Liabilities</u>				
Income Tax Payable	39	68	35	11
Trade and Other Payables	14,667	20,691	557	1,077
Other Financial Liabilities	7,280	3,073	–	–
Total Current Liabilities	21,986	23,832	592	1,088
Total Liabilities	35,739	38,186	592	1,088
Total Equity and Liabilities	65,921	71,393	13,842	13,227

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

Amount repayable in one year or less, or on demand

As at 31/12/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
896	17,577	740	16,541

Amount repayable after one year

As at 31/12/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
13,753	-	14,354	-

Details of any collateral

The Group's borrowings consist of term loans, bank overdrafts, bill payables, finance leases and loans from related parties.

The banking facilities are secured by (a) legal mortgages on the subsidiaries' leasehold and freehold properties, (b) corporate guarantees issued by the Company and (c) joint and several guarantee from certain directors of the Group. The finance leases are secured by the leased assets.

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

	<u>Group</u>	
	<u>FY2015</u> <u>Unaudited</u> <u>S\$'000</u>	<u>FY2014</u> <u>Audited</u> <u>S\$'000</u>
<u>Cash Flows From Operating Activities</u>		
(Loss) Profit Before Tax	(1,904)	11,494
Interest Income	(5)	(5)
Interest Expense	995	828
Depreciation of Property, Plant and Equipment	1,198	858
Amortization of Intangible Assets	12	–
Forward Contracts Gain: Transaction not Qualifying as Hedges	(2)	(2)
Gain on Disposal of Property, Plant and Equipment	(62)	(10,006)
Net Effect of Exchange Rate Changes in Consolidating Subsidiaries	(3)	47
Operating Cash Flow before Changes in Working Capital	229	3,214
Changes in:-		
Inventories	(1,395)	(2,719)
Trade and Other Receivables	2,435	(2,920)
Other Assets	48	2,768
Trade and Other Payables	(6,024)	2,435
Net Cash Flows (Used in) From Operations	(4,707)	2,778
Income Taxes Paid	(170)	(148)
Net Cash Flows (Used in) From Operating Activities	(4,877)	2,630
<u>Cash Flows From Investing Activities</u>		
Disposal of Property, Plant and Equipment	90	19,261
Purchase of Property, Plant and Equipment (Note B)	(558)	(23,345)
Acquisition of Business (Note C)	(1,014)	–
Interest Received	5	5
Net Cash Flows Used in Investing Activities	(1,477)	(4,079)
<u>Cash Flows From Financing Activities</u>		
Decrease in Other Financial Liabilities	(2,047)	(8,103)
Increase from New Borrowings	2,500	15,050
Dividends paid to Equity Owners	(1,080)	–
Interest Paid	(995)	(828)
Net Cash Flows (Used in) From Financing Activities	(1,622)	6,119
Net (Decrease) Increase in Cash and Cash Equivalents	(7,976)	4,670
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	6,441	1,771
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note A)	(1,535)	6,441

Note A

Cash and cash equivalents in the consolidated statement of cash flows comprised the following:

	<u>Group</u>	
	<u>FY2015</u> <u>Unaudited</u> <u>S\$'000</u>	<u>FY2014</u> <u>Audited</u> <u>S\$'000</u>
Cash and cash equivalents at end of year	1,165	6,466
Bank overdraft	(2,700)	(25)
	<u>(1,535)</u>	<u>6,441</u>

Note B

Non-cash transaction:

There were acquisitions of plant and equipment with a total cost of \$479,000 in FY2015 (FY2014: \$170,000). These assets were acquired by means of finance leases.

Note C

On 26 July 2015, the Group acquired certain assets from Saint An Aluminium Co., Ltd.. The transaction was accounted for by the acquisition method of accounting.

At date of acquisition, the carrying amount of the assets acquired (which is also the provisional fair values) were as follows :

	<u>S\$'000</u>
Plant and equipment	270
Inventories	603
Intangible assets	141
Purchase consideration paid	<u>1,014</u>

The fair values of identifiable assets acquired are recorded on a provisional basis and are subject to changes upon completion of the purchase price allocation exercise as required under FRS 103, Business Combination. The purchase price allocation exercise is expected to be completed no later than 12 months from date of acquisition.

- 1 (d)(i) A statement (for the group and issuer) 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.

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	<u>Non-controlling Interests</u> S\$'000
Current Year:							
Opening Balance at 1 January 2015	33,207	33,191	10,579	22,246	141	225	16
Movements in Equity							
Dividend Paid	(1,080)	(1,080)	–	(1,080)	–	–	–
Total Comprehensive Loss for the Year	(1,945)	(1,938)	–	(1,935)	(3)	–	(7)
Closing Balance at 31 December 2015	30,182	30,173	10,579	19,231	138	225	9

	<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	<u>Non-controlling Interests</u> S\$'000
Previous Year:							
Opening Balance at 1 January 2014	21,680	21,665	10,579	10,771	109	206	15
Movements in Equity							
Total Comprehensive Income for the Year	11,527	11,526	–	11,494	32	–	1
Transfer to Statutory Reserve	–	–	–	(19)	–	19	–
Closing Balance at 31 December 2014	33,207	33,191	10,579	22,246	141	225	16

COMPANY	Total Equity	Share Capital	Retained Earnings
	S\$'000	S\$'000	S\$'000
Current Year:			
Opening Balance at 1 January 2015	12,139	10,579	1,560
Movement in Equity:			
Dividend Paid	(1,080)	–	(1,080)
Total Comprehensive Income for the Year	2,191	–	2,191
Closing Balance at 31 December 2015	13,250	10,579	2,671
Previous Year:			
Opening Balance at 1 January 2014	12,015	10,579	1,436
Movement in Equity:			
Total Comprehensive Income for the Year	124	–	124
Closing Balance at 31 December 2014	12,139	10,579	1,560

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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 from 1 January 2015 to 31 December 2015. There were no outstanding convertibles and treasury shares as at 31 December 2015 and 31 December 2014.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31/12/2015	As at 31/12/2014
108,000,000	108,000,000

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company does not have any treasury shares. There were no sale, transfer, disposal, cancellation and/or use of treasury shares as at 31 December 2015.

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 by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Other than the adoption of the new and revised Financial Reporting Standards ("FRS") which came into effect for the financial year ended 31 December 2015, there were no changes in accounting policies and methods of computation adopted in the current reporting period as compared to the audited financial statements for the financial year ended 31 December 2014.

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 new or revised FRS did not require any modifications to the methods of computation or the presentation in the financial statements for the current reporting period.

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:

	Group	
	FY2015	FY2014
(Loss)/ Earnings per ordinary share ("EPS") for the year based on net profit after tax attributed to the shareholders of the Company		
(i) Based on the weighted average number of ordinary shares on issue	(1.79) cents	10.64 cents
(ii) On a fully diluted basis	(1.79) cents	10.64 cents
Weighted average number of ordinary shares on issue	108,000,000	108,000,000

The Group's basic and diluted loss per ordinary share and EPS for FY2015 and FY2014 respectively were the same as there were no potentially dilutive ordinary shares existing during the respective financial years.

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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Net asset value per ordinary share (Cents)	27.9	30.7	12.3	11.2

The net asset values per ordinary share for the Group and the Company have been calculated based on the issued share capital of 108,000,000 ordinary shares of the Company as at 31 December 2015 and 31 December 2014.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) 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; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

(a) Statement of Comprehensive Income

Group revenue decreased by S\$2.9 million or 6.5%, from S\$44.5 million in FY2014 to S\$41.6 million in FY2015. This was mainly due to the decrease in sales to our customers in the marine industry, partially offset by an increase in sales in the precision engineering industry as well as sales to the stockists and traders.

Sales to the marine industry decreased by S\$13.7 million in FY2015 as compared to FY2014, mainly due to the scaling down in shipbuilding activities undertaken by our customers in tandem with the challenging market conditions and volatility in commodities prices. Sales to the precision engineering industry increased by S\$7.4 million due to higher revenue generated by our subsidiaries in the People's Republic of China. Sales to the stockists and traders increased by S\$3.3 million in FY2015 as compared to FY2014, mainly due to an increase in demand from overseas stockists and traders.

Gross profit decreased by S\$1.4 million or 16.4% from S\$8.2 million in FY2014 to S\$6.8 million in FY2015, largely in line with the decrease in revenue. The Group's gross profit margin decreased from 18.4% in FY2014 to 16.5% in FY2015 mainly attributable to a decrease in the average selling price of our products.

Other gains decreased by S\$10.1 million in FY2015 as compared to FY2014, due mainly to the absence of the non-recurring gain recorded in FY2014 from the disposal of the Group's property at 35 Tuas Avenue 2.

Marketing and distribution costs decreased by S\$0.1 million or 10.4% from S\$0.9 million in FY2014 to S\$0.8 million in FY2015, mainly due to a decrease in commission expenses which was in line with the decrease in sales secured through our overseas sales agents.

Administrative expenses decreased by S\$0.3 million or 5.9% from S\$4.9 million in FY2014 to S\$4.6 million in FY2015, mainly due to (a) a decrease in directors' remuneration of S\$0.2 million and (b) a decrease in other general administrative expenses of S\$0.1 million.

Finance costs for FY2015 increased by S\$0.2 million or 20.2% from S\$0.8 million in FY2014 as compared to S\$1.0 million in FY2015, due mainly to an increase in interest expenses as a result of higher utilisation of bank overdraft facilities, trade facilities and bank borrowings by the Group.

Other losses increased by S\$2.1 million from S\$0.3 million in FY2014 to S\$2.4 million in FY2015. Other losses in FY2015 comprised mainly foreign exchange adjustment loss of S\$0.7 million, allowance for impairment on trade receivables of S\$1.4 million and allowance for impairment on inventories of S\$0.3 million. The aforementioned allowance for impairment on both trade receivables and inventories are mainly provided by the Company's subsidiary in Suzhou, the PRC, on the back of challenging business conditions faced by certain of our customers in the PRC and declining aluminium prices respectively.

The Group recorded a loss before tax of S\$1.9 million in FY2015 as compared to a profit before tax of S\$11.5 million in FY2014, due mainly to the decrease in gross profit, an increase in other losses in FY2015, as well as the absence of the non-recurring gain from the disposal of the Group's property at 35 Tuas Avenue 2 in FY2014.

(b)(i) Statement of Financial Position

Non-current assets as at 31 December 2015 remained relatively constant at S\$25.6 million as compared to S\$25.4 million as at 31 December 2014.

Current assets decreased by S\$5.6 million from S\$46.0 million as at 31 December 2014 to S\$40.4 million as at 31 December 2015. This was mainly due to an increase in inventories of S\$2.0 million, partially offset by a decrease in trade and other receivable of S\$2.3 million and a decrease in cash and cash equivalents of S\$5.3 million. The increase in inventories was mainly due to the scaling down in shipbuilding activities undertaken by our customers in FY2015. The decrease in trade and other receivables is in line with the decrease in revenue during the financial year reported on. Cash and cash equivalents decreased by S\$5.3 million, mainly due to the repayment of bills payables.

Non-current liabilities decreased by S\$0.6 million from S\$14.4 million as at 31 December 2014 to S\$13.8 million as at 31 December 2015, mainly due to the repayment of long-term bank loans in FY2015.

Current liabilities decreased by S\$1.8 million from S\$23.8 million as at 31 December 2014 to S\$22.0 million as at 31 December 2015, mainly due to a decrease in trade and other payables of S\$6.0 million arising mainly from lower bills payables in FY2015 as compared to FY2014, partially offset by an increase in bank borrowings of S\$4.2 million.

The Group reported a positive working capital position of S\$18.4 million as at 31 December 2015.

(b)(ii) Statement of Cash Flows

In FY2015, operating cash flow before changes in working capital amounted to S\$0.2 million, arising mainly from the Group's loss before tax of S\$1.9 million, adjusted for interest expense of S\$1 million and depreciation of property, plant and equipment of S\$1.2 million. Net cash used in working capital of S\$4.9 million was mainly due to an increase in inventories of S\$1.4 million and a decrease in trade and other payables of S\$6.0 million, partially offset by a decrease in trade and other receivables of S\$2.5 million.

Net cash used in investing activities amounted to S\$1.5 million in FY2015, and was mainly due to the purchase of plant and equipment and the acquisition of business, partially offset by the proceeds from the disposal of plant and equipment.

Net cash used in financing activities amounted to S\$1.6 million, mainly due to the repayment of bank loan and finance leases of S\$2.0 million, dividends paid to equity owners of S\$1.1 million and interest payment of S\$1.0 million, partially offset by an increase from new borrowings of S\$2.5 million.

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

The Company had previously announced a profit guidance on 29 January 2016. No variance was noted and save for the aforementioned announcement, no forecast or prospect statement was previously disclosed.

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.

The financial year under review has seen the global economy undergo further drastic changes with oil dropping to below US\$30 a barrel in the early weeks of 2016. The downward trend of oil prices continues to impact the wider economy with aftershocks keenly felt in oil and gas and marine-oriented businesses. Furthermore, numerous challenges such as falling raw material and commodities prices continue to persist and together, have painted a challenging operating environment for the Group for the upcoming financial year.

Nonetheless, we have been proactive and have sought to rebalance our customer portfolio to include more precision engineering businesses in order to soften the impact of the slowdown in the marine, and oil and gas segments. Moving forward, we will continue improving our operating processes to achieve better efficiencies. Notwithstanding, we remain cautious as business conditions are expected to remain challenging in view of, *inter alia*, the aforementioned macroeconomic factors.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Dividend paid :

Name of Dividend	Final
Dividend Type	Cash
Dividend amount per Share (in cents)	1.00
Tax Rate	Tax exempted one tier
No. Of Ordinary Shares	108,000,000
Date of payment	28 May 2015

(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 dividend has been declared for the financial year ended 31 December 2015.

13. Interested Person Transactions – Pursuant to Rule 920 (1) (a) of Section B of the Catalist Listing Manual

The Company does not have a mandate from its shareholders for any interested person transactions.

In FY2015, the Company obtained an interest-free and unsecured loan (“**Loan**”) from Soon Tien Holdings Pte. Ltd. (“**ST**”), a controlling shareholder of the Company. The Loan balance as at 31 December 2015 was S\$1.2 million. Pursuant to Chapter 9 of the Catalist Rules, ST is considered an interested person. However, there is no *amount at risk* due to the interest-free nature of the Loan.

14. Negative confirmation pursuant to Rule 705(5).

Not required for announcement on full year results.

15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

There is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704(10).

16. **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.**

(a) Financial Information by Operating Segments

FY2015

	<u>Marine</u> S\$'000	<u>Precision engineering</u> S\$'000	<u>Stockists and traders</u> S\$'000	<u>Other customers</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
Continuing Operations 2015						
Revenue by Segment						
Total revenue by segment	11,555	23,378	5,699	953	–	41,585
Recurring EBITDA	1,455	3,851	814	724	–	6,844
Finance costs					(995)	(995)
Depreciation and amortisation					(1,210)	(1,210)
Operating results before income tax and other unallocated items	1,455	3,851	814	724	(2,205)	4,639
Other unallocated items					(6,543)	(6,543)
Loss before tax from continuing operations						(1,904)
Income tax expense						(38)
Loss from continuing operations						<u>(1,942)</u>
Assets and Reconciliations						
Total assets for reportable segments	2,432	6,716	1,436	113	–	10,697
Unallocated:						
Property, plant and equipment					25,053	25,053
Deferred tax assets					380	380
Inventories					28,060	28,060
Cash and cash equivalents					1,165	1,165
Other unallocated amounts					566	566
Total group assets	2,432	6,716	1,436	113	55,224	65,921
Liabilities and Reconciliations						
Unallocated:						
Deferred and current tax liabilities					39	39
Borrowings					21,033	21,033
Trade and other payables					14,667	14,667
Total group liabilities	–	–	–	–	35,739	35,739

FY2015

	<u>Marine</u> S\$'000	<u>Precision engineering</u> S\$'000	<u>Stockists and traders</u> S\$'000	<u>Other customers</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
Other Material Items and Reconciliations						
Impairment of trade receivables	–	1,368	–	–	–	1,368
Impairment of inventories written down	–	–	–	–	332	332
Expenditures for non current assets	–	–	–	–	1,447	1,447
	<hr/>					

FY2014

	<u>Marine</u> S\$'000	<u>Precision engineering</u> S\$'000	<u>Stockists and traders</u> S\$'000	<u>Other customers</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
Continuing Operations 2014						
Revenue by Segment						
Total revenue by segment	25,259	15,932	2,362	925	–	44,478
Recurring EBITDA	3,870	3,204	431	680	–	8,185
Finance costs					(828)	(828)
Depreciation					(858)	(858)
Operating results before income tax and other unallocated items	3,870	3,204	431	680	(1,686)	6,499
Other unallocated items					4,995	4,995
Profit before tax from continuing operations						11,494
Income tax income						1
Profit from continuing operations						<u>11,495</u>
Assets and Reconciliations						
Total assets for reportable segments	7,552	4,725	458	486	–	13,221
Unallocated:						
Property, plant and equipment					25,028	25,028
Deferred tax assets					337	337
Inventories					26,062	26,062
Cash and cash equivalents					6,466	6,466
Other unallocated amounts					279	279
Total group assets	<u>7,552</u>	<u>4,725</u>	<u>458</u>	<u>486</u>	<u>58,172</u>	<u>71,393</u>
Liabilities and Reconciliations						
Unallocated:						
Deferred and current tax liabilities					68	68
Borrowings					17,427	17,427
Trade and other payables					20,691	20,691
Total group liabilities	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>38,186</u>	<u>38,186</u>

FY2014

	<u>Marine</u> S\$'000	<u>Precision engineering</u> S\$'000	<u>Stockists and traders</u> S\$'000	<u>Other customers</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
Other Material Items and Reconciliations						
Impairment of trade receivables (Reversal)		(85)	–	–	–	(85)
Impairment of inventories	–	–	–	–	31	31
Expenditures for non current assets	–	–	–	–	23,515	23,515

The assets and 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.

(b) Geographical Information

	<u>Revenue</u>	
	<u>FY2015</u> S\$'000	<u>FY2014</u> S\$'000
Singapore	11,405	19,413
China	10,966	7,544
Taiwan	5,229	2,174
Malaysia	3,873	4,458
Philippines	2,374	1,144
Dubai (UAE)	2,182	2,421
Vietnam	1,454	2,948
Other Countries	4,102	4,376
	41,585	44,478

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

18. A breakdown of sales as follows :

	Group		Increase/ (Decrease) %
	FY2015 S\$'000	FY2014 S\$'000	
(a) Sales reported for the first half year	23,870	20,705	15.3%
(b) Operating profit after tax reported for first half year	366	10,724	(96.6%)
(c) Sales reported for second half year	17,715	23,773	(25.5%)
(d) Operating (loss) profit after tax reported for second half year	(2,308)	771	NM

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2015	FY2014
	S\$'000	S\$'000
Ordinary	–	1,080
Preference	–	–
Total	–	1,080

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist 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 Catalist Rules.

BY ORDER OF THE BOARD
TAN YEE CHIN
Chairman and CEO
24 February 2016