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MEDIA RELEASE

SMJ International Expands and Diversifies Product Range

- **Appointed authorised supplier for brands of carpets from Mohawk Group**
- **Diversifies product range as authorized supplier for NOX Corporation's Luxury Vinyl Tiles**
- **Achieves a net profit after tax of S\$725,000 for HY2014**

SINGAPORE, 12 Aug 2014 – SMJ International Holdings Ltd. ("SMJ International" or the "Company"), a leading premier carpet specialist serving the commercial and institutional sectors in Asia, has been appointed as the authorised supplier for flooring brands under the Mohawk Group ("Mohawk") and NOX Corporation ("NOX") in Singapore.

Ms Rena Ho, SMJ International's Executive Director and Chief Executive Officer remarked: ***"I am delighted at being appointed the authorised supplier by Mohawk and NOX. Mohawk is a leading producer and distributor of quality commercial flooring in the US and NOX from South Korea is one of the largest luxury vinyl tile manufacturers in the world. Being their authorised supplier will help us broaden our range of flooring products and give customers even more options."***

SMJ International is the authorised supplier to distribute the *Lees*, *Bigelow* and *Duracolor* brands of Mohawk carpets in Malaysia, Philippines, Indonesia and Singapore (only *Duracolor*). The Group strongly believes that the *Duracolor* carpets will be very suitable for Singapore's commercial and institutional sectors. *Duracolor* has passed the GSA Test Method¹ and is the only stain resistance system for yarn dyed carpets that meets this standard. Other benefits include a longer extended carpet life, easy stain removal with water, and a lifetime stain resistant warranty.

¹ Carpet must pass the stain test after simulated traffic in piece, yarn, solution and hybrid dyed formats

SMJ International will also be the first authorized supplier of NOX's Ecoclick Luxury Vinyl Tile ("LVT"), Ecolay LVT, Orchid Collection LVT and Loom+ Tile in Singapore. The NOX products are new to the Singapore market and will help to diversify SMJ International's product range.

The continued acquisition of new and ancillary products and services is part of the Group's strategy to achieve its vision of becoming a regional one-stop office furnishing solution provider.

HY2014 Results

SMJ International achieved a net profit after tax of S\$725,000 on the back of S\$8.7 million in revenue for the six months ended 30 June 2014 ("HY2014"), as compared on S\$1.8 million on the back of S\$10.8 million in revenue for the six months ended 30 June 2013 ("HY2013").

The Group was impacted by a slowing down of Contract Sales in HY2014 compared to previous corresponding period and this was consistent with Singapore's slower GDP growth and a slowdown in private sector construction activities in the second quarter of 2014. In addition to the decrease in Contract Sales revenue, the HY2014 net profit after tax was also affected by the one-off IPO expenses of S\$0.4 million.

Operating cash flows of the Group improved to S\$3.5 million in HY2014 compared to S\$0.8 million in HY2013 despite the decrease in profit before tax of approximately S\$1.1 million, due to cash flow management efficiency. Net cash used in investing activities was mainly for progressive payments for the Group's investment property, and net cash from financing activities of approximately S\$2.6 million was due net proceeds from the Group's IPO.

Overall, the Group recorded a net cash increase of approximately S\$5.4 million or 61.0%, with cash and cash equivalents of S\$10.9 million as at 30 June 2014.

Outlook

The Group's Contract Sales segment is reliant on Singapore's construction sector, which had its growth moderated by a slowdown in private sector construction activities in the first half of 2014. The Group's outlook for the next twelve months remains uncertain, particularly with the unrest in the Middle East and the fear of the outbreak of transmissible diseases. Nonetheless the Group will continue to focus on increasing sales in its core markets like Singapore, Malaysia, Indonesia and the Philippines as well as exploring the potential market in emerging countries such as Myanmar.

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About Mohawk Group (www.mohawkgroup.com)

Mohawk Group, the world's leading producer and distributor of quality commercial flooring, delivers industry-leading style, cutting-edge innovation, unmatched service and superior sustainability. As the commercial division of Mohawk Industries, Mohawk Group has a heritage of craftsmanship that spans more than 130 years. The company's enduring family of carpet brands—Karastan, Lees, Bigelow and Durkan—are widely regarded as the most trusted names in the commercial flooring business.

About Nox Corporation (www.noxprime.com/eng/)

Rooted in a chemical engineering company, Nox Corporation was founded in 1994, focusing on Luxury Vinyl Tile flooring innovation, design and manufacturing for global consumers. With customers in more than 50 countries, NOX continues to lead the industry with innovation and expertise.

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

Established in 1988, SMJ International 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 International 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 International's 42,614 sq ft warehouse stocks a ready supply of carpets in approximately 80 different designs in up to 400 different colours. SMJ International is also the authorised supplier for the "Shaw Contract Group" range of carpets in Singapore.

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