

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

**FULL YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

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.

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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 2014</u>	<u>FY 2013</u>	<u>Change</u>
	<u>Unaudited</u>	<u>Audited</u>	%
	S\$'000	S\$'000	
Revenue	44,478	35,600	24.9%
Cost of Sales	(36,293)	(28,971)	25.3%
Gross Profit	8,185	6,629	23.5%
<u>Other Items of Income</u>			
Interest Income	5	2	>100.0%
Other Credits	10,230	229	>100.0%
<u>Other Items of Expense</u>			
Marketing and Distribution Costs	(905)	(1,393)	(35.0%)
Administrative Expenses	(4,907)	(4,201)	16.8%
Finance Costs	(828)	(602)	37.5%
Other Charges	(286)	(12)	>100.0%
Profit Before Tax from Continuing Operations	11,494	652	>100.0%
Income Tax Income/ (Expense)	1	(274)	NM
Profit from Continuing Operations, Net of Tax	11,495	378	>100.0%
Profit Attributable to Owners of The Parent, Net of Tax	11,494	377	>100.0%
Profit Attributable to Non-Controlling Interests, Net of Tax	1	1	NM
Profit Net of Tax	11,495	378	>100.0%

Consolidated Statement of Comprehensive Income

	Group		
	<u>FY 2014</u>	<u>FY 2013</u>	<u>Change</u>
	<u>Unaudited</u>	<u>Audited</u>	
	S\$'000	S\$'000	%
Profit Net of Tax	11,495	378	>100.0%
Other Comprehensive Income			
Exchange Differences on Translating Foreign Operations, Net of Tax	32	203	(84.2%)
Other Comprehensive Income for the Year, Net of Tax	32	203	(84.2%)
Total Comprehensive Income	11,527	581	>100.0%
Total Comprehensive Income Attributable to Owners of The Parent	11,526	580	>100.0%
Total Comprehensive Income Attributable to Non-Controlling Interests	1	1	NM
Total Comprehensive Income	11,527	581	>100.0%

NM – Not meaningful

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

	Group		
	<u>FY 2014</u>	<u>FY 2013</u>	<u>Change</u>
	<u>Unaudited</u>	<u>Audited</u>	
	S\$'000	S\$'000	%
Foreign exchange adjustment (loss) / gains	(235)	176	NM
Depreciation of property, plant and equipment	(858)	(681)	26.0%
Directors' fee	(226)	(86)	>100.0%
Profit on disposal of property, plant and equipment	10,006	12	>100.0%
Allowance for impairment on trade receivables - reversal	87	80	8.8%
Allowance for impairment on trade receivables	(2)	(85)	(97.6%)
Inventories written down - reversal	30	22	36.4%
Inventories written down	(49)	(7)	>100.0%
Forward contracts gains: transactions not qualifying as hedges	2	14	(85.7%)
Interest expense	(828)	(602)	37.5%
Interest income	5	2	>100.0%
Government grant income	106	5	>100.0%

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>31.12.14</u> <u>Unaudited</u> S\$'000	<u>As at</u> <u>31.12.13</u> <u>Audited</u> S\$'000	<u>As at</u> <u>31.12.14</u> <u>Unaudited</u> S\$'000	<u>As at</u> <u>31.12.13</u> <u>Audited</u> S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	25,028	2,800	–	–
Investment in Subsidiaries	–	–	11,210	11,210
Deferred Tax Assets	337	146	–	–
Total Non-Current Assets	25,365	2,946	11,210	11,210
<u>Current Assets</u>				
Asset Held For Sale under FRS 105	–	8,838	–	–
Inventories	26,062	23,343	–	–
Trade and Other Receivables	13,368	10,503	1,934	1,785
Other Assets	132	2,900	13	39
Cash and Cash Equivalents	6,466	2,704	70	30
Total Current Assets	46,028	48,288	2,017	1,854
Total Assets	71,393	51,234	13,227	13,064
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	10,579	10,579	10,579	10,579
Retained Earnings	22,246	10,771	1,560	1,436
Statutory Reserve	225	206	–	–
Foreign Currency Translation Reserve	141	109	–	–
Equity, Attributable to Owners of the Parent, Total	33,191	21,665	12,139	12,015
Non-Controlling Interests	16	15	–	–
Total Equity	33,207	21,680	12,139	12,015
<u>Non-Current Liabilities</u>				
Other Financial Liabilities	14,354	301	–	–
Total Non-Current Liabilities	14,354	301	–	–
<u>Current Liabilities</u>				
Income Tax Payable	68	80	11	17
Trade and Other Payables	20,691	18,256	1,077	1,032
Other Financial Liabilities	3,073	10,917	–	–
Total Current Liabilities	23,832	29,253	1,088	1,049
Total Liabilities	38,186	29,554	1,088	1,049
Total Equity and Liabilities	71,393	51,234	13,227	13,064

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

Amount repayable in one year or less, or on demand

As at 31/12/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
740	16,541	6,362	17,641

Amount repayable after one year

As at 31/12/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
14,354	-	301	-

Details of any collateral

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

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>FY2014</u> <u>Unaudited</u> <u>S\$'000</u>	<u>FY2013</u> <u>Audited</u> <u>S\$'000</u>
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	11,494	652
Interest Income	(5)	(2)
Interest Expense	828	602
Depreciation of Property, Plant and Equipment	858	681
Forward Contracts Gain: Transaction not Qualifying as Hedges	(2)	(14)
Gain on Disposal of Property, Plant and Equipment	(10,006)	(12)
Net Effect of Exchange Rate Changes in Consolidating Subsidiaries	47	197
Operating Cash Flow before Changes in Working Capital	3,214	2,104
Changes in:-		
Inventories	(2,719)	(4,835)
Trade and Other Receivables	(2,920)	(4,890)
Other Assets	2,768	(2,752)
Trade and Other Payables	2,435	7,710
Net Cash Flows From /(Used in) Operations	2,778	(2,663)
Income Taxes Paid	(148)	(37)
Net Cash Flows From /(Used in) Operating Activities	2,630	(2,700)
<u>Cash Flows From Investing Activities</u>		
Disposal of Property, Plant and Equipment	19,261	65
Purchase of Property, Plant and Equipment (Note B)	(23,345)	(807)
Interest Income	5	2
Net Cash Flows Used in Investing Activities	(4,079)	(740)
<u>Cash Flows From Financing Activities</u>		
Decrease in Other Financial Liabilities	(8,103)	(3,190)
Increase from New Borrowings	15,050	3,000
Interest Paid	(828)	(602)
Net Cash Flows From/ (Used in) Financing Activities	6,119	(792)
Net Increase/ (Decrease) in Cash and Cash Equivalents	4,670	(4,232)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	1,771	6,003
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note A)	6,441	1,771

Note A

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

	<u>Group</u>	
	<u>FY2014</u>	<u>FY2013</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash and cash equivalents at end of year	6,466	2,704
Bank overdraft	(25)	(933)
	<u>6,441</u>	<u>1,771</u>

Note B

Non-cash transaction:

There were acquisitions of plant and equipment with a total cost of \$170,000 (FY2013: \$60,000) acquired by means of finance leases.

- 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 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

	<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 2013	21,099	21,085	10,579	10,410	(94)	190	14
Movements in Equity							
Total Comprehensive Income for the Year	581	580	–	377	203	–	1
Transfer to Statutory Reserve	–	–	–	(16)	–	16	–
Closing Balance at 31 December 2013	21,680	21,665	10,579	10,771	109	206	15

COMPANY	Total Equity	Share Capital	Retained Earnings
	S\$'000	S\$'000	S\$'000
Current 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
Previous Year:			
Opening Balance at 1 January 2013	11,876	10,579	1,297
Movement in Equity:			
Total Comprehensive Income for the Year	139	–	139
Closing Balance at 31 December 2013	12,015	10,579	1,436

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 since 30 June 2014. There were no outstanding convertibles and treasury shares as at 31 December 2013 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 31/12/2014	As at 31/12/2013
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 2014.

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 2014, 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 2013.

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	
	FY2014	FY2013
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	10.64 cents	0.35 cents
(ii) On a fully diluted basis	10.64 cents	0.35 cents
Weighted average number of ordinary shares on issue	108,000,000	108,000,000

The Group's basic and diluted EPS for the financial years ended 31 December 2014 ("FY2014") and 31 December 2013 ("FY2013") were the same as there were no potentially dilutive ordinary shares existing in FY2014 and FY2013 respectively.

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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Net asset value per ordinary share (Cents)	30.7	20.1	11.2	11.1

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 2013 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 increased by S\$8.9 million or 24.9%, from S\$35.6 million in FY2013 to S\$44.5 million in FY2014. This was mainly due to the increase in sales to our customers in the marine industry and precision engineering industry, partially offset by a decrease in sales to the stockists and traders.

Sales to the marine industry increased by S\$7.7 million as we secured more orders from our local customers. Sales to the precision engineering industry increased by S\$1.8 million due to higher revenue generated by our subsidiaries in the People's Republic of China. The Group also recorded an increase in sales to other customers of S\$0.7 million as compared to FY2013. Sales to the stockists and traders decreased by S\$1.3 million due mainly to the decrease in demand from overseas stockists and traders.

Gross profit increased by S\$1.6 million or 23.5% from S\$6.6 million in FY2013 to S\$8.2 million in FY2014 mainly due to the increase in revenue. Gross profit margin, however decreased from 18.6% in FY2013 to 18.4% in FY2014.

Other credits increased by S\$10.0 million from S\$0.2 million in FY2013 to S\$10.2 million in FY2014. Other credits in FY2014 mainly consisted of the gain from the disposal of the Group's property at 35 Tuas Avenue 2 of S\$10.0 million, reversal of allowance for impairment on trade receivables of S\$0.1 million and government grant income of S\$0.1 million.

Marketing and distribution costs decreased by S\$0.5 million or 35.0% from S\$1.4 million in FY2013 to S\$0.9 million in FY2014, mainly due to a decrease in commission expenses, in line with the decrease in overseas sales secured through our overseas sales agents.

Administrative expenses increased by S\$0.7 million or 16.8%, from S\$4.2 million in FY2013 to S\$4.9 million in FY2014, mainly due to (a) an increase in payroll expenses of S\$0.5 million, resulting from the annual salary increments and the increase in the number of staff as well as the payment of a one-off special bonus to the Group's staff arising from the gain from the disposal of the Group's property; and (b) an increase in other general administrative expenses of S\$0.2 million.

Finance costs for FY2014 increased by S\$0.2 million or 37.5% from S\$0.6 million in FY2013 as compared to S\$0.8 million in FY2014, due mainly to an increase in interest expenses as a result of higher utilisation of bank overdraft facilities, trade facilities and the increase in bank borrowings used to finance the acquisition of the Group's new property at 9 Tuas Avenue 2.

Other charges increased by S\$0.3 million in FY2014 mainly due to the foreign exchange losses of S\$0.2 million as a result of the appreciation of the US dollars against Singapore dollars and allowance for impairment on trade receivables and inventories of S\$0.1 million.

The Group recorded a profit before tax of S\$11.5 million in FY2014 as compared to a profit before tax of S\$0.7 million in FY2013, due mainly to the increase in gross profit as well as the non-recurring gain from the disposal of the Group's property at 35 Tuas Avenue 2.

(b)(i) Statement of Financial Position

Non-current assets increased by S\$22.4 million from S\$3.0 million as at 31 December 2013 to S\$25.4 million as at 31 December 2014, mainly due to the purchase of property at 9 Tuas Avenue 2 and the purchase of new plant and machinery, partially offset by the depreciation charges in FY2014.

Current assets decreased by S\$2.3 million from S\$48.3 million as at 31 December 2013 to S\$46.0 million as at 31 December 2014. This was mainly due to the disposal of the Group's property at 35 Tuas Avenue 2 (which was previously reclassified as current assets under FRS 105) and the decrease in other assets of S\$2.8 million, partially offset by an increase in inventories of S\$2.7 million, and an increase in trade and other receivables and cash and cash equivalents of S\$2.9 million and S\$3.8 million respectively. The disposal of the said property was completed on 4 June 2014. The decrease in other assets was mainly due to the capitalisation of deposits paid and other prepaid fees for the acquisition of the Group's new property at 9 Tuas Avenue 2 in FY2013. The higher inventories level was a result of an increase in inventories procured in FY2014, in anticipation of higher demand for our aluminium alloy products. The increase in trade and other receivables is in tandem with the increase in the Group's revenue for FY2014.

Non-current liabilities increased by S\$14.1 million from S\$0.3 million as at 31 December 2013 to S\$14.4 million as at 31 December 2014, mainly due to the increase in bank borrowings used to finance the acquisition of the Group's new property at 9 Tuas Avenue 2.

Current liabilities decreased by S\$5.5 million from S\$29.3 million as at 31 December 2013 to S\$23.8 million as at 31 December 2014, mainly due to the decrease in other financial liabilities of S\$7.8 million, partially offset by an increase in trade and other payables of S\$2.4 million. The decrease in other financial liabilities was mainly due to the repayment of term loans in connection with the disposal of the property at 35 Tuas Avenue 2.

The Group reported a positive working capital position of S\$22.2 million as at 31 December 2014.

(b)(ii) Statement of Cash Flows

In FY2014, operating cash flow before changes in working capital amounted to S\$3.2 million, mainly due to the Group's profit before tax of S\$11.5 million, depreciation expense of S\$0.9 million and interest expense of S\$0.8 million, partially offset by the gain on disposal of property, plant and equipment of S\$10.0 million. Net cash used in working capital of S\$0.4 million was mainly due to the increase in inventories of S\$2.7 million, increase in trade and other receivables of S\$2.9 million, partially offset by the increase in trade and other payables of S\$2.4 million and a decrease in other assets of S\$2.8 million.

Net cash used in investing activities amounted to S\$4.1 million in FY2014, mainly due to the purchase of the Group's property at 9 Tuas Avenue 2 at approximately S\$22.1 million and the purchase of plant and equipment amounting to S\$1.2 million, partially offset by net proceeds from the disposal of the Group's property at 35 Tuas Avenue 2, plant and equipment at S\$19.3 million.

Net cash generated from financing activities amounted to S\$6.1 million in FY2014, mainly due to an increase in borrowings of S\$15.1 million, partially offset by the repayment of bank loans and finance leases of S\$8.1 million and interest payment of S\$0.8 million.

9. 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.

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.

As we begin 2015, we note that the global economic outlook continues to remain uncertain. The International Monetary Fund ("IMF"), in its World Economic Outlook update in January 2015, highlighted this uncertainty, emphasising that risks to global growth have increased. Current weak oil prices might aid in boosting growth, but there are also investment weaknesses due to lowered expectations on medium-term growth in many advanced and emerging market economies. Persistent weaknesses in the Euro-zone and Japan, as well as a government-engineered slowdown in China, have contributed to the uncertain growth outlook. The United States is the only major economy with an overall positive growth outlook.

In sum, IMF has projected global growth to be a moderate 3.5% for 2015. Growth in emerging market and developing economies are forecasted to remain stable in 2015. In Singapore, the Ministry of Trade and Industry (MTI) has projected a continued moderate growth of 2.0% to 4.0% for 2015.

With uncertainties in the economic environment, we have to remain vigilant. Volatile capital flows and their ripple effects, together with uneven economic growth in the Asia-Pacific region, where our main business operations are, are challenges we have to be ready for, as a company with an international market.

Nonetheless, we believe that our flexibility, experience and drive in adapting to change will stand us in good stead. In addition, we have moved our operations to our new and expanded premises at 9 Tuas Avenue 2, of which the built-in area has increased by 30% to 85,500 sq ft and the total land area by 65% to 149,000 sq ft. This will boost our inventory capacity and business capabilities as we seek to grow our diverse client base. Last but not least, a strengthening presence in our main markets of Singapore and China, and brand-building efforts are expected to further augment our position as a leading, high-quality aluminium alloy specialist in Asia. As such and barring any unforeseen circumstances, we are cautiously optimistic about the Group's business prospects.

Internally, we will continue to monitor credit risk, debt and inventory levels, as well as inflation and rising labour costs in both Singapore and China. We will also be mindful of financial costs, amidst an environment of rising interest rates.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The directors recommend a final tax-exempt dividend of 1.00 Singapore cent per ordinary share in cash, which will be subjected to shareholders' approval at the forthcoming Annual General Meeting to be convened.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount Per Share	1.00 Singapore cent per ordinary share
Tax Rate	One-tier tax exempt

(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 at a later date.

(d) Books closure date

To be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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 the Company's shareholders for any interested person transactions. There were no transactions with interested persons in the financial year ended 31 December 2014.

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

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 credit						1
Profit from continuing operations						11,495
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	7,552	4,725	458	486	58,172	71,393
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	–	–	–	–	38,186	38,186

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 written down	–	–	–	–	19	19
Expenditures for non current assets	–	–	–	–	23,515	23,515

FY2013

	<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 2013						
Revenue by Segment						
Total revenue by segment	17,517	14,122	3,696	265	–	35,600
Recurring EBITDA	2,771	2,229	1,500	129	–	6,629
Finance costs					(602)	(602)
Depreciation					(681)	(681)
Operating results before income tax and other unallocated items	2,771	2,229	1,500	129	(1,283)	5,346
Other unallocated items					(4,694)	(4,694)
Profit before tax from continuing operations						652
Income tax expenses						(274)
Profit from continuing operations						378
Assets and Reconciliations						
Total assets for reportable segments	5,378	3,721	291	903	–	10,293
Unallocated:						
Property, plant and equipment					2,800	2,800
Assets held for sale under FRS 105					8,838	8,838
Other assets					2,900	2,900
Deferred tax assets					146	146
Inventories					23,343	23,343
Cash and cash equivalents					2,704	2,704
Other unallocated amounts					210	210
Total group assets	5,378	3,721	291	903	40,941	51,234
Liabilities and Reconciliations						
Unallocated:						
Deferred and current tax liabilities					80	80
Borrowings					11,218	11,218
Trade and other payables					18,256	18,256
Total group liabilities	–	–	–	–	29,554	29,554

FY2013

	<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 written down / (Reversal)	(77)	82	-	-	-	5
Impairment of inventories (Reversal)	-	-	-	-	(15)	(15)
Expenditures for non current assets	-	-	-	-	867	867

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>FY2014</u> S\$'000	<u>FY2013</u> S\$'000
Singapore	19,413	11,330
China	7,544	5,665
Malaysia	4,458	3,900
Vietnam	2,948	3,373
Dubai (UAE)	2,421	2,893
Taiwan	2,174	2,286
Pakistan	95	1,932
Other Countries	5,425	4,221
	<u>44,478</u>	<u>35,600</u>

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) %
	FY2014 S\$'000	FY2013 S\$'000	
(a) Sales reported for the first half year	20,705	17,506	18.3%
(b) Operating profit after tax reported for first half year	10,724	307	>100.0%
(c) Sales reported for second half year	23,773	18,094	31.4%
(d) Operating profit after tax reported for second half year	771	71	>100%

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:

	FY2014	FY2013
	S\$'000	S\$'000
Ordinary	1,080*	—
Preference	—	—
Total	1,080	—

*The final dividends for FY2014 is recommended by the Board of Directors and is subject to the approval of the shareholders at the upcoming annual general meeting of the Company.

BY ORDER OF THE BOARD
TAN YEE CHIN
Chairman and CEO
12 February 2015