

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

**FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE
YEAR ENDED 31 DECEMBER 2011**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Collins Stewart Pte. Limited 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 Mr Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited, 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 2011</u> S\$'000	<u>FY 2010</u> S\$'000	<u>Change</u> %
Revenue	21,639	25,821	(16.2%)
Cost of Sales	(17,525)	(20,546)	(14.7%)
Gross Profit	4,114	5,275	(22.0%)
<u>Other Items of Income</u>			
Interest Income	4	5	(20.0%)
Other Credits	1,588	6,342	(75.0%)
<u>Other Items of Expense</u>			
Marketing and Distribution Costs	(528)	(532)	(0.8%)
Administrative Expenses	(3,709)	(3,496)	6.1%
Finance Costs	(573)	(714)	(19.8%)
Other Charges	(198)	(4,526)	(95.6%)
Profit Before Tax from Continuing Operations	698	2,354	(70.3%)
Income Tax (Expenses)/Income	(84)	452	NM
Profit from Continuing Operations, Net of Tax	614	2,806	(78.1%)
Profit Attributable to Owners of The Parent, Net of Tax	614	2,806	(78.1%)
Profit Attributable to Non-Controlling Interests, Net of Tax	#	-	NM
Profit Net of Tax	614	2,806	(78.1%)

Consolidated Statement of Comprehensive Income

	Group		
	<u>FY 2011</u> S\$'000	<u>FY 2010</u> S\$'000	<u>Change</u> %
Profit Net of Tax	614	2,806	(78.1%)
<u>Other Comprehensive Income</u>			
Exchange Differences on Translating Foreign Operations, Net of Tax	135	(13)	NM
Other Comprehensive Income / (loss) for the Year, Net of Tax	135	(13)	NM
Total Comprehensive Income	749	2,793	(73.2%)
Total Comprehensive Income Attributable to Owners of The Parent	749	2,793	(73.2%)
Total Comprehensive Income Attributable to Non-Controlling Interests	#	-	NM
Total Comprehensive Income	749	2,793	(73.2%)

NM – Not meaningful

denotes amount less than \$1,000

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

	Group		
	FY 2011	FY 2010	Change
	S\$'000	S\$'000	%
Foreign exchange adjustment gains/(losses)	(80)	463	NM
Depreciation of property, plant and equipment	(636)	(529)	20.2%
Directors' fee	(70)	(70)	–
Gain on disposal of property, plant and equipment	37	5,176	(99.3%)
Write-off of plant and equipment	(83)	(3)	NM
Allowance for impairment on trade receivables - reversal	735	346	NM
Allowance for impairment on other receivables - reversal	–	15	NM
Allowance for impairment on trade receivables	(21)	(4,506)	(99.5%)
Inventories written down (realised)	69	332	(79.2%)
Inventories written down	(14)	–	NM
Forward contracts gains (losses): transactions not qualifying as hedges	3	(20)	NM
Negative goodwill on acquisition of subsidiaries based on provisional valuation (Note A)	734	–	NM
Interest expense	(573)	(714)	(19.7%)
Interest income	4	5	(20.0%)
Government grant income from SME cash grant/jobs credit scheme	10	13	(23.1%)

NM – Not meaningful

Note A

The negative goodwill of S\$734,000 on acquisition of Soon Lian Corporation Pte. Ltd. (formerly known as HLN Metal Centre Pte Ltd) was recognised on a provisional basis. The purchase price allocation exercise for the acquisition would be finalised within 12 months from the date of acquisition. Adjustments if any, to the above provisionally determined amount will be accounted for in the financial year ending 31 December 2012.

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>	
	As at	As at	As at	As at
	<u>31.12.11</u>	<u>31.12.10</u>	<u>31.12.11</u>	<u>31.12.10</u>
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	11,521	10,294	–	–
Investment in Subsidiaries	–	–	11,210	9,049
Other Receivables	–	–	–	1,500
Deferred Tax Assets	279	318	–	–
Total Non-Current Assets	11,800	10,612	11,210	10,549
<u>Current Assets</u>				
Inventories	20,612	21,501	–	–
Trade and Other Receivables	5,920	3,980	1,548	931
Other Assets	105	590	13	10
Cash and Cash Equivalents	3,324	8,481	7	1,104
Total Current Assets	29,961	34,552	1,568	2,045
Total Assets	41,761	45,164	12,778	12,594
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	10,579	10,579	10,579	10,579
Retained Earnings	10,485	10,426	1,150	1,506
Statutory Reserves	15	–	–	–
Currency Translation Reserves	77	(58)	–	–
Equity, Attributable to Owners of the Parent, Total	21,156	20,947	11,729	12,085
Non-Controlling Interests	15	–	–	–
Total Equity	21,171	20,947	11,729	12,085
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	–	–	95	133
Other Financial Liabilities	7,125	6,476	–	–
Total Non-Current Liabilities	7,125	6,476	95	133
<u>Current Liabilities</u>				
Income Tax Payable	41	–	24	–
Trade and Other Payables	8,706	10,985	930	376
Other Financial Liabilities	4,718	6,756	–	–
Total Current Liabilities	13,465	17,741	954	376
Total Liabilities	20,590	24,217	1,049	509
Total Equity and Liabilities	41,761	45,164	12,778	12,594

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

Amount repayable in one year or less, or on demand

As at 31/12/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,425	8,752	1,304	13,161

Amount repayable after one year

As at 31/12/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
6,431	694	6,476	–

Details of any collateral

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

The banking facilities were secured by (a) legal mortgages on the subsidiaries' leasehold and freehold properties, (b) first closed legal mortgage on a related party's freehold properties and (c) corporate guarantees issued by the company. The finance leases were 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>FY2011</u>	<u>FY2010</u>
	<u>S\$'000</u>	<u>S\$'000</u>
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	698	2,354
Interest Income	(4)	(5)
Interest Expense	573	714
Depreciation of Property, Plant and Equipment	636	529
Forward Contracts Losses: Transaction not Qualifying as Hedges	(3)	20
Gain on Disposal of Property, Plant and Equipment	(37)	(5,176)
Release of Negative Goodwill to Income	(734)	–
Written Off of Property, Plant and Equipment	83	3
Net Effect of Exchange Rate Changes in consolidating subsidiaries	120	(11)
Operating Cash Flow before Changes in Working Capital	1,332	(1,572)
Inventories	3,666	(1,600)
Trade and Other Receivables	(584)	3,556
Other Assets	486	(520)
Trade and Other Payables	(4,387)	4,709
Net Cash Flows from Operations Before Interest and Tax	513	4,573
Income Taxes Paid	–	(158)
Net Cash Flows From Operating Activities (Note B)	513	4,415
<u>Cash Flows From Investing Activities</u>		
Disposal of Property, Plant and Equipment	60	8,179
Purchase of Property, Plant and Equipment	(1,389)	(8,578)
Interest Income	4	5
Acquisition of Subsidiaries, Net of Cash Acquired (Note C)	(1,221)	–
Net Cash Flows Used in Investing Activities	(2,546)	(394)
<u>Cash Flows From Financing Activities</u>		
Decrease in Other Financial Liabilities	(5,719)	(4,880)
Increase from New Borrowings	4,048	6,640
Dividends Paid to Equity Owners	(540)	–
Interest Paid	(573)	(714)
Net Cash Flows (Used in) From Financing Activities	(2,784)	1,046
Net (Decrease) Increase in Cash and Cash Equivalents	(4,817)	5,067
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	8,105	3,038
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note D)	3,288	8,105

Note B

The cash flows from operating activities has been prepared without taking into account the cash flow impact from the acquisition of 99.5% of the share capital of Soon Lian Corporation Pte Ltd (formerly known as HLN Metal Centre Pte Ltd, hereinafter referred to as "SLC") (incorporated in Singapore). Please refer to Note C below for more information on the cash flow impact of the aforesaid acquisition on the Group's cash flow from investing activities.

Note C

On 17 November 2011, the Group acquired 99% of the share capital of SLC and from that date the Group gained control. On 8 December 2011, the Group acquired additional 0.5% of the share capital of HLN Metal Centre Pte Ltd. Accordingly, it became a 99.5%-owned subsidiary of the Group. The transaction was accounted for by the acquisition method of accounting.

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

	S\$'000
Property, Plant and Equipment	288
Deferred Tax Assets	6
Cash and Cash Equivalents	402
Trade and Other Receivables	1,011
Inventories	2,777
Trade and Other Payables	(1,571)
Income Tax Payable	(3)
Net Tangible Assets Acquired	2,910
Non-Controlling Interests in Subsidiaries	(15)
Negative Goodwill	(734)
Total purchase consideration	2,161
Less: Balance of consideration to be paid	(538)
Purchase consideration paid	1,623
Less: Cash and Cash Equivalents Acquired	(402)
Net Cash Outflow on Acquisition	1,221

The fair values shown above are provisional as the hindsight period allowed by FRS 103 Business Combinations has not yet expired. A detailed report from an independent professional valuer on the fair values is expected to be available before the end of the next reporting year.

Note D

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

	<u>Group</u>	
	<u>FY2011</u>	<u>FY2010</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash and cash equivalents at end of year	3,324	8,481
Bank overdraft	(36)	(376)
	<u>3,288</u>	<u>8,105</u>

Note E

Non-cash transaction:

There were acquisitions of plant and equipment with a total cost of \$298,000 (FY2010: NIL) 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>Currency Translation Reserves</u> S\$'000	<u>Statutory Reserves</u> S\$'000	<u>Non-controlling Interests</u> S\$'000
Current Year:							
Opening Balance at 1 January 2011	20,947	20,947	10,579	10,426	(58)	–	–
Movements in Equity							
Dividends Paid	(540)	(540)	–	(540)	–	–	–
Acquisition of Subsidiaries	15	–	–	–	–	–	15
Total Comprehensive Income for the Year	749	749	–	614	135	–	–
Transfer to Statutory Reserve	–	–	–	(15)	–	15	–
Closing Balance at 31 December 2011	21,171	21,156	10,579	10,485	77	15	15

	<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>Currency Translation Reserves</u> S\$'000	<u>Statutory Reserves</u> S\$'000	<u>Non-controlling Interests</u> S\$'000
Pervious Year:							
Opening Balance at 1 January 2010	18,154	18,154	10,579	7,620	(45)	–	–
Movements in Equity							
Total Comprehensive Income for the Year	2,793	2,793	–	2,806	(13)	–	–
Closing Balance at 31 December 2010	20,947	20,947	10,579	10,426	(58)	–	–

COMPANY	Total Equity S\$'000	Share Capital S\$'000	Retained Earnings S\$'000
Current Year:			
Opening Balance at 1 January 2011	12,085	10,579	1,506
Movement in Equity:			
Dividends Paid	(540)	–	(540)
Total Comprehensive Income for the Year	184	–	184
Closing Balance at 31 December 2011	11,729	10,579	1,150
Previous Year:			
Opening Balance at 1 January 2010	11,013	10,579	434
Movement in Equity:			
Total Comprehensive Income for the Year	1,072	–	1,072
Closing Balance at 31 December 2010	12,085	10,579	1,506

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 31 December 2010. There were no outstanding convertibles and treasury shares as at 31 December 2010 and 31 December 2011.

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 31/12/2011	As at 31/12/2010
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 has no treasury shares as at 31 December 2011.

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 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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period, which are consistent with the audited financial statements for the year ended 31 December 2010 except as disclosed in Note 5 below.

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.

In the current year, the Group adopted the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are relevant to its operations and are effective in the financial year ended 31 December 2011. The adoption of these new or revised FRS and INT FRS where relevant has no material financial impact on the Group's accounting policies nor has significant impact on the financial statements.

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	
	31.12.2011	31.12.2010
Earnings per ordinary share 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	0.57 cents	2.60 cents
(ii) On a fully diluted basis	0.57 cents	2.60 cents
Weighted average number of ordinary shares on issue	108,000,000	108,000,000

7. Net asset value (for the issuer) 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	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Net asset value per ordinary share (Cents)	19.6	19.4	10.9	11.2

The net asset value per ordinary share for Group and Company is calculated based on the issued share capital of 108,000,000 ordinary shares.

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\$4.2 million or 16.2%, from S\$25.8 million in FY2010 to S\$21.6 million in FY2011. This was mainly due to the decrease in sales to our customers in the precision engineering industry and stockists and traders, partially offset by an increase in sales to the marine industry.

Sales to the precision engineering industry decreased by S\$4.0 million in FY2011, mainly due to the dampened global economic activity caused by the slow United States recovery and the European sovereign debt crisis. Sales to the marine industry increased by S\$1.1 million as we secured more orders from our overseas customers.

Gross profit decreased by S\$1.1 million or 22%, from S\$5.3 million in FY2010 to S\$4.1 million in FY2011, mainly due to the lower sales revenue and lower gross profit margin of 19.0% in FY2011 as compared to 20.4% in FY2010.

Other credits decreased by S\$4.8 million or 75.0%, from S\$6.3 million in FY2010 to S\$1.6 million in FY2011, mainly due to the absence of the gain from the disposal of the Group's property at 45 Joo Koon Circle, Singapore 629306 amounting to S\$5.2 million in FY2010, a decrease in foreign exchange adjustment gains of S\$0.4 million and a decrease in realised amounts of inventories written down of S\$0.3 million. The abovementioned were partially offset by the negative goodwill arising from acquisition of SLC of S\$0.7 million and increase in the reversal of allowance for impairment on trade receivables of S\$0.4 million.

Marketing and distribution costs for FY2011 remained relatively constant at S\$0.5 million as compared to that of FY2010.

Administrative expenses increased by S\$0.2 million or 6.1%, from S\$3.5 million in FY 2010 to S\$3.7 million in FY2011, mainly due to the transaction costs incurred on the acquisition of SLC and consolidation of expenses from SLC in FY2011.

Finance costs decreased by S\$0.1 million or 19.8%, from S\$0.7 million in FY2010 to S\$0.6 million in FY2011, mainly due to the lower interest rates for term loans and lower utilisation of bank overdraft facilities in FY2011.

Other charges decreased by S\$4.3 million or 95.6%, from S\$4.5 million in FY2010 to S\$0.2 million in FY2011, mainly due to the absence of allowance for impairment on trade receivables of S\$4.5 million in FY2010.

As a result of the above, the Group made a profit before tax of S\$0.7 million in FY2011 as compared to profit before tax of S\$2.4 million in FY2010, representing a decrease of S\$1.7 million or 70.3%.

(b)(i) Statement of Financial Position

Non-current assets increased by S\$1.2 million, from S\$10.6 million as at 31 December 2010 to S\$11.8 million as at 31 December 2011, due to the capitalised construction costs of the property at 35 Tuas Ave 2, Singapore 639464, purchase of new plant and machinery and consolidation of plant and equipment of newly acquired subsidiaries, and partially offset by the depreciation charge in FY2011.

Current assets decreased by S\$4.6 million, from S\$34.6 million as at 31 December 2010 to S\$30.0 million as at 31 December 2011, mainly due to the decrease in inventories of S\$0.9 million, a decrease in other assets of S\$0.5 million and a decrease in cash balances of S\$5.1 million, partially offset by an increase in trade and other receivables of \$1.9 million. The increase in trade and other receivables was mainly due to the consolidation of the receivables of the newly-acquired SLC and its subsidiaries.

Non-current liabilities increased by S\$0.6 million, from S\$6.5 million as at 31 December 2010 to S\$7.1 million as at 31 December 2011, mainly due to the additional finance leases taken to finance the purchase of new plant and machinery.

Current liabilities decreased by S\$4.3 million from S\$17.7 million as at 31 December 2010 to S\$13.5 million as at 31 December 2011, mainly due to the decrease in trade and other payables of S\$2.3 million and decrease in other financial liabilities of S\$2.0 million. The decrease in trade and other payables was due to the lower bills payables as at 31 December 2011 as compared to 31 December 2010. The current portion of financial liabilities decreased due to repayments made in FY2011.

(b)(ii) Statement of Cash Flows

In FY2011, the net cash flow generated from operating activities amounted to S\$0.5 million, due to operating cash flow before working capital changes of S\$1.3 million and partially offset by net cash used in working capital of S\$0.8 million. The net cash used in working capital of S\$0.8 million was due to a increase in trade and other receivables of S\$0.6 million and a decrease in trade and other payables of S\$4.4 million, partially offset by a decrease in inventories of S\$3.7 million and a decrease in other assets of S\$0.5 million.

Net cash used in investing activities amounted to S\$2.5 million due to the acquisition of subsidiaries and purchase of plant and equipment amounting to S\$1.2 million and S\$1.4 million respectively.

Net cash used in financing activities amounted to S\$2.8 million mainly due to repayment of bank loans and finance leases of S\$5.7 million, dividends paid to equity owners of S\$0.5 million and interest payment of \$0.6 million, partially offset by the increase from new borrowings of S\$4.0 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.

The global economy entered 2012 with a fragile US and European economy and a fairly resilient Asia and other emerging markets. The mounting crisis in the advanced economies is expected to cause the euro area and the UK to fall back into recession and US growth to remain below-trend. With such economic uncertainties, we remain cautious about the outlook for our two major market segments, namely the marine and precision engineering industries.

Going forward, we will focus on building our regional revenue base by forging strategic partnerships in order to capitalise on international opportunities. With the strategic acquisition completed during FY2011, we can access a wider customer base and also open pathways to more industrial end-users, thereby strengthening our presence in China. In view of the rising raw material and oil prices, we will continue to actively manage our operating costs while maintaining high quality inventory and providing extensive customer service.

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)	0.50
Tax Rate	Tax exempted one tier
No. Of Ordinary Shares	108,000,000
Date of payment	23 May 2011

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared for financial year ended 31 December 2011.

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

There were no transactions with interested persons in the financial year ended 31 December 2011.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not applicable.

15. **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

FY2011

	<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 2011						
Revenue by Segment						
Total revenue by segment	12,153	7,594	1,065	827	–	21,639
Recurring EBITDA	1,894	1,561	373	286	–	4,114
Finance costs					(573)	(573)
Depreciation					(636)	(636)
Operating results before income tax and other unallocated items	1,894	1,561	373	286	(1,209)	2,905
Other unallocated items					(2,207)	(2,207)
Profit before tax from continuing operations						698
Income tax credit						(84)
Profit from continuing operations						614
Assets and Reconciliations						
Total assets for reportable segments	2,970	785	1,593	18	–	5,366
Unallocated:						
Property, plant and equipment					11,521	11,521
Deferred Tax Assets					279	279
Inventories					20,612	20,612
Cash and cash equivalents					3,324	3,324
Other unallocated amounts					659	659
Total group assets	2,970	785	1,593	18	36,395	41,761
Liabilities and Reconciliations						
Unallocated:						
Deferred and current tax liabilities					41	41
Borrowings					11,843	11,843
Trade and other payables					8,706	8,706
Total group liabilities	–	–	–	–	20,590	20,590
Other Material Items and Reconciliations						
Impairment of trade receivables (Reversal)	(714)	–	–	–	–	(714)
Impairment of inventories (Realised)					(69)	(69)
Release of negative goodwill to income					(734)	(734)
Expenditures for non current assets	–	–	–	–	1,667	1,667

FY2010

	<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 2010						
Revenue by Segment						
Total revenue by segment	11,020	11,608	2,075	1,118	–	25,821
Recurring EBITDA	1,629	2,544	712	391	–	5,276
Finance costs					(714)	(714)
Depreciation					(529)	(529)
Operating results before income tax and other unallocated items	1,629	2,544	712	391	(1,243)	4,033
Other unallocated items					(1,679)	(1,679)
Profit before tax from continuing operations						2,354
Income tax credit						452
Profit from continuing operations						2,806
Assets and Reconciliations						
Total assets for reportable segments	2,029	1,473	201	70	–	3,773
Unallocated:						
Property, plant and equipment					10,294	10,294
Deferred Tax Assets					318	318
Inventories					21,501	21,501
Cash and cash equivalents					8,481	8,481
Other unallocated amounts					797	797
Total group assets	2,029	1,473	201	70	41,391	45,164
Liabilities and Reconciliations						
Unallocated:						
Borrowings					13,232	13,232
Trade and other payables					10,985	10,985
Total group liabilities	–	–	–	–	24,217	24,217
Other Material Items and Reconciliations						
Impairment of receivables	4,259	(99)	–	–	(15)	4,145
Impairment of inventories (Realised)	–	–	–	–	(332)	(332)
Expenditures for non current assets	–	–	–	–	8,578	8,578

(b) Geographical Information

	<u>Revenue</u>	
	<u>FY2011</u> S\$'000	<u>FY2010</u> S\$'000
Singapore	9,621	10,546
Malaysia	3,324	4,349
Vietnam	2,745	554
Indonesia	1,717	608
China	716	2,179
UAE	180	1,795
Other Countries	3,336	5,790
	21,639	25,821

16. 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

17. A breakdown of sales as follows :

	Group		Increase/ (Decrease) %
	FY2011 S\$'000	FY2010 S\$'000	
(a) Sales reported for the first half year	10,055	14,463	(30.5%)
(b) Operating Profit/(Loss) after tax reported for first half year	305	456	(33.1%)
(c) Sales reported for second half year	11,584	11,358	2.0%
(d) Operating Profit after tax reported for second half year	309	2,350	(86.9%)

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

	Latest Full Year	Previous Full Year
	S\$'000	S\$'000
Final dividend	–	540
Total	–	540

19. **Disclosure of person occupying a managerial position in the issuer or any of its principle 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.**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Ee Hoon	51	<ol style="list-style-type: none"> 1. Sister of Tan Yee Chin (Chairman and Chief Executive Officer/ Substantial Shareholder of the Company) 2. Sister of Tan Yee Ho (Executive Director/ Substantial Shareholder of the Company) 3. Sister of Tan Yee Leong (Executive Director/ Substantial Shareholder of the Company) 	Operations and Administration Manager / since 1984	Resigned w.e.f. 01/08/2011
Tan Ee Tin	49	<ol style="list-style-type: none"> 1. Sister of Tan Yee Chin (Chairman and Chief Executive Officer/ Substantial Shareholder of the Company) 2. Sister of Tan Yee Ho (Executive Director/ Substantial Shareholder of the Company) 3. Sister of Tan Yee Leong (Executive Director/ Substantial Shareholder of the Company) 	Purchasing Manager / since 2002	Resigned w.e.f. 01/08/2011

BY ORDER OF THE BOARD
TAN YEE CHIN
 Chairman and CEO
 24 February 2012