

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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
HALF YEAR ENDED 30 JUNE (“**HY**”) 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. 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 HALF YEAR RESULTS

- 1(a)(i) 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.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		
	<u>HY2018</u>	<u>HY2017</u>	<u>Change</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>%</u>
	S\$'000	S\$'000	%
Revenue	16,702	20,868	(20.0%)
Cost of Sales	(13,938)	(17,510)	(20.4%)
Gross Profit	2,764	3,358	(17.7%)
<u>Other Items of Income</u>			
Interest Income	4	2	100.0%
Other Gains	227	202	12.4%
<u>Other Items of Expense</u>			
Marketing and Distribution Costs	(171)	(404)	(57.7%)
Administrative Expenses	(2,539)	(2,276)	11.6%
Finance Costs	(349)	(415)	(15.9%)
Other Losses	(343)	(205)	67.3%
(Loss) Profit before Tax from Continuing Operations	(407)	262	NM
Income Tax Expense	(58)	(229)	(74.7%)
(Loss) Profit Net of Tax	(465)	33	NM
(Loss) Profit Attributable to Owners of the Company, Net of Tax	(465)	33	NM
Loss Attributable to Non-Controlling Interests, Net of Tax	-	-	-
(Loss) Profit Net of Tax	(465)	33	NM

NM – Not meaningful

Consolidated Statement of Comprehensive Income

	Group		
	<u>HY2018</u>	<u>HY2017</u>	<u>Change</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	
	S\$'000	S\$'000	%
(Loss) Profit Net of Tax	(465)	33	NM
<u>Other Comprehensive Income (Loss)</u>			
Items That May Be Reclassified			
Subsequently to Profit or Loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax	44	(74)	NM
Other Comprehensive Income (Loss) for the Period, Net of Tax	44	(74)	NM
Total Comprehensive Loss	(421)	(41)	>100.0%
Total Comprehensive Loss Attributable to Owners of the Company	(421)	(41)	>100.0%
Total Comprehensive Loss Attributable to Non-Controlling Interests	—	—	—
Total Comprehensive Loss	(421)	(41)	>100.0%

NM – Not meaningful

**1(a)(ii) Notes to the Consolidated Statement of Comprehensive Income
(Loss) Profit before tax is arrived at after crediting / (charging) the following:**

	Group		Change
	<u>HY2018</u> <u>(Unaudited)</u> S\$'000	<u>HY2017</u> <u>(Unaudited)</u> S\$'000	
Foreign exchange losses	(188)	(85)	>100.0%
Depreciation of property, plant and equipment	(330)	(608)	(45.7%)
Amortisation of intangible assets	(15)	(15)	–
Directors' fee	(43)	(43)	–
Gains (loss) on disposal of property, plant and equipment, net	46	(54)	NM
Reversal for impairment on trade receivables	164	110	49.1%
Allowance for impairment on trade receivables	(132)	(27)	>100.0%
Reversal for impairment on inventories	–	75	(100.0%)
Allowance for impairment on inventories	(23)	(11)	>100.0%
Property, plant and equipment written off	–	(28)	(100.0%)
Interest expense	(349)	(415)	(15.9%)
Interest income	4	2	100.0%
Government grant income	17	17	–

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.

Statements of Financial Position

	<u>Group</u>		<u>Company</u>	
	<u>As at</u> <u>30.06.2018</u> <u>(Unaudited)</u> S\$'000	<u>As at</u> <u>31.12.2017</u> <u>(Audited)</u> S\$'000	<u>As at</u> <u>30.06.2018</u> <u>(Unaudited)</u> S\$'000	<u>As at</u> <u>31.12.2017</u> <u>(Audited)</u> S\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	10,836	2,595	–	–
Intangible Assets	61	76	–	–
Investments in Subsidiaries	–	–	11,880	11,871
Deferred Tax Assets	325	327	–	–
Total Non-Current Assets	11,222	2,998	11,880	11,871
<u>Current Assets</u>				
Inventories	25,369	22,462	–	–
Trade and Other Receivables	9,515	33,588	2,454	1,982
Other Assets	102	114	–	19
Cash and Cash Equivalents	8,805	5,912	164	500
Total Current Assets	43,791	62,076	2,618	2,501
Total Assets	55,013	65,074	14,498	14,372
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	10,579	10,579	10,579	10,579
Retained Earnings	17,885	18,350	3,604	3,342
Statutory Reserve	225	225	–	–
Foreign Currency Translation Reserve	31	(13)	–	–
Equity, Attributable to Owners of the Company, Total	28,720	29,141	14,183	13,921
Non-Controlling Interests	–	9	–	–
Total Equity	28,720	29,150	14,183	13,921
<u>Non-Current Liabilities</u>				
Other Financial Liabilities	7,560	2,596	–	–
Total Non-Current Liabilities	7,560	2,596	–	–
<u>Current Liabilities</u>				
Income Tax Payable	72	170	51	41
Trade and Other Payables	17,991	17,897	264	410
Other Financial Liabilities	670	15,261	–	–
Total Current Liabilities	18,733	33,328	315	451
Total Liabilities	26,293	35,924	315	451
Total Equity and Liabilities	55,013	65,074	14,498	14,372

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

Amount repayable in one year or less, or on demand

As at 30.06.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
328	11,334	14,130	10,530

Amount repayable after one year

As at 30.06.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,337	2,223	206	2,390

Details of any collaterals

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

Certain of the Group's term loans, bank loans, bank overdrafts and other credit facilities are secured by (a) legal mortgages on the subsidiaries' leasehold and freehold properties and (b) corporate guarantees issued by the Company. 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.

Consolidated Statement of Cash Flows

	<u>Group</u>	
	<u>HY2018</u> <u>(Unaudited)</u> S\$'000	<u>HY2017</u> <u>(Unaudited)</u> S\$'000
<u>Cash Flows From Operating Activities</u>		
(Loss) Profit Before Tax	(407)	262
Interest Income	(4)	(2)
Interest Expense	349	415
Depreciation of Property, Plant and Equipment	330	608
Amortisation of Intangible Assets	15	15
(Gain) Loss on Disposal of Property, Plant and Equipment, net	(46)	54
Property, Plant and Equipment written off	–	28
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	19	(72)
Operating Cash Flows before Changes in Working Capital	256	1,308
Inventories	(2,907)	1,623
Trade and Other Receivables	24,073	(1,913)
Other Assets	12	11
Trade and Other Payables	(1,499)	(4,506)
Net Cash Flows From (Used in) Operations	19,935	(3,477)
Income Taxes Paid	(155)	(70)
Net Cash Flows From (Used in) Operating Activities	19,780	(3,547)
<u>Cash Flows From Investing Activities</u>		
Disposal of Property, Plant and Equipment	109	108
Purchase of Property, Plant and Equipment	(8,619)	(387)
Interest Received	4	2
Net Cash Flows Used in Investing Activities	(8,506)	(277)
<u>Cash Flows From Financing Activities</u>		
Decrease in Borrowings	(23,274)	(5,095)
Increase from New Borrowings	15,820	12,716
Interest Paid	(349)	(415)
Net Cash Flows (Used in) From Financing Activities	(7,803)	7,206
Net Increase in Cash and Cash Equivalents	3,471	3,382
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Beginning Balance	5,334	2,223
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Ending Balance (Note A)	8,805	5,605

Note A

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

	<u>HY2018</u>	<u>Group</u>	<u>HY2017</u>
	S\$'000		S\$'000
Cash and cash equivalents at end of the financial period	8,805		5,770
Bank overdrafts	–		(165)
	8,805		5,605

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 Period:							
Opening Balance at 1 January 2018	29,150	29,141	10,579	18,350	(13)	225	9
Movements in Equity							
Acquisition of a non- controlling interest (Note B)	(9)	–	–	–	–	–	(9)
Total Comprehensive (Loss) Income for the Period	(421)	(421)	–	(465)	44	–	–
Closing Balance at 30 June 2018	28,720	28,720	10,579	17,885	31	225	–

	<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 Period:							
Opening Balance at 1 January 2017	27,628	27,619	10,579	16,798	17	225	9
Movements in Equity							
Total Comprehensive (Loss) Income for the Period	(41)	(41)	–	33	(74)	–	–
Closing Balance at 30 June 2017	27,587	27,578	10,579	16,831	(57)	225	9

Note B

On 26 February 2018, the Company completed the acquisition of 0.5% interest in its subsidiary, SL Corporation Pte Ltd, from a minority shareholder, and thereby increased the Company's shareholding interest in SL Corporation Pte Ltd and its subsidiaries from 99.5% to 100%.

COMPANY	Total Equity	Share Capital	Retained Earnings
	S\$'000	S\$'000	S\$'000
Current Period:			
Opening Balance at 1 January 2018	13,921	10,579	3,342
Movements in Equity:			
Total Comprehensive Income for the Period	262	–	262
Closing Balance at 30 June 2018	14,183	10,579	3,604
Previous Period:			
Opening Balance at 1 January 2017	13,592	10,579	3,013
Movements in Equity:			
Total Comprehensive Income for the Period	530	–	530
Closing Balance at 30 June 2017	14,122	10,579	3,543

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2018 to 30 June 2018. There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 2017.

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 30.06.2018	As at 31.12.2017
108,000,000	108,000,000

The Company did not have any treasury shares as at 30 June 2018 and 31 December 2017.

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

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company does not have any subsidiary holdings. There were no sale, transfer, cancellation and/or use of subsidiary holdings during and as at the current financial period reported on.

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.

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period reported on, which are consistent with the audited financial statements for the financial year ended 31 December 2017.

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 Group has adopted the applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of Singapore Financial Reporting Standards (International) ("**SFRS(I) INT**") which became effective for the accounting periods beginning on or after 1 January 2018. The adoption of these new and revised SFRS(I) and SFRS(I) INT is not expected to result in material adjustments to the financial position, results of operations or cash flows of the Group for the financial period ended 30 June 2018.

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	
	HY2018	HY2017
(Loss) Earnings per ordinary share for the financial period based on net (loss) profit after tax attributable to owners of the company		
(i) Based on the weighted average number of ordinary shares in issue	(0.43) cents	0.03 cents
(ii) On a fully diluted basis	(0.43) cents	0.03 cents
Weighted average number of ordinary shares in issue	108,000,000	108,000,000

The Group's basic and diluted (loss) earnings per ordinary share for HY2018 and HY2017 respectively were the same as there were no potentially dilutive ordinary shares existing during the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Net asset value per ordinary share (cents)	26.6	27.0	13.1	12.9

The net asset value 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 30 June 2018 and 31 December 2017.

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

Revenue decreased by S\$4.2 million or 20.0% from S\$20.9 million in HY2017 to S\$16.7 million in HY2018. This was mainly due to a decrease in sales to our customers in the precision engineering industry, and to stockists and traders, partially offset by an increase in sales to our customers in the marine industry.

Sales to customers in the precision engineering industry decreased by S\$5.1 million in HY2018 as compared to HY2017. This was mainly due to a decrease in demand from our overseas customers in view of the challenging market conditions. Sales to stockists and traders decreased by S\$0.6 million in HY2018 as compared to HY2017, due to lower sales to our local and overseas customers. Sales to customers in the marine industry increased by S\$1.8 million in HY2018 as compared to HY2017, mainly due to more orders secured from our local customers.

Gross profit decreased by S\$0.6 million or 17.7% from S\$3.4 million in HY2017 to S\$2.8 million in HY2018, largely in line with the decrease in revenue. Gross profit margin increased from 16.1% in HY2017 to 16.5% in HY2018, mainly attributable to a marginal increase in the average selling price of our products.

Other gains increased by S\$25,000 from S\$202,000 in HY2017 to S\$227,000 in HY2018. Other gains in HY2018 comprised mainly reversal for impairment on trade receivables of S\$164,000, net gain on disposal of plant and equipment of S\$46,000 and government grant income of S\$17,000.

Marketing and distribution costs decreased by S\$0.2 million or 57.7%, from S\$0.4 million in HY2017 to S\$0.2 million in HY2018, mainly due to a decrease in commission expenses which was in line with the decrease in overseas sales secured through our overseas sales agents.

Administrative expenses increased by S\$0.2 million or 11.6%, from S\$2.3 million in HY2017 to S\$2.5 million in HY2018, mainly due to costs incurred for the moving of office and warehouse in HY2018.

Finance costs decreased by S\$0.1 million or 15.9%, from S\$0.4 million in HY2017 to S\$0.3 million in HY2018, due mainly to a decrease in interest expenses as a result of lower utilisation of bank borrowings following the disposal of our existing property at 9 Tuas Ave 2 and overdraft facilities, partially offset by an increase in trade facilities interest.

Other losses increased by S\$0.1 million or 67.3%, from S\$0.2 million in HY2017 to S\$0.3 million in HY2018. Other losses in HY2018 comprised mainly foreign exchange loss of S\$0.2 million and allowance for impairment on trade receivables of S\$0.1 million.

As a result of the above, the Group recorded a loss before tax of S\$0.4 million in HY2018 as compared to a profit before tax of S\$0.3 million in HY2017.

(b)(i) Statement of Financial Position

Non-current assets increased by S\$8.2 million, from S\$3.0 million as at 31 December 2017 to S\$11.2 million as at 30 June 2018, mainly due to the purchase of Group's property at 6 Tuas Lane.

Current assets decreased by S\$18.3 million, from S\$62.1 million as at 31 December 2017 to S\$43.8 million as at 30 June 2018, mainly due to a decrease in trade and other receivables of S\$24.1 million, partially offset by increases in inventories of S\$2.9 million and cash and cash equivalents of S\$2.9 million. The decrease in trade and other receivables was mainly due to the proceeds received from the disposal of the Group's property at 9 Tuas Avenue 2 of S\$22.8 million which was completed on 4 January 2018. The increase in inventories was mainly due to a slow-down in stock movement as a result of lower revenue in HY2018. Please refer to the section on "Statement of Cash Flows" below for reasons for the increase in cash and cash equivalents.

Non-current liabilities increased by S\$5.0 million, from S\$2.6 million as at 31 December 2017 to S\$7.6 million as at 30 June 2018, mainly due to an increase in bank borrowings used to finance the acquisition of the Group's new property at 6 Tuas Lane.

Current liabilities decreased by S\$14.6 million, from S\$33.3 million as at 31 December 2017 to S\$18.7 million as at 30 June 2018, mainly due to a decrease in income tax payable of S\$0.1 million and a decrease in other financial liabilities of S\$14.6 million, partially offset by an increase in trade and other payables of S\$0.1 million. The decrease in other financial liabilities was mainly due to the repayment of term loans in connection with the disposal of the Group's property at 9 Tuas Avenue 2 in HY2018.

The Group reported a positive working capital position of S\$25.1 million as at 30 June 2018, as compared to S\$28.7 million as at 31 December 2017.

Total equity decreased by S\$0.4 million, from S\$29.1 million as at 31 December 2017 to S\$28.7 million as at 30 June 2018, mainly due to a decrease in retained earnings of S\$0.4 million as a result of the net loss incurred for HY2018.

(b)(ii) Statement of Cash Flows

In HY2018, operating cash flows before changes in working capital amounted to S\$0.3 million arising mainly from the Group's loss before tax of S\$0.4 million, adjusted for interest expense of S\$0.3 million and depreciation of property, plant and equipment of S\$0.3 million. Net cash from working capital of S\$19.7 million was mainly due to a decrease in trade and other receivables of S\$24.1 million, partially offset by a decrease in trade and other payables of S\$1.5 million and increase in inventories of S\$2.9 million.

Net cash used in investing activities amounted to S\$8.5 million in HY2018, was mainly due to the purchase of property, plant and equipment of S\$8.6 million, partially offset by the proceeds from the disposal of plant and equipment of S\$0.1 million.

Net cash used in financing activities amounted to S\$7.8 million, mainly due to the repayment of bills payables, short-term bank loans, bank overdrafts and finance leases of S\$23.3 million and interest payment of S\$0.3 million, partially offset by an increase in new borrowings of S\$15.8 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 20 July 2018. 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.

Oil prices have steadily climbed from over US\$60 a barrel in early 2018, to over US\$70 per barrel by mid-2018. The improving sentiment is reflected in our marine segment with a higher number of orders for new vessels, which resulted in a higher number of orders for our Group's aluminium alloy products. Barring any drastic changes, the trend appears to continue in the near term.

In contrast, demand from customers from the precision engineering segment appears lukewarm. The Group will remain vigilant to manage our margins and remain agile to capitalise on opportunities that may arise.

From a macro perspective, oil and gas industry analysts have cautioned that global supply of oil may begin to tighten due to production cuts by oil producing countries to manage the fall of oil prices in early 2015. Even with the ending of the OPEC supply cut agreement and the subsequent ramping up of production, the scaling back in exploration and development over the past few years may manifest as supply challenges ahead.

Another concern would be the possible impact of the ongoing trade war between leading nations of the world. The implementation of tariffs and other restrictions may affect demand for our products. The Group will carefully monitor the effects and tailor our strategies accordingly.

On the local front, the Singapore economy is expected to remain resilient despite the aforementioned trade war's dampening of business and consumer sentiment. Singapore's second quarter performance was lower at 3.8% as compared to the projected 4.1% due to lower growth in the manufacturing and construction sector. The country's economic growth is expected to remain resilient as exports continue to grow though at a slower rate and domestic demand will be driven by regulation-led machinery upgrades.

We anticipate that the remaining half of FY2018 will provide a mix of challenges and opportunities. The Group will seek how to best manage the abovementioned factors through ongoing measures to improve cost efficiency and grow returns.

11. Dividend

(a) Current Financial Period Reported On

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

No

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared/recommended for HY2018.

13. Interested Person Transactions – Pursuant to Rule 920 (1) (a) of Section B of the Listing Manual of the SGX-ST: Rules of Catalist (“Catalist Rules”)

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

14. 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.

15. Negative confirmation by the Board pursuant to Rule 705 (5) of the Catalist Rules

We, Tan Yee Chin and Tan Yee Ho, the undersigned, being directors of Soon Lian Holdings Limited (the “**Company**”), do hereby confirm on behalf of the board of directors of the Company (“**Board**”) that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the half year ended 30 June 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

TAN YEE CHIN
Chairman and CEO

TAN YEE HO
Executive Director

6 August 2018