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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER  
2021**

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This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

	Note	Group			
		6 months ended 31 December 2021 <b>(“2HFY2021”)</b> S\$'000	6 months ended 31 December 2020 <b>(“2HFY2020”)</b> S\$'000	12 months ended 31 December 2021 <b>(“FY2021”)</b> S\$'000	12 months ended 31 December 2020 <b>(“FY2020”)</b> S\$'000
<b>Revenue</b>	4	29,910	16,705	53,575	33,427
Cost of sales		(21,539)	(13,276)	(39,858)	(28,697)
<b>Gross profit</b>		8,371	3,429	13,717	4,730
Other income and gains		52	342	379	1,283
Distribution costs		(62)	(171)	(342)	(284)
Administrative expenses		(2,734)	(1,956)	(5,271)	(4,395)
Finance costs		(139)	(216)	(335)	(534)
Other losses		(1,090)	4	(1,113)	(215)
<b>Profit before tax</b>	6	4,398	1,432	7,035	585
Income tax expense	7	(460)	(148)	(806)	(174)
<b>Profit for the period</b>		3,938	1,284	6,229	411
<b><u>Other comprehensive income</u></b>					
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Exchange differences on translating foreign operations, net of tax		105	102	250	187
<b>Other comprehensive income for the period, net of tax</b>		105	102	250	187
<b>Total comprehensive income for the period</b>		4,043	1,386	6,479	598
Profit attributable to owners of the Company, net of tax		3,938	1,284	6,229	411
<b>Profit net of tax</b>		3,938	1,284	6,229	411
Total comprehensive income attributable to owners of the Company		4,043	1,386	6,479	598
<b>Total comprehensive income</b>		4,043	1,386	6,479	598
<b>Earnings per share</b>		Cents	Cents	Cents	Cents
Basic		3.65	1.19	5.77	0.38
Diluted		3.65	1.19	5.77	0.38

\* Both basic and diluted earnings per share are the same as there are no dilutive ordinary share equivalents outstanding during the respective reporting periods.

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 31.12.2021 S\$'000	As at 31.12.2020 S\$'000	As at 31.12.2021 S\$'000	As at 31.12.2020 S\$'000
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Property, plant and equipment	9	6,823	7,291	–	–
Right-of-use assets		470	759	–	–
Land use right		2,303	2,439	–	–
Investments in subsidiaries		–	–	11,283	11,283
Deferred tax assets		351	331	–	–
<b>Total non-current assets</b>		<b>9,947</b>	<b>10,820</b>	<b>11,283</b>	<b>11,283</b>
<b><u>Current assets</u></b>					
Inventories		27,441	21,073	–	–
Trade and other receivables		14,671	11,961	2,018	2,003
Other non-financial assets		1,334	552	28	24
Restricted cash		12	11	–	–
Cash and cash equivalents		7,294	6,003	721	671
<b>Total current assets</b>		<b>50,752</b>	<b>39,600</b>	<b>2,767</b>	<b>2,698</b>
<b>Total assets</b>		<b>60,699</b>	<b>50,420</b>	<b>14,050</b>	<b>13,981</b>
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity</u></b>					
Share capital	11	10,579	10,579	10,579	10,579
Retained earnings		25,332	19,307	2,722	3,109
Other reserves		714	260	–	–
<b>Total equity</b>		<b>36,625</b>	<b>30,146</b>	<b>13,301</b>	<b>13,688</b>
<b><u>Non-current liabilities</u></b>					
Financial liabilities - Lease liability		211	578	–	–
Other financial liabilities		7,273	9,576	–	–
<b>Total non-current liabilities</b>		<b>7,484</b>	<b>10,154</b>	<b>–</b>	<b>–</b>
<b><u>Current liabilities</u></b>					
Income tax payable		593	119	–	–
Financial liabilities - Lease liability		434	390	–	–
Other financial liabilities		1,707	1,585	–	–
Trade and other payables		13,856	8,026	749	293
<b>Total current liabilities</b>		<b>16,590</b>	<b>10,120</b>	<b>749</b>	<b>293</b>
<b>Total liabilities</b>		<b>24,074</b>	<b>20,274</b>	<b>749</b>	<b>293</b>
<b>Total equity and liabilities</b>		<b>60,699</b>	<b>50,420</b>	<b>14,050</b>	<b>13,981</b>

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

**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
<b>Current year:</b>						
Opening balance at 1 January 2021	30,146	30,146	10,579	19,307	17	243
<b>Changes in equity:</b>						
Total comprehensive income for the year	6,479	6,479	–	6,229	250	–
Transferred (from) to retained earnings	–	–	–	(204)	–	204
Closing balance at 31 December 2021	<u>36,625</u>	<u>36,625</u>	<u>10,579</u>	<u>25,332</u>	<u>267</u>	<u>447</u>
<b>Previous year:</b>						
Opening balance at 1 January 2020	29,548	29,548	10,579	18,900	(170)	239
<b>Changes in equity:</b>						
Total comprehensive income for the year	598	598	–	411	187	–
Transferred (from) to retained earnings	–	–	–	(4)	–	4
Closing balance at 31 December 2020	<u>30,146</u>	<u>30,146</u>	<u>10,579</u>	<u>19,307</u>	<u>17</u>	<u>243</u>

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

**COMPANY**

	Total equity S\$'000	Share capital S\$'000	Retained earnings S\$'000
<b>Current year:</b>			
Opening balance at 1 January 2021	13,688	10,579	3,109
<b>Changes in equity:</b>			
Total comprehensive loss for the year	(387)	–	(387)
<b>Closing balance at 31 December 2021</b>	<u>13,301</u>	<u>10,579</u>	<u>2,722</u>
<b>Previous year:</b>			
Opening balance at 1 January 2020	13,115	10,579	2,536
<b>Changes in equity:</b>			
Total comprehensive income for the year	573	–	573
<b>Closing balance at 31 December 2020</b>	<u>13,688</u>	<u>10,579</u>	<u>3,109</u>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<u>Group</u>	
	<u>FY2021</u>	<u>FY2020</u>
	S\$'000	S\$'000
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	7,035	585
Adjustments for:		
Interest income	(3)	(15)
Interest expense	335	534
Depreciation of property, plant and equipment	816	859
Depreciation of right-of-use assets	374	278
Amortisation of land use right	135	135
Amortisation of intangible assets	–	18
Allowance for impairment on trade receivables	1,107	164
Reversal of impairment on trade receivables	–	(378)
Allowance for impairment on inventories	–	1,915
Reversal of impairment on inventories	(122)	–
Bad debts written-off	2	12
Bad debts recovered	(14)	–
Inventories written-off	3	35
Gains on disposal of property, plant and equipment	(9)	(276)
Plant and equipment written-off	–	4
Net effect of exchange rate changes in consolidating foreign operations	224	188
<b>Operating cash flows before changes in working capital</b>	<b>9,883</b>	<b>4,058</b>
Cash restricted in use	–	(11)
Inventories	(6,248)	519
Trade and other receivables	(3,805)	(1,787)
Other non-financial assets	(782)	(411)
Trade and other payables	5,760	531
<b>Net cash flows from operations</b>	<b>4,808</b>	<b>2,899</b>
Income taxes paid	(337)	(132)
<b>Net cash flows from operating activities</b>	<b>4,471</b>	<b>2,767</b>
<b><u>Cash flows from investing activities</u></b>		
Disposal of property, plant and equipment	20	720
Purchase of property, plant and equipment	(348)	(206)
Interest received	3	15
<b>Net cash flows (used in) from investing activities</b>	<b>(325)</b>	<b>529</b>
<b><u>Cash flows from financing activities</u></b>		
Repayment of borrowings	(4,294)	(6,588)
Proceeds from borrowings	2,182	7,113
Lease liabilities	(440)	(415)
Interest paid	(303)	(489)
<b>Net cash flows used in financing activities</b>	<b>(2,855)</b>	<b>(379)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,291</b>	<b>2,917</b>
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	6,003	3,086
<b>Cash and cash equivalents, consolidated statement of cash flows, ending balance</b>	<b>7,294</b>	<b>6,003</b>

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. General**

Soon Lian Holdings Limited (the “Company”) is incorporated in Singapore with limited liability. The Company is an investment holding company. It is listed on the Catalist, which is a shares market on Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Group consist of the sale and supply of aluminium alloy materials.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

### **2. Basis of preparation**

The condensed interim financial statements for the six months and year ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (S\$) which is the Company’s functional currency.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

## **2. Basis of preparation (cont'd)**

### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the full year ended 31 December 2021.

## **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## **4. Segment and revenue information**

The Group is organised into the following main strategic operating segments according to the industry in which their customers operate:

- Segment 1: Precision Engineering
- Segment 2: Marine
- Segment 3: Stockists and traders
- Segment 4: Other customers

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who are responsible for allocating resources and assessing performance of the operating segments.



**4. Segment and revenue information (cont'd)**

**4.1 Profit or loss from operations and reconciliations**

	Precision <u>engineering</u> S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
<b>1 July 2021 to 31 December 2021</b>						
<b>Revenue by segment</b>						
Total revenue by segment	19,594	4,620	4,540	1,156	–	29,910
<b>Recurring earnings before interest, taxes, depreciation, and amortisation (“EBITDA”)</b>						
Finance costs	–	–	–	–	(139)	(139)
Depreciation and amortisation	–	–	–	–	(666)	(666)
Operating result before income taxes and other unallocated items	6,097	1,351	1,103	475	(900)	8,126
Other unallocated items					(3,728)	(3,728)
Profit before tax from continuing operations						4,398
Income tax expense						(460)
<b>Profit from operations</b>						<b>3,938</b>
<b>1 July 2020 to 31 December 2020</b>						
<b>Revenue by segment</b>						
Total revenue by segment	9,652	4,212	2,447	394	–	16,705
<b>Recurring EBITDA</b>						
Finance costs	–	–	–	–	(216)	(216)
Depreciation and amortisation	–	–	–	–	(656)	(656)
Operating result before income taxes and other unallocated items	2,385	867	449	157	(902)	2,956
Other unallocated items					(1,524)	(1,524)
Profit before tax from continuing operations						1,432
Income tax expense						(148)
<b>Profit from operations</b>						<b>1,284</b>

**4. Segment and revenue information (cont'd)**

**4.1 Profit or loss from operations and reconciliations (cont'd)**

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
<b>1 January 2021 to 31 December 2021</b>						
<b>Revenue by segment</b>						
Total revenue by segment	34,796	8,716	8,373	1,690	–	53,575
<b>Recurring EBITDA</b>	10,120	2,069	1,620	724	122	14,655
Finance costs	–	–	–	–	(335)	(335)
Depreciation and amortisation	–	–	–	–	(1,325)	(1,325)
Operating result before income taxes and other unallocated items	10,120	2,069	1,620	724	(1,538)	12,995
Other unallocated items					(5,960)	(5,960)
Profit before tax from continuing operations						7,035
Income tax expense						(806)
<b>Profit from operations</b>						<b>6,229</b>
<b>1 January 2020 to 31 December 2020</b>						
<b>Revenue by segment</b>						
Total revenue by segment	18,586	9,347	4,814	680	–	33,427
<b>Recurring EBITDA*</b>	4,686	1,596	888	273	(1,915)	5,528
Finance costs	–	–	–	–	(534)	(534)
Depreciation and amortisation	–	–	–	–	(1,290)	(1,290)
Operating result before income taxes and other unallocated items*	4,686	1,596	888	273	(3,739)	3,704
Other unallocated items*					(3,119)	(3,119)
Profit before tax from continuing operations						585
Income tax expense						(174)
<b>Profit from operations</b>						<b>411</b>

The above revenue is mainly from sale of aluminium alloy products.

\* Certain comparative amounts have been reclassified to conform with the current year's presentation. In the opinion of the directors of the Company, this presentation would better reflect the financial performance of the Group.

**4. Segment and revenue information (cont'd)**

**4.2 Assets and reconciliations**

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
<b><u>As at 31 December 2021:</u></b>						
Total assets for reportable segments	9,832	613	3,405	202	–	14,052
Unallocated:						
Property, plant and equipment	–	–	–	–	6,823	6,823
Right-of-use assets	–	–	–	–	470	470
Land use right	–	–	–	–	2,303	2,303
Deferred tax assets	–	–	–	–	351	351
Inventories	–	–	–	–	27,441	27,441
Restricted cash	–	–	–	–	12	12
Cash and cash equivalents	–	–	–	–	7,294	7,294
Other unallocated amounts	–	–	–	–	1,953	1,953
<b>Total group assets</b>	<b>9,832</b>	<b>613</b>	<b>3,405</b>	<b>202</b>	<b>46,647</b>	<b>60,699</b>
<b><u>As at 31 December 2020:</u></b>						
Total assets for reportable segments	7,371	1,894	2,186	81	–	11,532
Unallocated:						
Property, plant and equipment	–	–	–	–	7,291	7,291
Right-of-use assets	–	–	–	–	759	759
Land use right	–	–	–	–	2,439	2,439
Deferred tax assets	–	–	–	–	331	331
Inventories	–	–	–	–	21,073	21,073
Restricted cash	–	–	–	–	11	11
Cash and cash equivalents	–	–	–	–	6,003	6,003
Other unallocated amounts	–	–	–	–	981	981
<b>Total group assets</b>	<b>7,371</b>	<b>1,894</b>	<b>2,186</b>	<b>81</b>	<b>38,888</b>	<b>50,420</b>

The assets 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.

**4. Segment and revenue information (cont'd)**

**4.3 Liabilities and reconciliations**

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
<b>As at 31 December 2021:</b>						
Unallocated:						
Income tax payable	-	-	-	-	593	593
Borrowings	-	-	-	-	8,980	8,980
Lease liabilities	-	-	-	-	645	645
Trade and other payables	-	-	-	-	13,856	13,856
<b>Total group liabilities</b>	-	-	-	-	24,074	24,074
<b>As at 31 December 2020:</b>						
Unallocated:						
Income tax payable	-	-	-	-	119	119
Borrowings	-	-	-	-	11,161	11,161
Lease liabilities	-	-	-	-	968	968
Trade and other payables	-	-	-	-	8,026	8,026
<b>Total group liabilities</b>	-	-	-	-	20,274	20,274

The 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.

**4.4 Other material items and reconciliations**

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
Impairment (reversal) of receivables and inventories and bad debts recovered (net)						
12 months ended 31 December 2021	535	233	313	14	(119)	976
12 months ended 31 December 2020	(104)	(190)	91	1	1,950	1,748
Expenditure for non-current assets						
12 months ended 31 December 2021	-	-	-	-	348	348
12 months ended 31 December 2021	-	-	-	-	206	206

**4. Segment and revenue information (cont'd)**

**4.5 Geographical information**

	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>FY2021</u> S\$'000	<u>FY2020</u> S\$'000	As at 31 December 2021 S\$'000	As at 31 December 2020 S\$'000
Singapore	10,728	10,027	8,891	9,576
Malaysia	16,623	8,528	204	290
China	9,861	5,564	311	422
Taiwan	8,156	4,420	190	201
Indonesia	2,009	1,544	–	–
Other countries	6,198	3,344	–	–
<b>Total operations</b>	<b>53,575</b>	<b>33,427</b>	<b>9,596</b>	<b>10,489</b>

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

**5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	<u>Group</u>		<u>Company</u>	
	31 December 2021 S\$'000	31 December 2020 S\$'000	31 December 2021 S\$'000	31 December 2020 S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	21,977	17,975	2,739	2,674
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	23,481	20,155	749	293

**6. Profit before tax**

**6.1 Significant items**

	<u>Group</u>			
	<u>2HFY2021</u> S\$'000	<u>2HFY2020</u> S\$'000	<u>FY2021</u> S\$'000	<u>FY2020</u> S\$'000
Foreign exchange adjustment gain	56	140	224	209
Depreciation of property, plant and equipment	(402)	(420)	(816)	(859)
Amortisation of land use right	(67)	(67)	(135)	(135)
Amortisation of intangible assets	–	(3)	–	(18)
Depreciation of right-of-use assets	(197)	(166)	(374)	(278)
Gains/(Loss) on disposal of property, plant and equipment, net	–	(14)	9	276
Reversal of impairment on trade receivables	(40)	110	–	378
Allowance for impairment on trade receivables	(1,084)	53	(1,107)	(164)
Reversal of impairment on inventories	(100)	(7)	122	–
Allowance for impairment on inventories	5	(23)	–	(1,915)
Bad debt recovered	–	–	14	–
Inventories written-off	(3)	(35)	(3)	(35)
Plant and equipment written-off	–	(4)	–	(4)
Interest expense	(139)	(216)	(335)	(534)
Bad debt written-off	(2)	(12)	(2)	(12)
Interest income	2	2	3	15
Government grant income	25	103	112	405

**6.2 Related party transactions**

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<u>Group</u>			
	<u>2HFY2021</u>	<u>2HFY2020</u>	<u>FY2021</u>	<u>FY2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expense	(475)	(207)	(826)	(239)
Deferred tax movement	15	59	20	65
Income tax expense	<u>(460)</u>	<u>(148)</u>	<u>(806)</u>	<u>(174)</u>

## 8. Net asset value

	<u>Group</u>		<u>Company</u>	
	31 December <u>2021</u>	31 December <u>2020</u>	31 December <u>2021</u>	31 December <u>2020</u>
Net asset value per ordinary share (S\$ cents)	<u>33.9</u>	<u>27.9</u>	<u>12.3</u>	<u>12.7</u>

## 9. Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to S\$124,162 (31 December 2020: S\$148,225) and disposed of assets amounting to S\$174 (31 December 2020: S\$83,526).

## 10. Borrowings and debt securities

	<u>Group</u>		<u>Company</u>	
	31 December <u>2021</u>	31 December <u>2020</u>	31 December <u>2021</u>	31 December <u>2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	2,565	2,486	–	–
Unsecured	1,360	1,249	–	–
	<u>3,925</u>	<u>3,735</u>	–	–
<u>Amount repayable after one year</u>				
Secured	4,125	4,506	–	–
Unsecured	3,268	5,226	–	–
	<u>7,393</u>	<u>9,732</u>	–	–

### Details of any collaterals

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

Certain of the Group's term loans, bank loans and other credit facilities are secured by the legal mortgages on the Group's leasehold property, land use right and inventories. The finance leases are secured by the leased assets.

## 11. Share Capital

<u>Group and Company</u>	<u>Number of shares issued '000</u>	<u>Share capital S\$'000</u>
Ordinary shares of no par value: Balance as at 31 December 2021 and 31 December 2020	108,000	10,579

There has been no change in the Company's share capital since 31 December 2020.

The Company do not hold any treasury shares or convertible instruments as at 31 December 2021 and 31 December 2020.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

## 12. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## 13. Changes in contingent liabilities or contingent assets

There were no material changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2020.



## **F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C**

### **1. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business.**

The condensed consolidated statement of financial position of Soon Lian Holdings Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period and full year then ended and certain explanatory notes have not been audited or reviewed.

#### **Statement of Comprehensive Income**

The Group has registered a significant improvement in net profit from S\$0.4 million in FY2020 to S\$6.2 million in FY2021. For 2HFY2021 period, the Group achieved a net profit of S\$3.9 million, 200.0% increase from S\$1.3 million in 2HFY2020.

The Group's revenue increased by S\$20.2 million or 60.5%, from S\$33.4 million in FY2020 to S\$53.6 million in FY2021. For 2HFY2021 period, the Group's revenue also increased by S\$13.2 million or 79.0%, from S\$16.7 million in 2HFY2020 to S\$29.9 million in 2HFY2021. This was mainly due to an increase in sales to our customers in the precision engineering segment and the stockists and traders segment.

Gross profit increased by S\$9.0 million or 191.5%, from S\$4.7 million in FY2020 to S\$13.7 million in FY2021. Gross profit margin increased by 11.4 percentage points, from 14.2% in FY2020 to 25.6% in FY2021. The increase in both gross profit and gross profit margin is mainly due to allowance for impairment on inventories of S\$1.9 million recognised in FY2020 as compared to a net reversal of impairment on inventories of S\$0.1 million in FY2021. Overall, the Group recorded a higher selling price of aluminium products compared to FY2020.

For 2HFY2021 period, gross profit also increased by S\$5.0 million or 147.1%, from S\$3.4 million in 2HFY2020 to S\$8.4 million in 2HFY2021. Gross profit margin increased by 7.5 percentage points, from 20.5% in 2HFY2020 to 28.0% in 2HFY2021. This is due to the higher average selling price of aluminium products.

Other income and gains decreased by S\$0.9 million or 69.2%, from S\$1.3 million in FY2020 to S\$0.4 million in FY2021, mainly due to a decrease of S\$0.3 million in gain on disposal of property, plant and equipment, a decrease of S\$0.3 million in government grant income, and a decrease of S\$0.4 million in reversal of impairment on trade receivables. For 2HFY2021 period, other income and gains decreased by S\$0.2 million or 66.7%, from S\$0.3 million in 2HFY2020 to S\$0.1 million in FY2021, mainly due to the decrease in government grant.

Distribution costs remained fairly constant in both FY2021 and FY2020.

Administrative expenses increased by S\$0.9 million or 20.5%, from S\$4.4 million in FY2020 to S\$5.3 million in FY2021, mainly due to the increase in higher staff costs. For 2HFY2021 period, administrative expenses increased by S\$0.7 million or 35.0%, from S\$2.0 million in 2HFY2020 to S\$2.7 million in 2HFY2021, mainly due to higher staff costs.

Finance costs decreased by S\$0.2 million or 40.0%, from S\$0.5 million in FY2020 to S\$0.3 million in FY2021. For 2HFY2021 period, finance costs decreased by S\$0.1 million or 50.0%, from S\$0.2 million in 2HFY2020 to S\$0.1 million in 2HFY2021, due to the lower usage of trade finance facilities and loan repayments made in 2HFY2021 and FY2021.

Other losses increased by S\$0.9 million or 450.0%, from S\$0.2 million in FY2020 to S\$1.1 million in FY2021. For 2HFY2021 period, other losses increased by S\$1.1 million mainly due to the higher allowance for impairment on trade receivables.

As a result of the above, the Group recorded a profit before tax of S\$7.0 million in FY2021, as compared to a profit before tax of S\$0.6 million in FY2020.

- 1. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. (cont'd)**

#### **Statement of Financial Position**

Non-current assets decreased by S\$0.9 million, from S\$10.8 million as at 31 December 2020 to S\$9.9 million as at 31 December 2021, mainly due to decrease in property, plant and equipment of S\$0.5 million, decrease in right-of-use assets of S\$0.3 million and decrease in land use right of S\$0.1 million as a result of depreciation and amortisation charges.

Current assets increased by S\$11.2 million, from S\$39.6 million as at 31 December 2020 to S\$50.8 million as at 31 December 2021. This was mainly due to an increase in trade and other receivables of S\$2.7 million, cash and cash equivalents of S\$1.3 million, other non-financial assets of S\$0.7 million and inventories of S\$6.3 million. Please refer to the section on "Statement of Cash Flows" below for the reasons for the increase in cash and cash equivalents.

Non-current liabilities decreased by S\$2.7 million, from S\$10.2 million as at 31 December 2020 to S\$7.5 million as at 31 December 2021, mainly due to net decrease in long-term bank loans of S\$2.3 million after repayment and decrease in lease liability (non-current portion) of S\$0.4 million.

Current liabilities increased by S\$6.5 million, from S\$10.1 million as at 31 December 2020 to S\$16.6 million as at 31 December 2021, mainly due to an increase in trade and other payables of S\$5.9 million, an increase in income tax payable of S\$0.5 million and an increase in other financial liabilities of S\$0.1 million.

The Group reported a positive working capital position of S\$34.2 million as at 31 December 2021, as compared to S\$29.5 million as at 31 December 2020.

Total equity increased by S\$6.5 million, from S\$30.1 million as at 31 December 2020 to S\$36.6 million as at 31 December 2021, mainly as a result of the net profit for the year.

#### **Statement of Cash Flows**

Net cash flows from operating activities was higher by S\$1.7 million in FY2021 as compared to FY2020, mainly due to the improvement in cash inflows before changes in working capital.

Net cash flows used in investing activities amounted to S\$0.3 million in FY2021, mainly due to the purchase of property, plant and equipment.

Net cash flows used in financing activities amounted to S\$2.9 million in FY2021, mainly due to a net repayment of borrowings of S\$2.1 million, interest payment of S\$0.3 million and repayment of lease liabilities of S\$0.4 million.

- 2. 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.

**3. 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 operating period and the next 12 months.**

As the Group enters FY2022 and living with COVID-19 for the third year, we have developed experience in managing the business impact of this volatile pandemic and have strengthened our agility to respond to these challenges. We believe the experience gained from the COVID-19 pandemic will stand us in good stead for the road ahead.

Despite various restrictions imposed and challenges as a result of COVID-19 over the past years, we have managed to streamline our operations, increased the robustness of our supply chain, and fine-tuned our business planning and inventory management. We have also stayed close to industry trends and our customers, and have managed to ride on the wave of business demand with the resumption of global economic growth post-COVID-19 lockdown. This has resulted in strong top and bottom line expansion. Going into the new financial year, we will continue to oversee our operations with agility while responding promptly to customers' demand.

We believe our main markets of Singapore, Malaysia, China and Taiwan will likely see an overall improvement going into FY2022, propelled by a continued surge in global semiconductor demand, which should reflect positively on our Precision Engineering business. We also foresee the continued resumption in Offshore Marine Oil & Gas projects which should likewise be a boost for our Marine segment. For these reasons, we are cautiously optimistic for the financial year ahead.

**4. Dividend information**

**a. Current Financial Period Reported On**

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

Yes.

The directors are pleased to propose the payment of a final dividend of 0.3 Singapore cent per ordinary share, in respect of the financial year ended 31 December 2021, subject to the approval of shareholders at the next Annual General Meeting of the Company.

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (in S\$ cents)	0.3
Tax rate	Tax-exempt (one tier)

**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**

Subject to approval by the shareholders at the next Annual General Meeting, the payment date of the proposed dividend will be announced at a later date.

**d. Record date**

Subject to approval by the shareholders at the next Annual General Meeting, the record date will be announced at a later date.

**5. Interested person transactions**

The Company does not have a mandate from its shareholders for any interested person transactions. There are no interested person transactions of S\$100,000 or more during the financial period under review.

**6. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalyst 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 Catalyst Rules.

**7. Disclosure of persons occupying managerial positions in the issuer or any of its principal subsidiaries who are relatives to a director, CEO or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalyst Rules**

Name	Age	Family relationship with any director 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	61	Sister of Mr Tan Yee Ho (Executive Chairman and controlling shareholder of the Company) and Mr Tan Yee Leong (Executive Director, Chief Executive Officer and controlling shareholder of the Company)	<u>Position:</u> General Administrative Manager of SL Metals Pte. Ltd., a wholly-owned subsidiary of the Company.  <u>Year the position was first held:</u> 2021	Not applicable

**8. Breakdown of sales**

Group	FY2021	FY2020	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue for first half year	23,665	16,722	42
Profit/(Loss) after tax for first half year	2,291	(873)	N.M.
Revenue for second half year	29,910	16,705	79
Profit after tax for second half year	3,938	1,284	207

**9. Breakdown of dividend**

	<u>FY2021</u> S\$'000	<u>FY2020</u> S\$'000
Ordinary	324 *	–
Preference	–	–
<b>Total</b>	<b>324</b>	–

\* Proposed final dividend, subject to the approval of shareholders at the next Annual General Meeting of the Company.

**10. Disclosures on acquisition and realisation of shares pursuant to Rule 706A of the Catalist Rules**

There were no acquisition or sale of shares in any of the Group's subsidiary or associated company nor incorporation or winding up or striking off of any subsidiary or associated company by the Company or any of the Group's entities during 2HFY2021.

**On behalf of the Board of Directors**

**TAN YEE HO**  
Executive Chairman

**TAN YEE LEONG**  
Chief Executive Officer and  
Executive Director

**Singapore**  
**25 February 2022**