SOON LIAN
HOLDINGS LIMITED
順 聯 控 股 有 限 公 司

ANNUAL REPORT 2008

CONTENTS

ABOUT US

Listed on the SGX Sesdaq on 13 December 2007, Soon Lian Holdings Limited is a specialist supplier of aluminium alloy products with an established track record of more than 20 years. We supply a comprehensive range of over 1,200 different aluminium alloy products in a wide spectrum of specifications and dimensions, mainly to the marine and precision engineering industries, with sales to these niche markets accounting for approximately 87.5% of our revenue in FY 2008. We also supply our products to other aluminium stockists and traders, as well as customers in other industries.

Equipped with a unique CNC (Computer Numerical Control) underwater plasma cutting system and CNC high precision saws, we are able to cut the aluminium alloy products to various forms and dimensional specifications required by our customers.

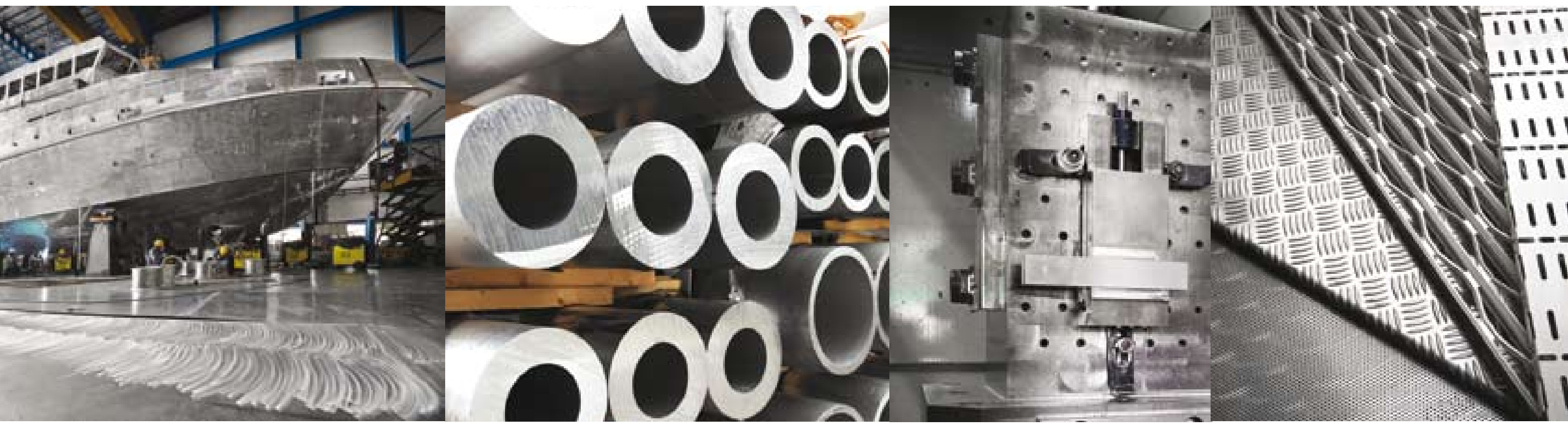
We source our inventories of aluminium alloy products from reputable suppliers in countries such as Canada, India, Indonesia, PRC, Singapore, South Africa and USA. Our major suppliers such as Alcoa and Alcan are amongst the largest manufacturers of aluminium alloy products in the world.

Over the years, we have built a diversified clientele with over 1,000 customers in more than 15 countries, including Australia, Hong Kong, India, Indonesia, Malaysia, Philippines, PRC, Singapore, South Korea, Thailand, UAE and Vietnam.

As an endorsement of our quality management system, we were awarded the BS EN ISO 9001:2000, EN ISO 9001:2000 and ISO 9001:2000 certifications in April 2002.

Furthermore we were awarded Enterprise 50 Award Winner 2007 by Accenture and The Business Times on 23 November 2007. We were also listed as one of Singapore 1000 Top Corporations Ranked by Financial Performance in a report compiled by DP Information Group and Ernst and Young in 2009. These accolades are a clear recognition of our growth and regionalization efforts made over the years.

SOON LIAN CATERS DIRECTLY TO THE THRIVING MARINE AND PRECISION ENGINEERING INDUSTRIES.



INDUSTRIES	USES	PROPERTIES REQUIRED FOR APPLICATIONS
MARINE	Used in shipbuilding - hulls, decks, superstructures and cabins of light crafts such as catamarans, pleasure crafts, patrol boats, as well as crew boats and rescue boats used in offshore oil and gas industry	• Light weight • High strength • Corrosion resistant • Fire resistant
PRECISION ENGINEERING	Precision parts for electronic equipment, precision instruments, medical instrumentation, semiconductor equipment, automated assembly lines, pharmaceutical machinery and robotics	• Corrosion resistant • Machinability • Stability
OTHERS	High strength items in aircraft industries, oil tankers, automotive parts, rail coaches, truck frames, bridges and towers	• Good machining characteristics • Weldability • Formability

LETTER TO SHAREHOLDERS

Dear Shareholders

The effects of the global financial crisis created challenging operating environments which had affected almost every business in the world. Considering these circumstances, Soon Lian is fortunate in many ways to report a 0.7% increase in group revenue from SGD 44.2 million in FY2007 to SGD 44.5 million in FY2008.

A review of 2008

FY2008 was a difficult year. Unstable industrial metal prices made operating environment challenging while the global financial crisis added to our woes as demand slows against oversupply and a significant decline of global business activity.

Soon Lian had to contend with wildly fluctuating commodity prices that are tied in with a glut of supply and a slowdown of demand, thus leading to cancellations of orders, and requests for delays in deliveries, which disrupted operational flow to some degree.

We are anticipating continual challenges ahead, and will take on a conservative and prudent approach towards management and expansion in the coming year.

Business performance

The marine sector of our business focuses on supplying marine alloy aluminum to the marine industry for the building of fast lightweight vessels such as crew boats and rescue boats primarily used by oil exploration companies.

We are cautiously optimistic about the profitability of this segment, regardless of lowered oil prices, due to the forecasted constant demand for oil. At current oil prices, companies may cut back on budgets for oil exploration work, but this is expected to be a temporary situation that will improve in tandem with the global economy.

Furthermore, we are one of the major players in a niche market, thereby aiding us in the establishing of a stronger presence in the industry.

The global electronics and semi-conductors markets, however, have been experiencing downward pressure from significantly lower demand, as a result of which we are anticipating a challenging operating environment in the coming year for the precision engineering segment of our business, and this leads to us consolidating our resources to strengthen our core strengths as we await a turn in the market.

Financial overview

Group revenue experienced an increase of 0.7% from SGD 44.2 million in FY2007 to SGD 44.5 million in FY2008. Built on the growth of the marine industry of Asia and the Middle East, gross profit from the marine sector increased from SGD 5.8 million in FY2007 to SGD 7.4 million in FY2008. However, as a result of the negative effects of the global financial crisis, net profit fell by 59.7% from SGD 7.24 million in FY2007 to SGD 2.92 million in FY2008.

Outlook and strategies

In expectation of a continually challenging business environment, we are adopting managerial prudence in all areas of our operation. This translates into the implementation of across-the-board cost-cutting measures, while we put on hold major expansion plans until the market shows signs of improvement.

Although Soon Lian serves a niche market and is recognised as an important player in the aluminium industry, we are still going to strive towards maintaining our market share in these challenging times.

Soon Lian has enjoyed a market leader position as a result of a sturdy reputation built up over the years of our operation. We have accumulated valuable experience which we apply to client relationship building, winning for us a name synonymous with excellence.

Over the last 20 years, we have built up an extensive range of aluminium alloy products, enhanced with value added services to offer to our customers in more than 15 countries.

With our product knowledge, we intend to actively seek out potential new markets in which we can gain a foothold to establish a permanent presence. We intend to continue with activities that will help us to gain more international exposure.

We believe the favourable geographical position of our base in Singapore is conducive for our business development as it enables us to react swiftly to customers' requests in terms of sourcing and shipping. Therefore, we intend to focus on maintaining an optimum level of internal efficiency of our team for us to remain agile to changes in market conditions.

Through the years of our operation, we have established strong ties with some internationally acclaimed suppliers and customers who have been the most supportive of our business. We will direct our efforts on retaining our existing clientele while looking out for potential partnerships.

Acknowledgements

Whilst presenting us with challenges, the current economic climate is also one that is rich with opportunities for forming strategic alliances that will assist us in our future growth. We endeavour to move with caution while seizing the right opportunities that will contribute towards enhancing long-term shareholder value.

I would like to take this opportunity to express my heartfelt thanks to our shareholders, fellow board of directors, our management team, and dedicated staff for their commitment. I would also like to express my sincere gratitude to our customers, suppliers, and business associates for their strong belief in us. I truly believe with the continuous support we have garnered over the years, we will be able to better realize our ultimate goal of maximising shareholders' returns.

Tan Yee Chin
Chairman and CEO

致股东函

尊敬的各位股东：

美国次贷危机引发的全球金融危机，已冲击了整个金融体系，艰难的运营环境成为世界上几乎每个行业都面临的巨大挑战。面对当前局势，顺联集团收入仍呈现增长趋势，2008财政年度总收入微增0.7%，从2007财政年度的4,424万新元增至4,455万新元。

2008年回顾

对顺联来说，2008财政年度是艰巨的一年。受全球金融危机的影响，以及大幅度波动的工业金属价格，致使市场供过于求，全球经济显著放缓，企业运营环境异常艰难。

面对极不稳定的商品价格、供过于求的市场环境、以及订单取消、延期交货的请求，顺联的正常运作在一定程度上受到影响。

我们预计未来的发展仍艰巨及充满挑战，顺联将在管理和拓展方面采取保守而谨慎的策略。

业绩概况

本公司主要业务是供应船用铝合金给海事业建造高速轻型船只，其中主要为石油勘探公司使用的交通艇和救生艇等。

即使市场需求疲软导致油价下跌，但我们仍对该部分的赢利持谨慎的乐观态度。虽然面对目前的油价下跌，石油公司可能削减石油勘探方面的预算，但预计这只是暂时的局面，随着全球经济的好转将会有所改善。

作为铝合金市场的主导者之一，我们将在该行业中建立更强大的业务基础。

由于需求显著减少，全球电子业和半导体市场正在面对需求疲软，而我们业务中的精密工程部分，也预计在接下来的一年里将步履维艰。因此我们必须整合资源，从而加强企业核心竟争力，以等待市场出现转机。

财务概述

2008财政年度集团收入取得0.7%的增长，从2007财政年度的4,424万新元到2008财政年度的4,455万新元。由于亚洲和中东海事业增长，海事部门的毛利润从2007年财政年度的579万新元增至2008财政年度的742万新元。但受全球经济危机的负面影响，净利下跌59.7%，从2007财政年度的724万新元降至2008财政年度的292万新元。

展望与策略

我们预测，未来的运营环境仍充满挑战，顺联将对各个业务领域的管理采取谨慎的态度。其中包括实施全面的成本削减措施，暂停主要拓展计划，以待市场出现转机。

作为铝合金市场及铝材业的重要业者，尽管前景充满挑战，顺联仍将继续努力，保持现有的市场占有率。

经过多年的不懈努力，顺联已建立良好的声誉，成为市场主导者。我们将这些所累积的宝贵经验不断用于建立良好且稳定的新旧客户关系，在行业中蜚声四起。

过去20年，我们建立了结合增值服务的多样化铝合金产品，提供给分布在超过15个国家的顾客。

基于对产品的高度了解，我们将积极寻求潜在的新市场，从而建立永久的市场地位。同时，我们也将积极从事各种有利于提高国际知名度的相关活动。

我们始终相信，新加坡这一优越的地理位置将有助于我们业务的发展，使我们在获取资源和提交货物方面能够对客户的要求作出迅速反应。同时，我们也要集中、保持和优化团队的内部效率，以在回应市场行情的变化时保持高度灵活性。

我们业务的最大支持者就是我们的商业合作伙伴。经过多年的努力，我们已同一些的国际知名的供应商和客户建立了良好且稳定的合作关系。我们将在稳固现有客户的同时继续寻求具有发展潜力的新的合作伙伴。

当下我们所面临的巨大挑战并不会阻碍前进的步伐，我们将会以此作为契机，拓展战略联盟，从而取得进一步的增长。在稳步迈进的同时，我们也将适时把握机遇，力争为股东创造更高价值。

鸣谢

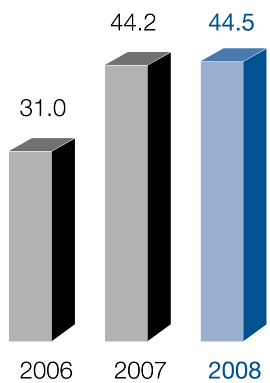
我谨在此向股东、各位董事、管理团队、全体人员、顾客、供应商与生意伙伴一直以来不懈的支持，致以诚心的感谢。我们将继续致力为客户带来最优质的服务及产品，并为股东带来理想的回报。

陈怡进
主席兼执行总裁

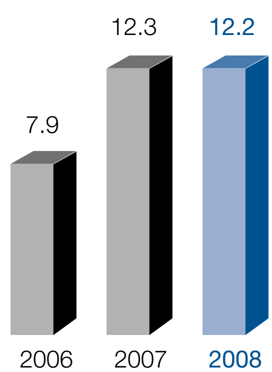
FINANCIAL **HIGHLIGHTS**

	GROUP	
	FY2008 $'000	FY2007 $'000
INCOME STATEMENT		
Revenue	44,550	44,238
Gross Profit	12,192	12,341
Profit before tax	3,459	8,601
Taxation	(539)	(1,359)
Profit after tax	2,920	7,242
Earnings per share (in cents)	2.70	8.79
BALANCE SHEET		
Assets		
Non-current assets	5,681	5,964
Current assets	43,584	43,079
Total Assets	**49,265**	**49,043**
Equity and Liabilities		
Equity attributable to equity holders of the parent	17,992	15,050
Non-Current Liabilities	3,879	3,633
Current Liabilities	27,394	30,360
Total Liabilities	31,273	33,993
Total Equity and Liabilities	**49,265**	**49,043**
Net Asset Value Per Share (in cents)	**16.7**	**13.9**

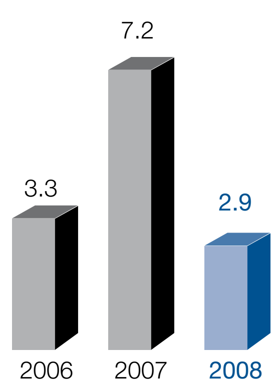
REVENUE
$'million



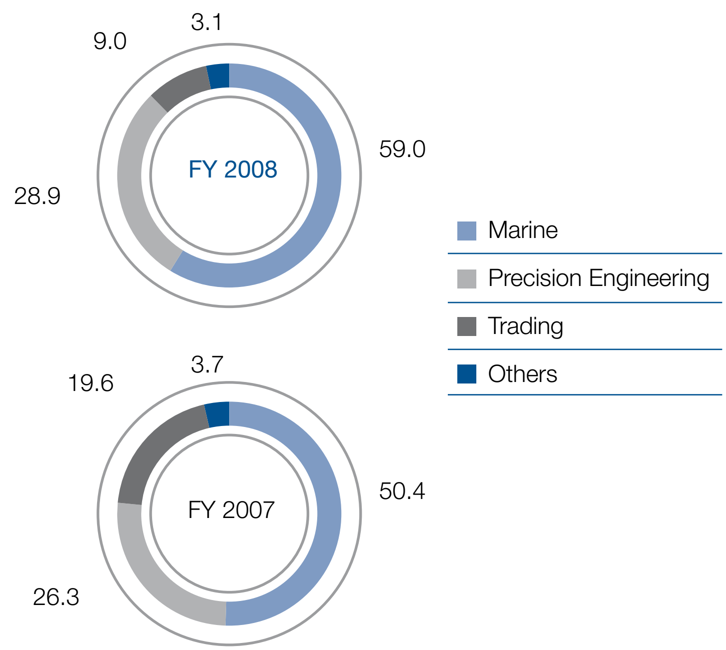
GROSS PROFIT
$'million



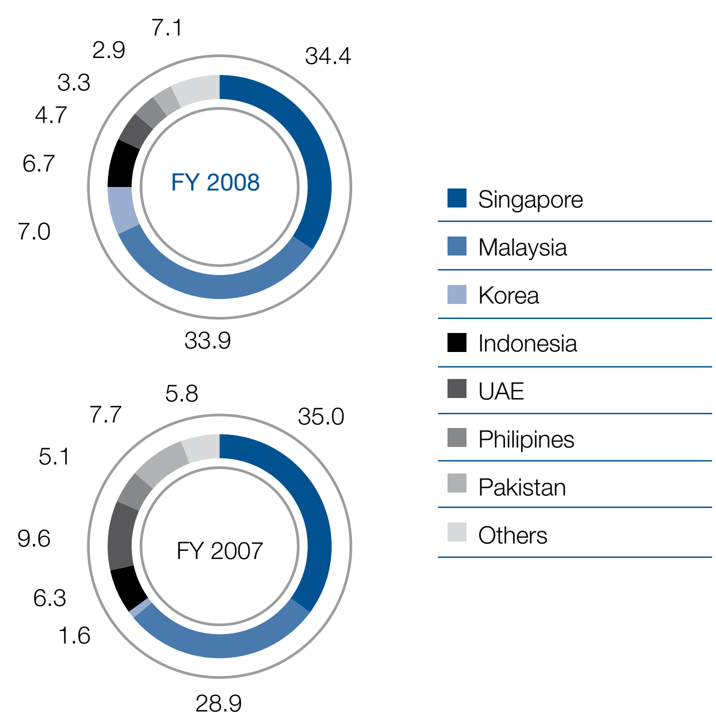
PROFIT AFTER TAX
$'million



REVENUE BY MARKET SEGMENTS (%)



REVENUE BY GEOGRAPHICAL MARKET (%)



DETERMINED TO **DELIVER**

Despite the current unfavourable market conditions, we are focused on delivering the best service and products to our clientele.

Business Overview

An overview of our business segments

We are a specialist supplier of over 1,200 different aluminium alloy products in various specifications, focusing on the marine and precision engineering industries. We also supply aluminium alloy products to other aluminium stockists and traders and customers in other industries. In addition, we also provide customisation services by employing several processing systems such as a unique CNC underwater plasma cutting system, CNC high precision saws and fully automatic band saws which are able to cut the aluminium alloy products according to the dimensional specifications required by our customers. Our cutting service enables customers to focus on their core competence in shipbuilding or precision engineering and reduce or avoid additional investments in machines and equipment for cutting aluminium alloy products to the required dimensions.

Marine

Our aluminium alloy products have a multiple range of properties required for marine applications and are sold mainly to shipbuilders for use in the hulls, decks, superstructures as well as cabins of light crafts such as catamarans, pleasure crafts, crew boats, rescue boats and patrol boats. The hulls of ships are typically built using aluminium alloy plates as they are resistant to corrosion by seawater. The superstructures of ships are usually built using aluminium alloy extrusion products, such as rods, bars, tubes and extruded profiles, due to their high tensile strength.

We also supply aluminium honeycomb products used in ship cabin interior fittings, such as partitions, cabinets and other cabin furniture. All our aluminium alloy products are accompanied by certificates issued by the manufacturers. For our aluminium alloy products used mainly for the marine sector, we also request for inspection certificates from independent certification bodies such as DNV, Lloyd's and ABS to ensure product quality.

Precision engineering

The aluminium alloy products that we supply to the precision engineering industry are machined or manufactured into components and parts that are assembled into precision instruments, equipment

for semiconductor manufacturing and automated assembly lines. Apart from the variety of products offered, the products that we supply must meet the stringent quality specifications of our customers.

Our wide range of quality aluminium alloy products are sourced from established manufacturers whose products have tight dimensional tolerance, do not distort during intricate machining operations, have good surface finishing, and could be easily cut, punched, drilled and machined using standard machining equipment.

Others

Apart from the marine and precision engineering industries, our diversified customer base also includes trading companies such as other aluminium alloy product stockists and companies involved in general trading activities, as well as general engineering companies, oil tanker manufacturers and construction companies. The different grades of aluminium alloy products that we supply are available in a variety of forms such as sheet, plate, rod, bar, tube, wire and extruded profiles and in a wide range of dimensions.

Our financial performance in FY2008

Income Statement

Group revenue increased by SGD 0.3 million or 0.7% from SGD 44.2 million in FY2007 to SGD 44.5 million in FY2008 due to an increase in sales to the marine and precision engineering industries partially offset by a decrease in sales to stockists and traders. Sales to the marine and precision engineering industries increased by SGD 4 million and SGD 1.2 million respectively whereas sales to stockists and traders and others decreased by SGD 4.9 million.

Gross profit decreased by SGD 0.1 million or 1.2% from SGD 12.3 million in FY2007 to SGD 12.2 million in FY2008 due mainly to lower profit margin from precision engineering as a result of general weakness in the electronic sector.

Other credits decreased by SGD 1.6 million from SGD 1.9 million in FY2007 to SGD 0.3 million in FY2008, mainly due to a decrease in foreign exchange gains from SGD 0.8 million in FY2007 to SGD 0.2 million in FY2008. The higher level of other credits in FY2007 was also the result of a gain of SGD 1 million from the disposal of a subsidiary's freehold properties.

Marketing and distribution costs increased by SGD 0.6 million in FY2008 mainly due to an increase in commission paid to our overseas sales agents.

Administrative expenses increased by SGD 0.6 million mainly due to an increase in payroll expenses of SGD 0.4 million and other general administrative expenses of SGD 0.2 million.

Finance costs decreased by SGD 0.2 million from SGD 1.5 million in FY2007 to SGD 1.3 million in FY2008 as a result of generally lower interest rates for trade financing facilities.

Other charges increased by SGD 2.4 million from SGD 0.2 million in FY2007 to SGD 2.6 million in FY2008 mainly due to higher provision for impairment on trade receivables and inventory. Provision for doubtful debts of SGD 1.3 million was made after considering the ageing of the trade receivables and the value of inventories was written down by SGD 1.2 million as a result of the continued weakening of aluminium alloy prices in the second half of FY2008.

As a result of the above, profit before tax decreased by SGD 5.1 million from SGD 8.6 million in FY2007 to SGD 3.5 million in FY2008.

Market Outlook

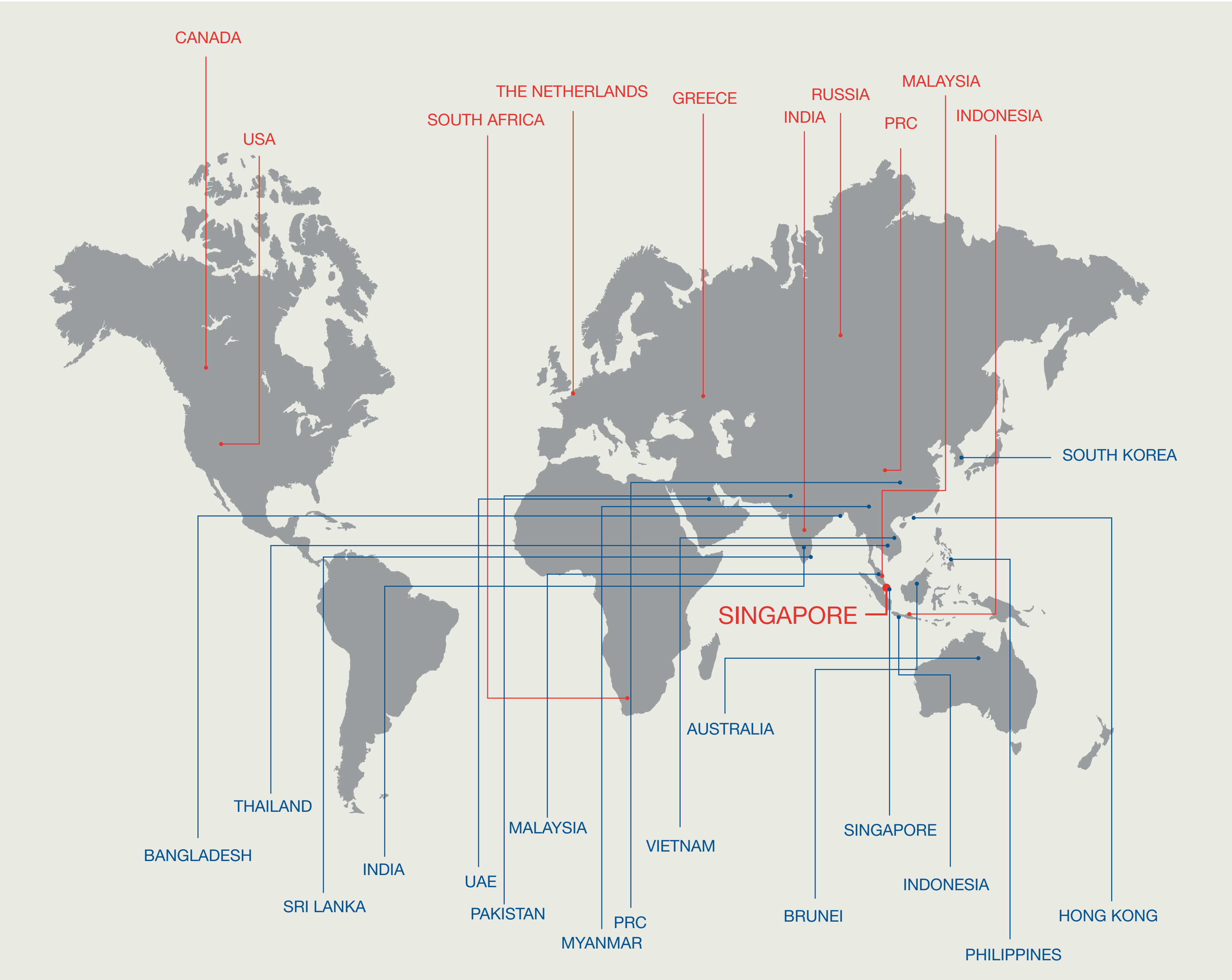
In the face of challenges ahead, our strategy is to combat slower demand with cost management measures which we are going to apply throughout our organisation.

We shelved last year's expansion plans to establish new offices in the UAE and Vietnam as we anticipate a need to shore up on our cash reserves in view of unfavourable market conditions. Other plans put on hold include the expansion of our warehousing capacity through acquisition or construction of new facilities.

While we adopt a conservative attitude towards expanding our operations in the coming year, we are still going to be actively seeking out strategic alliances that will enhance our core strengths and competitiveness. However, we will cautiously consider the viability and feasibility of any opportunity before committing to any concrete plans.

Building on our good track record and sustainable competitive advantages built up over years of operation, we believe we have the expertise and acumen to emerge from this crisis stronger than ever before.

OVER 1,000 CUSTOMERS IN MORE THAN 15 COUNTRIES WITH REPUTABLE SUPPLIERS WORLDWIDE



SUPPLIER BASE

CUSTOMER BASE

TAN YEE CHIN

TAN YEE HO

TAN YEE LEONG

TAN YEE CHIN,

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Tan Yee Chin, our Chairman and Chief Executive Officer, is responsible for the overall management, operations and the charting and reviewing of corporate directions and strategies of our Group. He has over 20 years of experience in the aluminium alloy products industry and has been instrumental in growing the business of our Group. Tan Yee Chin started his career with our Group in 1984, focusing on sales to local customers and progressing to overseas sales in 1988. During the period from 1995 to 2002, he was also involved in managing the businesses of Concentrate Engineering Pte. Ltd. and Concentrate Engineering (M) Sdn. Bhd., companies wholly-owned by Tan Yee Chin and his family. He oversaw the operations of both companies which were engaged in the business of manufacturing and trading of cement bricks and clay bricks. Tan Yee Chin received formal education up to GCE "O" Levels.

TAN YEE HO,

EXECUTIVE DIRECTOR

Tan Yee Ho, our Executive Director, is responsible for overseeing our sales and marketing initiatives in Singapore and overseas markets, and business development initiatives. He has over 20 years of experience in the aluminium alloy products industry and has been instrumental in expanding our Group's businesses in the various overseas markets. Tan Yee Ho has been with our Group since we commenced our operations in 1984 and was primarily responsible for sales and procurement. As our overseas market expanded, he relinquished his responsibilities in procurement to Tan Yee Leong in 1995 to focus on sales and marketing. Tan Yee Ho received formal education up to GCE "O" Levels.

TAN YEE LEONG,

EXECUTIVE DIRECTOR

Tan Yee Leong, our Executive Director, oversees the procurement of our Group. He also assists our Executive Director, Tan Yee Ho, in servicing the accounts of some local and overseas customers to keep abreast of the developments and trends in customers' demands. He has been with our Group since we commenced operations in 1984 and was primarily responsible for the operations of the Group. His responsibilities expanded to include overseeing our Group's procurement functions in 1995. Tan Yee Leong received formal education up to GCE "O" Levels.

LEE SEN CHOON,

LEAD INDEPENDENT DIRECTOR

Lee Sen Choon was appointed as the Lead Independent Director of our Company on 31 October 2007. He is currently a partner of Messrs UHY Lee Seng Chan & Co., a public accounting firm in Singapore. He has more than 20 years of experience in accounting, audit, taxation and corporate secretarial work. Lee Sen Choon is the Joint Secretary of the Board of Directors of Singapore Chinese High School and a member of the Board of Governors of Hwa Chong Institution. He is also the Treasurer of Hwa Chong International School and a member of

LEE SEN CHOON

TAN SIAK HEE

YAP KIAN PENG

the School Advisory Committee of Xingnan Primary School. In addition, he sits on a number of publicly listed companies as an independent director. Lee Sen Choon is a member of the Institute of Chartered Accountants in England and Wales and a practising member of the Institute of Certified Public Accountants in Singapore. Lee Sen Choon holds a Bachelor of Science (Honours) degree from the then Nanyang University and has a post-graduate diploma in Management Studies from the University of Salford, United Kingdom.

TAN SIAK HEE,
INDEPENDENT DIRECTOR

Tan Siak Hee was appointed as an Independent Director of our Company on 31 October 2007. He has been the sole-proprietor of Messrs S H Tan & Associates, a law firm in Singapore, for the past 23 years. Tan Siak Hee is a Commissioner for Oaths of the Supreme Court of Singapore. Tan Siak Hee holds a Bachelor of Laws (Honours) degree from the University of London and is a Barrister-at-law from Lincoln's Inn, London, United Kingdom. He holds a Graduate Certificate in International Arbitration from the National University of Singapore. He is a Fellow of the Singapore Institute of Arbitrators and a Fellow of the Chartered Institute of Arbitrators based in London. He is currently an Independent Director and Chairman of the Remuneration Committee of PSL Holdings Limited, a company listed on the Catalist.

YAP KIAN PENG,
INDEPENDENT DIRECTOR

Yap Kian Peng was appointed as an Independent Director of our Company on 31 October 2007. Since 2005, he has been the executive director of Capital Equity Holdings Pte Ltd, a private equity investment company with interests in petrochemicals, food and beverage, logistics and manufacturing. In addition, since 2004, he has been the executive director of CKG Chemicals Pte Ltd and its subsidiary, CKG Chemicals (Hong Kong) Limited, in charge of their financing and accounting functions. He was employed by Maybank from 2001 to 2004, initially as a senior business development manager and subsequently promoted to be the team head of Trade Finance Business Development Group. From 1998 to 2000, Yap Kian Peng was a director of You Yi Glass Contractor Pte Ltd, a company engaged in the business of trading in glass sheets. He joined Oversea-Chinese Banking Corporation Limited in 1992 and when he left in 1998, he was an assistant manager at the bank. Yap Kian Peng graduated from RMIT University, Australia, with a Bachelor Degree in Business (Business Administration) in 1996. He is an Independent Director and the Chairman of the Audit Committee of China Bearing (Singapore) Ltd., a company listed on the SGX-ST and also an Independent Director of Travelite Holdings Ltd., a company listed on the SGX Sesdaq.

EXECUTIVE OFFICERS

NG KIM YING

TAN EE HOON

TAN EE TIN

CHOW TUCK FAI

NG KIM YING, our Chief Financial Officer, oversees our Group's financial reporting and is responsible for the overall financial management of our Group. She has over 20 years of experience in finance, accounting and audit and has direct working experience in accounts preparation under the Singapore Financial Reporting Standards. Prior to joining us in 1999, she was the financial controller of Chuan Soon Huat Industrial Group Limited, a company listed on the SGX-ST, from 1994 to 1998 where she oversees the financial and accounting matters of the company. Between 1981 and 1994, she was an auditor at Lee Seng Chan & Company, a local accounting firm. Ng Kim Ying holds a Bachelor of Commerce (Accountancy) from the then Nanyang University. She is a member of the Institute of Certified Public Accountants of Singapore.

TAN EE HOON, our Operations and Administration Manager, is responsible for the import and export documentations, as well as human resource and administrative functions of our Group, a role that she discharges since joining us in 1984. In addition, she provides administrative support to the sales and procurement divisions. Tan Ee Hoon received formal education up to GCE "O" Levels.

TAN EE TIN, our Purchasing Manager, assists our Executive Director, Tan Yee Leong, with our Group's procurement activities. She is responsible for liaising with our suppliers with respect to our Group's purchases of extrusion products. Tan Ee Tin joined our Group as a sales staff from 1984 to 1985. She re-joined our Group in 1988 and was responsible for the sales function of our Group. In 2002, she undertook her current role as Purchasing Manager. Tan Ee Tin received formal education up to GCE "O" Levels.

CHOW TUCK FAI, our Regional Marketing Manager, is responsible for our export sales as well as business development activities in overseas markets. Chow Tuck Fai joined our Group in 1993 as a Sales Executive focusing mainly on sales to local customers. He was promoted to Assistant Sales Manager in 2000 with additional responsibility for our Group's overseas sales and business development activities. In 2003, he was promoted to Marketing Manager and was promoted to his current position in 2007. Prior to joining us in 1993, he was a partner of Uniceil Décor and Contractor, a renovation works contractor. He received formal education up to GCE "O" Levels and has a Certificate in Management awarded by the Singapore Institute of Management.

BOARD OF DIRECTORS

Tan Yee Chin, Chairman and Chief Executive Officer
Tan Yee Ho, Executive Director
Tan Yee Leong, Executive Director
Lee Sen Choon, Lead Independent Director
Tan Siak Hee, Independent Director
Yap Kian Peng, Independent Director

AUDIT COMMITTEE

Lee Sen Choon, Chairman
Tan Siak Hee
Yap Kian Peng

NOMINATING COMMITTEE

Tan Siak Hee, Chairman
Lee Sen Choon
Yap Kian Peng

REMUNERATION COMMITTEE

Yap Kian Peng, Chairman
Lee Sen Choon
Tan Siak Hee

REGISTERED OFFICE AND BUSINESS ADDRESS

45 Joo Koon Circle
Singapore 629106
Tel +(65) 6261 8888
Fax +(65) 6862 6888
Website: www.soonlian.com

JOINT COMPANY SECRETARIES

Ng Kim Ying, CPA Singapore
Catherine Lim Siok Ching, ACIS, LLB (Hons) (London)

REGISTERED AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
8 Cross Street #11-00
PWC Building
Singapore 048424

AUDITORS

RSM Chio Lim LLP
Certified Public Accountants
(a member of RSM International)
8 Wilkie Road, #04-08
Wilkie Edge
Singapore 228095

AUDIT PARTNER-IN-CHARGE

Ms Woo E-Sah, CPA Singapore
Effective from year ended 31 December 2008

FINANCIAL CONTENTS

Soon Lian Holdings Limited (the "Company") is committed to maintaining high standards of corporate governance to protect shareholders' interests and enhance shareholders' value and corporate transparency.

This report describes the Company's corporate governance processes and activities with specific references to the guidelines of the Singapore Code of Corporate Governance 2005 (the "Code").

BOARD MATTERS

Principle 1: The Board's Conduct of its Affairs

The Board's primary role is to protect and enhance long-term shareholders' value. The principal functions of the Board include setting the Company's strategic plans, values and standards, reviewing management performance and ensuring the implementation of appropriate control systems to manage the Group's business and financial risks.

To assist in the execution of its responsibilities, the Board has established three Board committees, namely a Nominating Committee ("NC"), a Remuneration Committee ("RC") and an Audit Committee ("AC"). Each Committee is empowered to make decisions on matters within its own defined terms of reference and operating procedures.

The Board meets on a regular basis to approve, among others, the Group's financial results announcement. Ad-hoc meetings are held at such times, as and when required, to address any specific significant matters which may arises.

Details of the Directors' attendances at Board Meetings and Board Committees from 1 January 2008 to 31 December 2008 is set out below:

DIRECTORS	BOARD		AC		NC		RC	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Tan Yee Chin	2	2	3	3*	1	1*	2	2*
Tan Yee Ho	2	2	3	3*	1	1*	2	2
Tan Yee Leong	2	2	3	2*	1	1*	2	2*
Lee Sen Choon	2	2	3	3	1	1	2	2
Tan Siak Hee	2	2	3	3	1	1	2	2
Yap Kian Peng	2	2	3	3	1	1	2	2

* By invitation

The matters requiring the Board's approval include, amongst others, major investments and divestments, material contracts, bank borrowings, major capital expenditure and major funding proposal.

New appointments to the Board will be briefed by Management or any such appropriate persons on the Group's business operations and governance practices to ensure that new Directors have an insight into the workings of the Group. Directors are encouraged to constantly keep abreast of development in regulatory, legal and accounting frameworks that are of relevant to the Group through participation in seminars and workshops.

Principle 2: Board Composition and Guidance

The Board of Directors consists of six members, three of whom are Independent Directors:-

Executive Directors

Tan Yee Chin (Chairman and Chief Executive Officer)
Tan Yee Ho (Executive Director)
Tan Yee Leong (Executive Director)

Non-executive Directors

Lee Sen Choon	(Lead Independent Director)
Tan Siak Hee	(Independent Director)
Yap Kian Peng	(Independent Director)

The Nominating Committee recommends all appointments and retirements of directors. In addition, the NC also reviews annually the independence of each director. The Board is of the view that the current Board comprises persons who as a group, provide core competencies necessary to meet the Company's requirements and that the current board size is adequate, taking into account the nature and scope of the Company's operations.

Together, the Board members possess a balanced field of core competencies such as accounting and finance, legal knowledge, business and management experience and the requisite industry knowledge to lead the Company.

Principle 3: Role of Chairman and CEO

The Chairman and Chief Executive Officer ("CEO") of the Company is Mr. Tan Yee Chin. The Board, after careful consideration, is of the opinion that the need to separate the roles of the Chairman and CEO is not necessary for the time being. The presence of a strong independent element and the participation of the independent directors ensure that Mr. Tan Yee Chin does not have unfettered powers of decisions. The Board has also appointed Mr. Lee Sen Choon as Lead Independent Director to be an alternative source for shareholders and other directors to raise their concerns which contact through the normal channels of the Chairman has failed to resolve. The Board believes that there are adequate measures in place against an uneven concentration of power and authority in one individual to comply with the Code.

The Chairman is responsible for the proper functioning of the Board and ensures that Board meetings are held when necessary and each member of the Board works well together with the Management, engaging Management in constructive discussions over various matters, including strategic issues and business planning processes.

Principles 4 and 5: Board membership and performance

The Nominating Committee ("NC") comprises the following 3 members, all of whom are non-executive independent directors. The NC Chairman is not associated in any way with the substantial shareholder of the Company.

Tan Siak Hee (Chairman)
Lee Sen Choon
Yap Kian Peng

The NC is established for purpose of ensuring that there is an objective and transparent process for all Board appointments. It has adopted written terms of reference defining its membership, administration and duties.

The principal functions of the NC are as follows:

1) To review and recommend the nomination or re-nomination of the directors having regard to their contribution and performance;

2) To determine annually whether or not a Director is independent;

3) To assess the performance of the Board and contribution of each director to the effectiveness of the Board; and

4) To review and approve any new employment of related persons and the proposed terms of their employment;

The Articles of Association of the Company requires one-third of the directors (including CEO) for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, to retire from office at the annual general meeting ("AGM") of the Company in each year. Directors who retire are eligible to offer themselves for re-election. The director shall abstain from voting on any resolution in respect of his re-nomination as a director.

Notwithstanding that some of the Directors have multiple board representations, the NC is satisfied that each Director is able to and has been adequately carrying out his duties as a director of the company.

The NC has adopted a process for assessing the performance of the Board as a whole instead of individual assessment. The performance appraisal includes qualitative and quantitative factors including Board structure, conduct of meetings, corporate strategy and planning, risk management and internal control, and so on.

The NC has also reviewed the independence of the directors for FY2008 and is satisfied that more than one-third of the Board comprises independent Directors.

Principle 6: Access to information

To enable the Board to fulfill its responsibility, Management strives to provide Board members with adequate information for Board meetings and on an ongoing basis. The Board is furnished with Board papers prior to any Board meeting. These papers are issued in sufficient time to enable Directors to obtain additional information or explanations from Management, if necessary.

Directors are given separate and independent access to the Company's key executives and Company Secretary to address any enquiries. The Company Secretary attends all Board meetings and ensures that board procedures are followed and applicable rules and regulations are complied with.

A Director or as a group, may seek professional advice in furtherance of their duties and the costs will be borne by the Company.

REMUNERATION MATTERS

Principle 7 - Procedures for Developing Remuneration Policies
Principle 8 - Level and Mix of Remuneration
Principle 9 - Disclosure on Remuneration

The Remuneration Committee ("RC") comprises the following 3 members, of whom all are non-executive independent directors:

Yap Kian Peng (Chairman)
Lee Sen Choon
Tan Siak Hee

The RC is established for the purposes of ensuring that there is a formal and transparent procedure for fixing the remuneration packages of individual directors. The overriding principle is that no director should be involved in deciding his own remuneration. It has adopted written terms of reference that defines its membership, roles and functions and administration.

The principal functions of the RC are as follows:

1) To review and recommend to the Board on the framework of remuneration and the specific remuneration packages for Executive Directors, Chief Executive Officer and Executive Officers;

2) To review the remuneration packages of employees related to any director and/or substantial shareholder of the Company and its subsidiaries;

3) To review and recommend to the Board the terms of renewal for those executive directors whose current employment contracts will expire or had expired;

4) To review and approve annually the remuneration of the directors, Executive officers and employees related to any director and/or substantial shareholder of the Company.

Each member of the RC refrains from voting on any resolutions in respect of the assessment of his remuneration. No Director will be involved in determining his own remuneration.

The Company has entered into Service Agreements with the Executive Directors Tan Yee Chin, Tan Yee Ho and Tan Yee Leong dated 27 October 2007. Each Service Agreement is valid for an initial period of three years with effect from 1 January 2008. The remuneration of the Executive Directors is based on service agreements. The executive directors do not receive directors' fees. The independent directors will be paid a fee for their board services and appointment to board committees.

The Committee has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises.

The breakdown (in percentage terms) of the remuneration of the Company for the financial year ended 31 December 2008 is set out below:

	Directors' Fees	Salary	Bonus	Allowances and Benefits in kind	Total
	%	%	%	%	%
Below $250,000					
Lee Sen Choon	100	–	–	–	100
Tan Siak Hee	100	–	–	–	100
Yap Kian Peng	100	–	–	–	100
Between $250,000 and $499,999					
Tan Yee Chin	–	72	17	11	100
Tan Yee Ho	–	74	17	9	100
Tan Yee Leong	–	70	16	14	100

Remuneration Band of the top 4 key executives (who are not directors of the Company) for the year ended 31 December 2008 are as follows:

	Name of Executives
Below $250,000	Ng Kim Ying
	Tan Ee Hoon (1)
	Tan Ee Tin (1)
	Chow Tuck Fei

(1) Tan Ee Hoon and Tan Ee Tin are the sisters of our Chairman and Chief Executive Officer, Tan Yee Chin and our Executive Directors, Tan Yee Ho and Tan Yee Leong, and each of their remuneration exceeded $150,000 for FY2008.

Apart from the above, the Company does not have any employee whose remuneration exceeded $150,000 for FY2008 who is an immediate family member of a director or substantial shareholder.

The aggregate remuneration (including CPF contributions and other benefits) of all directors and employees who are related to any director and/or substantial shareholders amounted to $1.38 million for the financial year ended 31 December 2008.

The Board is of the opinion that the information as disclosed above would be sufficient for shareholders to have an adequate appreciation of the Company's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects, including interim and other price sensitive public reports. Shareholders are informed of the Company's financial performance through half-year and full-year results announcements.

The management will provide all members of the Board with the necessary financial information, Board paper prior to any Board meeting to facilitate effective discussion and decision making.

Principle 11: Audit Committee

The AC comprises the following 3 members, of all whom are non-executive independent directors:

Lee Sen Choon (Chairman)
Tan Siak Hee
Yap Kian Peng

The Chairman, Mr. Lee Sen Choon, has more than 20 years of experience in accounting, audit, taxation and corporate secretarial work. The other two members of the AC possess experience in finance, legal and business management. The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities.

The role of the Audit Committee is to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records and develop and maintain effective systems of internal control.

The functions of the AC are as follows:

1) To review with the external auditors the audit plan, their evaluation of the system of internal accounting Controls, their letter to Management and the Management's response;

2) To review the half-yearly and annual, and quarterly if applicable, financial statements and results announcements before submission to the Board for approval;

3) To review the internal control procedures and ensure co-ordination between the external auditors and the Management;

4) To review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial positions, and management's response;

5) To make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

6) To review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;

7) To review potential conflicts of interest, if any;

8) To review all foreign exchange exposure hedging transactions and any formal hedging policies and procedures; and

9) Any other functions and duties as may be required by statute or the Listing Manual.

The AC met with the external auditors without the presence of the Company's Management. It may also examine any other aspects of the Company's affairs, as it deems necessary where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations.

Management has put in place a whistle-blowing policy duly endorsed by the AC and approved by the Board, where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters. The details of the whistle-blowing policy have been made available to all employees.

The AC has full access to the Management and also full discretion to invite any Director or key management to attend its meetings, and has been given reasonable resources to enable it to discharge its function.

The AC has conducted an annual review of the volume of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors before recommending their re-nomination to the Board. Having reviewed and satisfied that RSM Chio Lim LLP is independent, the AC recommended the re-appointment of Messrs RSM Chio Lim LLP as external auditors of the Company for the financial year ending 31 December 2009.

Principle 12: Internal Controls

The Board believes that, in the absence of any evidence to the contrary, the system of internal controls maintained by the Company's management and that was in place throughout the financial year and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and management of business risks.

The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

Principle 13: Internal Audit

The internal audit function is outsourced to a certified public accounting firm. The Internal Auditors report primarily to the Chairman of the Audit Committee ("AC").

The Internal Auditors plan its internal audit schedules in consultation with, but independent of Management. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit.

The AC reviews the activities of the internal auditors on a regular basis, including overseeing and monitoring of the implementation of the improvements required on internal controls identified.

Principle 14: Communication with Shareholders
Principle 15: Greater Shareholder Participation

The Company's results are published through the SGXNET. Results and annual reports are announced or issued within the mandatory period.

All shareholders of the Company receive copies of the Annual reports and Notice of Annual General Meeting ("AGM"). Notice of the AGM is also advertised in the newspapers and made available on the SGX-ST website.

The Company's main forum for dialogue with shareholders takes place at its AGM whereat members of the Board, Chairman of the Audit, Remuneration, and Nomination Committees, senior management and the external auditors are in attendance to answer any queries raised by the shareholders. At the AGM, shareholders are given the opportunity to express their views and ask questions regarding the Company.

Resolutions to be passed at general meetings are always separate and distinct in terms of issue so that shareholders are better able to exercise their right to approve or deny the issue or motion.

DEALINGS IN SECURITIES

The Company has devised and adopted its own internal Code of Conduct on dealing in the securities of the Company. Under the Code, dealing in the Company's shares are prohibited during the period commencing one month prior to the announcement of the Company's half-year and full-year results and ending on the date of the announcements of the results. Directors and Officers are also prohibited from dealing in the securities when they are in possession of any unpublished material price-sensitive information of the Group.

INTERESTED PERSON TRANSACTIONS

The aggregate value of all interested persons transactions during the financial year (excluding transactions less than $100,000) is as follows :

Name of Interested Persons	FY2008 $'000	FY2007 $'000
Soon Tien Investments Pte Ltd	–	3,000
Concentrate Engineering Pte Ltd	102	204

The Audit Committee will review all interested person transactions to be entered to ensure that the relevant rules under Chapter 9 of the SGX-ST Listing Manual are complied with.

MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiaries involving the interests of the Directors or controlling shareholders during the financial year.

RISK MANAGEMENT

Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies.

HEDGING POLICY

The Company has put in place hedging policies to manage its foreign exchange risks. These policies have been approved by the Board and are supported by procedures which have been reviewed and approved by the Audit Committee ("AC"). All hedging transactions shall be pre-approved by the CEO. The Company will continue to monitor its foreign exchange exposure. Any change in the hedging policy shall be subject to review and approval by the Board prior to implementation. The AC will review periodically all the foreign exchange exposure hedging transactions and any formal hedging policies and procedures of the Group.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

As at the date of this Report, the utilization of proceeds in relation to the invitation in respect of 27,000,000 new shares is as follows:

	Net proceeds from the issue of new shares $'000	Utilized $'000
Intended use of net proceed		
Extending our reach in Malaysia and establishing a presence in Indonesia, Vietnam and UAE	700	210
Increasing our range of aluminium alloy products and expanding our warehousing capacity	2,000	500
General working capital	1,650	1,650
	4,350	2,360
Balance to be utilized		1,990

The directors of the company are pleased to present their report together with the audited financial statements of the company and group for the financial year ended 31 December 2008.

1. Directors at Date of Report

The directors of the company in office at the date of this report are:

Tan Yee Chin
Tan Yee Ho
Tan Yee Leong
Lee Sen Choon
Tan Siak Hee
Yap Kian Peng

2. Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3. Directors' Interests in Shares and Debentures

The directors of the company holding office at the end of the financial year had no interests in the share capital of the company as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Cap. 50 except as follows:

	Direct Interest		**Deemed Interest**	
	At beginning of year	**At end of year**	**At beginning of year**	**At end of year**
Name of directors and companies in which interests are held	**Number of shares of no par value**			
The Company – Soon Lian Holdings Limited				
Tan Yee Chin	998,334	998,334	73,300,000	73,300,000
Tan Yee Ho	998,333	998,333	72,900,000	72,900,000
Tan Yee Leong	998,333	998,333	72,900,000	72,900,000
Lee Sen Choon	50,000	50,000	–	–
Tan Siak Hee	50,000	50,000	–	–
Yap Kian Peng	50,000	50,000	–	–

By virtue of section 7 of the Companies Act, Cap. 50, Tan Yee Chin, Tan Yee Ho and Tan Yee Leong are deemed to have an interest in the company and in all the related corporations of the company.

The directors' interests as at 21 January 2009 were the same as those at the end of the year.

4. Contractual Benefits of Directors

Since the beginning of the financial year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Companies Act, Cap 50, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

There were certain transactions (shown in the financial statements under related party transactions) with a corporation in which certain directors have an interest.

5. Options to Take Up Unissued Shares

During the financial year, no option to take up unissued shares of the company or any corporation in the group was granted.

6. Options Exercised

During the financial year, there were no shares of the company or any corporation in the group issued by virtue of the exercise of an option to take up unissued shares.

7. Unissued Shares Under Option

At the end of the financial year, there were no unissued shares under option.

8. Audit Committee

The members of the audit committee at the date of this report are as follows:

Mr Lee Sen Choon	(Chairman of audit committee and independent and non-executive director)
Mr Tan Siak Hee	(Independent and non-executive director)
Mr Yap Kian Peng	(Independent and non-executive director)

The audit committee performs the functions specified by section 201B(5) of the Companies Act. Among others, it performed the following functions:

- Reviewed with the independent external auditors their audit plan;
- Reviewed with the independent external auditors their evaluation of the company's internal accounting control, and their report on the financial statements and the assistance given by the company's officers to them;
- Reviewed with the internal auditors the scope and results of the internal audit procedures;
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX).

8. Audit Committee (Cont'd)

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditors provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditors, RSM Chio Lim LLP, be nominated for re-appointment as independent auditors at the next annual general meeting of the company.

9. Independent Auditors

The independent auditors, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

10. Subsequent Developments

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 25 February 2009, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On Behalf of the Directors

Tan Yee Chin
Director

Tan Yee Ho
Director

6 March 2009

STATEMENT BY DIRECTORS

In the opinion of the directors, the accompanying financial statements set out are drawn up so as to give a true and fair view of the state of affairs of the group and of the company as at 31 December 2008 and the results, changes in equity and cash flows of the group and the changes in equity of the company for the year ended on that date and at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

On Behalf of the Directors

Tan Yee Chin
Director

Tan Yee Ho
Director

6 March 2009

INDEPENDENT AUDITORS' REPORT

to the Members of Soon Lian Holdings Limited (Registration No: 200416295G)

We have audited the accompanying financial statements of Soon Lian Holdings Limited and its subsidiaries (the group), which comprise the balance sheets of the group and the company as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement of the group, and statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 ("the Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the Members of Soon Lian Holdings Limited (Registration No: 200416295G)

Opinion

In our opinion,

(a) the consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at 31 December 2008 and the results, changes in equity and cash flows of the group and the changes in equity of the company for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the company and by the subsidiary incorporated in Singapore of which we are the independent auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Certified Public Accountants
Singapore

6 March 2009

Partner in charge of audit: Woo E-Sah
Effective from year ended: 31 December 2008

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2008

	Notes	Group 2008 $'000	Group 2007 $'000
Revenue	5	44,550	44,238
Cost of Sales		(32,358)	(31,897)
Gross Profit		12,192	12,341
Other Items of Income			
Interest Income	6	12	–
Other Credits	7	287	1,874
Other Items of Expense			
Marketing and Distribution Costs		(1,361)	(791)
Administrative Expenses		(3,634)	(3,068)
Finance Costs	8	(1,362)	(1,534)
Other Charges	7	(2,675)	(221)
Profit Before Tax From Continuing Operations		3,459	8,601
Income Tax Expense	10	(539)	(1,359)
Profit From Continuing Operations, Net of Tax		2,920	7,242

	Notes	2008	2007
Earnings Per Share			
Earnings Per Share (expressed in cents per share)		Cents	Cents
Basic	13	2.70	8.79
Diluted	13	2.70	8.79

The accompanying notes form an integral part of these financial statements

BALANCE SHEETS
As at 31 December 2008

	Notes	Group		Company	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Non-Current Assets					
Property, Plant and Equipment, Total	14	5,681	5,964	–	–
Investments in Subsidiaries	15	–	–	9,049	8,839
Total Non-Current Assets		5,681	5,964	9,049	8,839
Current Assets					
Inventories	16	28,391	21,796	–	–
Trade and Other Receivables, Current	17	11,561	14,288	2,111	91
Other Assets, Current	18	87	66	6	2
Cash and Cash Equivalents	19	3,545	6,929	78	3,448
Total Current Assets		43,584	43,079	2,195	3,541
Total Assets		49,265	49,043	11,244	12,380
EQUITY AND LIABILITIES					
Equity					
Share Capital	20	10,579	10,539	10,579	10,539
Retained Earnings / (Accumulated Losses)		7,440	4,520	248	(112)
Other Reserves, Total		(27)	(9)	–	–
Equity, Attributable to Equity Holders of Parent, Total		17,992	15,050	10,827	10,427
Total Equity		17,992	15,050	10,827	10,427
Non-Current Liabilities					
Deferred Tax Liabilities	10	105	238	72	–
Finance Leases, Non-current	22	166	71	–	–
Other Financial Liabilities, Non-current	21	3,608	3,324	–	–
Total Non-Current Liabilities		3,879	3,633	72	–
Current Liabilities					
Income Tax Payable, Current		689	1,731	–	–
Trade and Other Payables, Current	23	19,673	22,169	345	1,953
Finance Leases, Current	22	129	113	–	–
Other Financial Liabilities, Current	21	6,903	6,347	–	–
Total Current Liabilities		27,394	30,360	345	1,953
Total Liabilities		31,273	33,993	417	1,953
Total Equity and Liabilities		49,265	49,043	11,244	12,380

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 December 2008

Group:	Capital $'000	Currency translation reserves $'000	Retained earnings $'000	Total equity $'000
Current Year:				
Opening Balance at 1 January 2008	10,539	(9)	4,520	15,050
Items of Income and Expense Recognised Directly in Equity:				
Exchange Differences on Translating Foreign Operations	–	(18)	–	(18)
Net Income Recognised Directly in Equity	–	(18)	–	(18)
Profit for the Year	–	–	2,920	2,920
Total Recognised Income and Expenses for the Year	–	(18)	2,920	2,902
Other Movements in Equity:				
Transactions With Equity Holders:				
Refund of Share Issue Expenses (Note 20)	40	–	–	40
Total Other Movements in Equity	40	–	–	40
Closing Balance at 31 December 2008	10,579	(27)	7,440	17,992
Previous Year:				
Opening Balance at 1 January 2007	2,068	(3)	6,049	8,114
Effects of Restructuring Exercise	4,121	–	(7,121)	(3,000)
Total after Restructuring Exercise	6,189	(3)	(1,072)	5,114
Items of Income and Expense Recognised Directly in Equity:				
Exchange Differences on Translating Foreign Operations	–	(6)	–	(6)
Net Income Recognised Directly in Equity	–	(6)	–	(6)
Profit for the Year	–	–	7,242	7,242
Total Recognised Income and Expenses for the Year	–	(6)	7,242	7,236
Other Movements in Equity:				
Transactions With Equity Holders:				
Issue of New Shares Pursuant to Initial Public Offering (Note 20)	5,670	–	–	5,670
Share Issue Expenses (Note 20)	(1,320)	–	–	(1,320)
Dividends Paid (Note 12)	–	–	(1,650)	(1,650)
Total Other Movements in Equity	4,350	–	(1,650)	2,700
Closing Balance at 31 December 2007	10,539	(9)	4,520	15,050

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 December 2008

Company:	Capital $'000	Retained earnings/ (Accumulated losses) $'000	Total equity $'000
Current Year:			
Opening Balance at 1 January 2008	10,539	(112)	10,427
Profit for the Year	–	360	360
Total Recognised Income and Expenses for the Year	–	360	360
Other Movements in Equity:			
Transactions With Equity Holders:			
Refund of Share Issue Expenses (Note 20)	40	–	40
Total Other Movements in Equity	40	–	40
Closing Balance at 31 December 2008	10,579	248	10,827
Previous Year:			
Opening Balance at 1 January 2007	350	(8)	342
Issue of New Shares Pursuant to Restructuring Exercise (Note 20)	5,839	–	5,839
Total after Restructuring Exercise	6,189	(8)	6,181
Loss for the Year	–	(104)	(104)
Total Recognised Income and Expenses for the Year	–	(104)	(104)
Other Movements in Equity:			
Transactions With Equity Holders:			
Issue of New Shares Pursuant to Initial Public Offering (Note 20)	5,670	–	5,670
Share Issue Expenses (Note 20)	(1,320)	–	(1,320)
Total Other Movements in Equity	4,350	–	4,350
Closing Balance at 31 December 2007	10,539	(112)	10,427

The accompanying notes form an integral part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
Year Ended 31 December 2008

	Group	
	2008 $'000	**2007 $'000**
Cash Flows From Operating Activities		
Profit Before Tax	3,459	8,601
Depreciation of Property, Plant and Equipment	506	488
Interest Expense	1,362	1,534
Interest Income	(12)	–
Forward Contract Losses: Transactions Not Qualifying as Hedges	50	154
Loss/(Gain) on Disposal of Property, Plant and Equipment	74	(1,024)
Operating Cash Flows before Changes in Working Capital	5,439	9,753
Inventories	(6,595)	(7,943)
Trade and Other Receivables, Current	2,719	(3,341)
Other Assets, Current	(21)	(19)
Trade and Other Payables, Current	(2,546)	6,131
Net Cash Flows from Operations Before Interest and Tax	(1,004)	4,581
Income Taxes Paid	(1,727)	(636)
Net Cash Flows (Used in) From Operating Activities	(2,731)	3,945
Cash Flows From Investing Activities		
Disposal of Property, Plant and Equipment	449	80
Purchase of Property, Plant and Equipment (Note 19)	(500)	(350)
Interest Received	12	–
Net Cash Flows Used in Investing Activities	(39)	(270)
Cash Flows From Financing Activities		
Dividends Paid to Equity Shareholders	–	(1,650)
Issue of Shares (IPO)	–	5,670
Other Financial Liabilities	941	940
Finance Lease Repayments	(170)	(231)
Interest Paid	(1,362)	(1,534)
Share Issue Expenses Refund/(Paid)	40	(1,320)
Net Cash Flows (Used in) From Financing Activities	(551)	1,875
Net Effect of Exchange Rate Changes in Consolidating Subsidiaries	38	5
Net (Decrease) Increase in Cash and Cash Equivalents	(3,283)	5,555
Cash and Cash Equivalents, Cash Flow Statement, Beginning Balance	4,445	(1,110)
Cash and Cash Equivalents, Cash Flow Statement, Ending Balance (Note 19)	1,162	4,445

The accompanying notes form an integral part of these financial statements

1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the parent and the group's subsidiaries.

The financial statements were approved and authorised for issue by the board of directors on 6 March 2009.

The company is an investment holding company. It is listed on the Catalist which is a market on Singapore Exchange Securities Trading Ltd.

The principal activities of the subsidiaries are described in Note 15 below.

The registered office is: 45 Joo Koon Circle Singapore 629106. The company is domiciled in Singapore.

Many countries in the region and elsewhere, including Singapore, are experiencing economic difficulties as a consequence of the current turmoil in the worldwide financial markets. This has resulted in violent fluctuations in foreign currency exchange rates, volatile share and commodity prices, uncertainty of the availability of bank finance to suppliers and customers and a slowdown in growth. The current financial crisis has affected and will continue to have an adverse impact on the company's business, financial condition, results of operations, cash flows and prospects for the foreseeable future. The recoverability of the company's assets and the ability of the company to maintain or pay its debts as they mature are dependent to a large extent on the efficacy of the fiscal and other measures undertaken by these countries to achieve economic recovery. These measures are beyond the company's control.

2. Summary of Significant Accounting Policies

Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") as well as all related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Cap. 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

Basis of Presentation

The consolidation accounting method is used for the consolidated financial statements that include the financial statements made up to the end of the reporting year each year of the company and all of its directly and indirectly controlled subsidiaries. Consolidated financial statements are the financial statements of the group presented as those of a single economic entity. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and dividends, are eliminated in full on consolidation. The results of the investees acquired or disposed of during the financial year are accounted for from the respective dates of acquisition or up to the dates of disposal which is the date on which effective control is obtained of the acquired business until that control ceases. On disposal the attributable amount of goodwill if any is included in the determination of the gain or loss on disposal.

The company's financial statements have been prepared on the same basis, and as permitted by the Companies Act, Cap. 50, no income statement is presented for the company.

2. Summary of Significant Accounting Policies (Cont'd)

Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the entity and it is shown net of sales related taxes, estimated returns, discounts and volume rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are of short duration is recognised when the services are completed. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest is recognised using the effective interest method. Dividend on equity instrument is recognised in profit or loss when the entity's right to receive payment is established.

Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund. This includes the government managed retirement benefit plan such as the Central Provident Fund in Singapore (a government managed retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income Tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred income taxes are recognised in the income statement except that when they relate to items that initially bypass the income statement and are taken to equity, in which case they are similarly taken to equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability is not recognised for all taxable temporary differences associated with investments in subsidiaries because (a) the company is able to control the timing of the reversal of the temporary difference; and (b) it is probable that the temporary difference will not reverse in the foreseeable future.

2. Summary of Significant Accounting Policies (Cont'd)

Foreign Currency Transactions

The functional currency is the Singapore dollars as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the balance sheet and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in the income statement except when deferred in equity as qualifying cash flow hedges. The presentation is in the functional currency.

Translation of Financial Statements of Other Entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the entity operates. In translating the financial statements of an investee for incorporation in the consolidated financial statements the assets and liabilities denominated in currencies other than the functional currency of the company are translated at year end rates of exchange and the income and expense items are translated at average rates of exchange for the year. The components of shareholders' equity are stated at historical value. The resulting translation adjustments (if any) are accumulated in a separate component of equity until the disposal of that investee.

Borrowing Costs

All borrowing costs that are interest and other costs incurred in connection with the borrowing of funds that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are recognised as an expense in the period in which they are incurred. The interest expense is calculated using the effective interest rate method.

Property, Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Freehold properties	–	1%
Leasehold property and improvement	–	over terms of lease which is approximately 2%
Plant and equipment	–	10% to 20%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in the income statement. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement when they are incurred.

2. Summary of Significant Accounting Policies (Cont'd)

Leased Assets

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. At the commencement of the lease term, a finance lease is recognised as an asset and as liability in the balance sheet at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Segment Reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities accompanying a shareholding of more than one half of the voting rights or the ability to appoint or remove the majority of the members of the board of directors or to cast the majority of votes at meetings of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

In the company's own separate financial statements, the investments in subsidiaries are stated at cost less any provision for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The net book values of the subsidiaries are not necessarily indicative of the amounts that would be realised in a current market exchange.

2. Summary of Significant Accounting Policies (Cont'd)

Business Combinations

Business combinations are accounted for by applying the purchase method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree; plus any costs directly attributable to the business combination. Any excess of the cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities so recognised is accounted for as goodwill. The excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost is accounted for as "negative goodwill". The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss in respect of goodwill is not reversed. There was no negative goodwill.

Goodwill and fair value adjustments resulting from the application of purchase accounting at the date of acquisition are treated as assets and liabilities of the foreign entity and are recorded at the exchange rates prevailing at the acquisition date and are subsequently translated at the period end exchange rate.

Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down through the income statement to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in the income statement. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each reporting date non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial Assets

Initial recognition and measurement and derecognition of financial assets:

A financial asset is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit and loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

2. Summary of Significant Accounting Policies (Cont'd)

Financial Assets (Cont'd)

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit and loss: As at year end date, there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not be classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically, the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at year end date there were no financial asset classified in this category.

4. Available for sale financial assets: As at year end date there were no financial asset classified in this category.

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the cash flow statement the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Hedging

The entity is exposed to currency risks. The policy is to reduce currency exposures through derivatives and other hedging instruments. From time to time, there may be foreign exchange arrangements or similar instruments entered into as hedges against changes in the fair values of the liabilities. These arrangements are not used for trading or speculative purposes. The gain or loss from remeasuring these hedging or other arrangement instruments at fair value are recognised in the income statement. The derivatives and other hedging instruments used are described below in the notes to the financial statements.

Fair value hedge: the gains or losses from remeasuring the hedging instrument at fair value (for a derivative hedging instrument) or the foreign currency component of its carrying amount (for a non-derivative hedging instrument) are recognised in the income statement. The gain or loss on the hedged item attributable to the hedged risk is also recognised in the income statement. If the hedge is terminated, no longer meets the criteria for hedge accounting or is revoked, the adjusted carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to the income statement.

2. Summary of Significant Accounting Policies (Cont'd)

Derivatives

All derivatives are initially recognised and subsequently carried at fair value. The policy is to use derivatives only for non-speculative purposes. Accounting for derivatives engaged in hedging relationships is described in the above section. Certain derivatives are entered into in order to hedge some transactions and all the strict hedging criteria prescribed by FRS 39 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in the income statement and the hedged item follows normal accounting policies.

Financial Liabilities

Initial recognition and measurement:

A financial liability is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit and loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit and loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit and loss are charged to the income statement as incurred.

2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowing are classified in this category. Items classified within trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Financial Guarantees

A financial guarantee contract requires that the issuer makes specified payments to reimburse the holder for a loss when a specified debtor fails to make payment when due. Financial guarantee contracts are initially recognised at fair value and are subsequently measured at the greater of (a) the amount determined in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18.

2. Summary of Significant Accounting Policies (Cont'd)

Fair Value of Financial Instruments

The carrying values of current financial assets and financial liabilities approximate their fair values due to the short-term maturity of these instruments. Disclosures of fair value are not made when the carrying amount current financial instruments is a reasonable approximation of fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant items at the end of the reporting year and in the event the fair values are disclosed in the relevant notes. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the reporting year. The fair value of a financial instrument is derived from an active market. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price without any deduction for transaction costs that may be incurred on sale or other disposal and, for an asset to be acquired or liability held, the asking price.

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made for where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Equity

Equity instruments are contracts that give a residual interest in the net assets of the company. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. The shares have no par value. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when paid.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in the income statement in the period they occur.

Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. These estimates and assumptions are periodically monitored to make sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

2. Summary of Significant Accounting Policies (Cont'd)

Critical Judgements, Assumptions and Estimation Uncertainties (cont'd)

Allowance for doubtful accounts:

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management specifically analyses accounts receivables and analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year.

Net realisable value of inventories:

A review is made periodically on inventory for excess inventory, obsolescence and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgment and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year was $28,391,000.

Property, plant and equipment:

The group has property, plant and equipment stated at a carrying value of $5,681,000. An assessment is made at each reporting date whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. If the revised estimated gross margin is less favourable than that used in the calculations, there would be a need to provide for impairment. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

Useful lives of plant and equipment:

The estimates for the useful lives and related depreciation charges for plant and equipment is based on commercial and production factors which could change significantly as a result of technical innovations and competitor actions in response to severe market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete or non-strategic assets that have been abandoned or sold. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the class of assets at the end of the reporting year affected by the assumption is $5,681,000.

2. Summary of Significant Accounting Policies (Cont'd)

Critical Judgements, Assumptions and Estimation Uncertainties (cont'd)

Income taxes:

The group has exposure to income taxes in two jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the group's income tax payables and deferred tax liabilities at the balance sheet date was $689,000 and $105,000 respectively.

3. Related Party Transactions

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

3.1 Related companies:

Related companies in these financial statements include the members of the company's group of companies.

There are transactions and arrangements between the company and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For non-current balances an interest is imputed based on the prevailing market interest rate for similar debt less the interest rate if any provided in the agreement for the balance. For financial guarantees a fair value is imputed and is recognised accordingly if significant where no charge is payable.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3.2 Other related parties:

There are transactions and arrangements between the company and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For non-current balances an interest is imputed based on the cost of borrowing less the interest rate if any provided in the agreement for the balance. For financial guarantees a fair value is imputed and is recognised accordingly if significant where no charge is payable.

3. Related Party Transactions (Cont'd)

3.2 Other related parties (Cont'd):

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Other related parties	
	2008 $'000	**2007 $'000**
Sale of freehold properties (Note 14)	–	(3,000)
Sale of plant and equipment	–	(6)
Purchases of goods	–	32
Rental expense	102	204

3.3 Key management compensation:

	Group	
	2008 $'000	**2007 $'000**
Salaries and other short-term employee benefits	1,668	1,732

	Group	
	2008 $'000	**2007 $'000**
Remuneration of directors of the Company	947	646
Fees to directors of the Company	70	70

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel.

3.4 Other receivables from and other payables to related parties:

The trade transactions and the trade receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

3. Related Party Transactions (Cont'd)

3.4 Other receivables from and other payables to related parties (Cont'd):

The movements in other receivables from and other payables to related parties are as follows:

Group:	**Other related parties**		**Directors**	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Other receivables/(other payables):				
Balance at beginning of year – net debit/(credit)	*	1,841	–	(98)
Amounts paid out and settlement of liabilities on behalf of another party	–	87	–	98
Amounts paid in and settlement of liabilities on behalf of the company	–	(1,928)	–	–
Balance at end of year	*	*	–	–

Company:	**Other related parties**		**Directors**	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Other receivables/(other payables):				
Balance at beginning of year – net debit/(credit)	*	203	–	(10)
Amounts paid out and settlement of liabilities on behalf of another party	–	4	–	10
Amounts paid in and settlement of liabilities on behalf of the company	–	(207)	–	–
Balance at end of year	*	*	–	–

* less than $1,000

4. Financial Information by Segments

The primary reporting format is by business segment and the secondary reporting format is by geographical area.

4A Primary Analysis by Business Segment

For management purposes, the group's operating businesses are categorised according to the industry in which their customers operate. These are grouped into the following:-

(a) Marine industry;

(b) Precision engineering;

(c) Stockists and traders; and

(d) Others

4. Financial Information by Segments (Cont'd)

4A Primary Analysis by Business Segment (Cont'd)

Segment results, assets and liabilities are those that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment assets consist principally of trade receivables that are directly attributable to a segment.

Unallocated items comprise cash and cash equivalents, inventories, other receivables, property, plant and equipment, trade and other payables, current tax payable, other financial liabilities, finance leases, deferred tax liabilities, other credits, other charges, marketing and distribution costs, administrative expenses and income tax expense.

Segment information about these businesses is presented below: -

31 December 2008	Marine $'000	Precision engineering $'000	Stockists and traders $'000	Others $'000	Group $'000
REVENUE					
External sales	26,282	12,852	4,030	1,386	44,550
RESULTS					
Segment results	7,418	3,265	990	519	12,192
Other credits					287
Interest income					12
Marketing and distribution costs					(1,361)
Administrative expenses					(3,634)
Finance costs					(1,362)
Other charges					(2,675)
Profit before tax					3,459
Income tax expense					(539)
Profit for the year					2,920
ASSETS					
Segment assets	7,202	2,792	613	737	11,344
Segment assets - Unallocated					37,921
Total assets					49,265
LIABILITIES					
Segment liabilities - Unallocated					31,273
Total liabilities					31,273
Other information:-					
Capital expenditures - Unallocated					781
Depreciation - Unallocated					506

4. Financial Information by Segments (Cont'd)

4A Primary Analysis by Business Segment (Cont'd)

31 December 2007	Marine $'000	Precision engineering $'000	Stockists and traders $'000	Others $'000	Group $'000
REVENUE					
External sales	22,298	11,661	8,662	1,617	44,238
RESULTS					
Segment results	5,788	3,765	2,314	474	12,341
Other credits					1,874
Marketing and distribution costs					(791)
Administrative expenses					(3,068)
Finance costs					(1,534)
Other charges					(221)
Profit before tax					8,601
Income tax expense					(1,359)
Profit for the year					7,242
ASSETS					
Segment assets	7,610	3,282	3,015	250	14,157
Segment assets - Unallocated					34,886
Total assets					49,043
LIABILITIES					
Segment liabilities - Unallocated					33,993
Total liabilities					33,993
Other information:-					
Capital expenditures - Unallocated					475
Depreciation - Unallocated					488

Capital expenditure and depreciation are not allocated to the respective business segments as the plant and equipment of the group are general purpose equipment that can be used to undertake production of aluminium alloys for the different market segments.

4. Financial Information by Segments (Cont'd)

4A Primary Analysis by Business Segment (Cont'd)

The following table analyses assets and liabilities not allocated to business segments because they are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis:

	2008 $'000	2007 $'000
Assets		
Property, Plant and Equipment	5,681	5,964
Inventories	28,391	21,796
Cash and Cash Equivalents	3,545	6,929
Other Receivables, Current	217	131
Other Assets, Current	87	66
	37,921	34,886

	2008 $'000	2007 $'000
Liabilities		
Tax Liabilities: Current and Deferred	794	1,969
Trade and Other Payables, Current	19,673	22,169
Finance Leases	295	184
Other Financial Liabilities	10,511	9,671
	31,273	33,993

4B Secondary Analysis by Geographical Area

The following table provides an analysis of the Group revenue by geographical market which is analysed based on the country of domicile of the customers:-

	Sales revenue	
	2008 $'000	2007 $'000
Singapore	15,307	15,491
Malaysia	15,104	12,761
Korea	3,098	685
Indonesia	3,000	2,805
UAE	2,109	4,236
Philippines	1,474	2,267
Pakistan	1,289	3,417
Other Countries	3,169	2,576
	44,550	44,238

4. Financial Information by Segments (Cont'd)

4B Secondary Analysis by Geographical Area (Cont'd)

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment analysed by the geographical area in which the assets are located:-

Segment Assets:	**2008 $'000**	**2007 $'000**
Singapore	45,863	46,573
Malaysia	3,402	2,470
	49,265	49,043

Capital Expenditure:	**2008 $'000**	**2007 $'000**
Singapore	717	261
Malaysia	64	214
	781	475

5. Revenue

	Group	
	2008 $'000	**2007 $'000**
Sale of goods	44,254	44,073
Rental income	–	41
Other income	296	124
	44,550	44,238

6. Interest Income

	Group	
	2008 $'000	**2007 $'000**
Interest income	12	–

7. Other Credits and (Other Charges)

	Group 2008 $'000	Group 2007 $'000
(Loss)/Gain on disposal of property, plant and equipment	(74)	1,024
Allowance for impairment on trade receivables - reversal	44	49
Allowance for impairment on other receivables - reversal	1	–
Foreign exchange adjustment gains	242	801
Allowance for impairment on trade receivables	(1,305)	(42)
Allowance for impairment on other receivables	–	(25)
Inventories written down	(1,246)	–
Forward contracts losses: transactions not qualifying as hedges	(50)	(154)
	(2,388)	1,653
Presented in the income statement as:		
Other Credits	287	1,874
Other Charges	(2,675)	(221)
Net	(2,388)	1,653

8. Finance Costs

	Group 2008 $'000	Group 2007 $'000
Interest expense	1,362	1,534

9. Employee Benefits Expense

	Group 2008 $'000	Group 2007 $'000
Employee benefits expense	2,639	2,137
Contributions to defined contribution plan	169	145
Other benefits	151	93
Total employee benefits expense	2,959	2,375

10. Income Tax

	Group 2008 $'000	Group 2007 $'000
Current tax	672	1,381
Deferred tax	(133)	(22)
Total income tax expense	539	1,359

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the parent is domiciled. The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 18% to profit before income tax as a result of the following differences:

	Group 2008 $'000	Group 2007 $'000
Tax rate reconciliation:		
Profit Before Tax	3,459	8,601
Income tax expense at the above rate	623	1,548
Not deductible/(not liable to tax) items	75	(120)
Tax exemptions	(49)	(27)
Over adjustments to tax in respect of previous periods	(96)	(58)
Effect of different tax rates in different countries	(1)	11
Other minor items less than 3% each	(13)	5
Total income tax expense	539	1,359
Effective tax rate	15.6%	15.8%

There are no income tax consequences of dividends to shareholders of the company.

In 2009, the government enacted a change in the national income tax rate from 18% to 17%.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

10. Income Tax (Cont'd)

Deferred tax:

The deferred tax amounts and movements in the year are as follows:

	Group Balance Sheet		Net change in consolidated income statement	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Deferred tax liabilities:				
Excess of net book value of plant and equipment over tax values	105	238	(133)	(22)
Total deferred tax liability	105	238	(133)	(22)

	Company Balance Sheet	
	2008 $'000	**2007 $'000**
Deferred tax liabilities:		
Fair value gain	72	–
Total deferred tax liability	72	–

It is impracticable to estimate the amount expected to be settled or used within one year.

11. Items in the Income Statement

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:-

	Group	
	2008 $'000	**2007 $'000**
Non-audit fee to independent auditors included under administrative expenses	16	7

12. Dividends on Equity Shares

	Group 2008 $'000	Group 2007 $'000
Final dividend paid of 30 cents net of income tax per share	–	450
Final tax exempt (one-tier) dividend paid of 80 cents net of income tax per share	–	1,200
Total dividends paid in the year	–	1,650

13. Earnings Per Share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group 2008 $'000	Group 2007 $'000
A. Numerators: earnings attributable to equity:		
Continuing operations: attributable to equity holders	2,920	7,242
B. Total basic earnings	2,920	7,242
C. Diluted earnings	2,920	7,242

	Group 2008 '000	Group 2007 '000
D. Denominators: weighted average number of equity shares		
Basic	108,000	82,405
E. Diluted	108,000	82,405

The weighted average number of equity shares refers to shares in circulation during the period.

Basic earnings per share ratio is based on the weighted average number of common shares outstanding during each period. Both basic and diluted earnings per share are the same as there are no dilutive ordinary share equivalents outstanding during the period.

14. Property, Plant and Equipment

Group	**Freehold properties $'000**	**Leasehold property and improvement $'000**	**Plant and equipment $'000**	**Total $'000**
Cost:				
At 1 January 2007	3,090	3,502	3,215	9,807
Additions	–	–	475	475
Disposals (a)	(2,485)	–	(148)	(2,633)
Foreign exchange adjustment	(7)	–	(4)	(11)
At 31 December 2007	598	3,502	3,538	7,638
Additions	–	–	781	781
Disposals	–	–	(825)	(825)
Foreign exchange adjustment	(21)	–	(14)	(35)
At 31 December 2008	577	3,502	3,480	7,559
Accumulated depreciation:				
At 1 January 2007	502	223	1,037	1,762
Depreciation for the year	27	71	390	488
Disposals	(519)	–	(57)	(576)
At 31 December 2007	10	294	1,370	1,674
Depreciation for the year	5	71	430	506
Disposals	–	–	(302)	(302)
At 31 December 2008	15	365	1,498	1,878
Net book value:				
At 1 January 2007	2,588	3,279	2,178	8,045
At 31 December 2007	588	3,208	2,168	5,964
At 31 December 2008	562	3,137	1,982	5,681

The depreciation expense is charged as follows:

	Cost of sales $'000	**Administrative expenses $'000**	**Total $'000**
2008	245	261	506
2007	218	270	488

14. Property, Plant and Equipment (Cont'd)

(a) Pursuant to a restructuring exercise, the subsidiary, Soon Lian Hardware (Pte.) Ltd., sold four freehold properties to a related party for an aggregate consideration of $3,000,000, based on independent valuation. Upon the agreement of all parties, the purchase consideration for the properties payable by the related party to the company was set-off against the cash portion of the purchase consideration payable by the company to the then shareholders of the company for the acquisition of the company. Completion of the sale and purchase took place on 30 November 2007 and the purchase consideration has been fully settled.

The group's freehold properties and leasehold property are mortgaged to the banks for credit facilities and term loan as disclosed in Note 21.

Motor vehicles with a net book value of $564,000 (2007: $865,000) are registered in the names of directors who hold the assets in trust for the group.

Certain items are under finance lease agreements (see Note 22).

15. Investments in Subsidiaries

	Company	
	2008 $'000	**2007 $'000**
Unquoted shares at cost	9,049	8,839
Net book value of subsidiaries	16,309	13,524
Analysis of above amount denominated in non-functional currency:		
Malaysia Ringgit	605	395

The subsidiaries held by the company are listed below:

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	**Cost in Books of Group**		**Effective Percentage of Equity Held by Group**	
	2008 $'000	**2007 $'000**	**2008 %**	**2007 %**
Soon Lian Hardware (Pte.) Ltd. Singapore Supplier of aluminium alloy products	8,444	8,444	100	100
Soon Lian Hardware (M) Sdn. Bhd. (a) Malaysia Supplier of aluminium alloy products	605	395	100	100

(a) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. The name of the independent auditors is Horwath Johor Bahru.

16. Inventories

	Group 2008 $'000	Group 2007 $'000
Goods for resale	28,391	21,796

Inventories are stated after allowance. Movements in allowance:

	2008 $'000	2007 $'000
Balance at beginning of year	–	–
Charge to income statement included in other charges	1,246	–
Balance at end of year	1,246	–
The write-downs of inventories charged to income statement included in other charges	1,246	–
Changes in inventories of finished goods (increase)	(6,595)	(7,943)
Purchase of inventories	38,023	38,094

There are no inventories pledged as security for liabilities.

17. Trade and Other Receivables, Current

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Trade receivables:				
Outside parties	12,659	14,560	–	91
Less allowance for impairment	(1,315)	(403)	–	–
Subtotal	11,344	14,157	–	91
Other receivables:				
Subsidiary (Note 3)	–	–	2,068	–
Related party (Note 3)	*	*	*	*
Deposits	150	87	–	–
Current tax recoverable	–	12	–	–
Other receivables	141	107	43	–
Less allowance for impairment	(74)	(75)	–	–
Subtotal	217	131	2,111	*
Total trade and other receivables	11,561	14,288	2,111	91
Movements in above allowance:				
Balance at beginning of year	478	460	–	–
Charge for trade receivables to income statement included in Other Charges	1,305	42	–	–
Reversal for trade receivables to income statement included in Other Credits	(44)	(49)	–	–
Charge for other receivables to income statement included in Other Charges	–	25	–	–
Reversal for other receivables to income statement included in Other Credits	(1)	–	–	–
Used/Bad debts written off	(349)	–	–	–
Balance at end of year	1,389	478	–	–

* less than $1,000

18. Other Assets, Current

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Prepayments	87	66	6	2

19. Cash and Cash Equivalents

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Not restricted in use	3,545	6,929	78	3,448

The interest earning balances are not significant.

19A. Cash and Cash Equivalents in the Cash Flow Statement:

	Group	
	2008 $'000	2007 $'000
As shown above	3,545	6,929
Bank overdrafts (Note 21)	(2,383)	(2,484)
Cash and cash equivalents for cash flow statement purpose at end of year	1,162	4,445

NON-CASH TRANSACTIONS – During the year, there were acquisitions of plant and equipment with a total cost of $281,000 (2007: $125,000) by means of finance leases.

20. Share Capital

	Number of shares issued	Share capital
		$
Ordinary shares of no par value:		
Balance at beginning of year 1 January 2007	350	350
Issue of new shares pursuant to restructuring exercise	5,839	5,839
	6,189	6,189
Sub-division of shares	81,000	6,189
New shares to be issued pursuant to the initial public offer	27,000	5,670
Share issue expenses (a)	–	(1,320)
Balance at end of year 31 December 2007	108,000	10,539
Refund of share issue expenses	–	40
Balance at end of year 31 December 2008	108,000	10,579

20. Share Capital (Cont'd)

(a) In connection with the initial public offering during the year ended 31 December 2007, the independent auditors were paid non-statutory fees of $220,000 for their services as reporting accountants. The share issue expenses totalled $1,320,000.

The ordinary shares of no par value which are fully paid carry no right to fixed income. The company is not subject to any externally imposed capital requirement except as mentioned below:

The only externally imposed capital requirement is that for the group to maintain its listing on the Singapore Stock Exchange it has to have share capital of at least a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did from the company's initial listing. Management receives a report from the registrars frequently on substantial share interests showing the non-free float and it demonstrated continuing compliance with the 10% limit throughout the year.

Companies listed on SESDAQ have been transferred to Catalist as non-sponsored Catalist ("Catalist NS") companies. The company is one of them. The transition measures require a Catalist NS issuer to, among other things, submit a quarterly progress report on its transition plans and require a Catalist NS issuer to, from 1 January 2009, appoint a sponsor and comply with the Catalist Rules when it undertakes certain corporate actions including rights issues, placement of shares, company warrants or other convertible securities for cash, major transactions, transactions requiring shareholders' approval and schemes of arrangement.

The objectives when managing capital are: to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. The company sets the amount of capital in proportion to risk. The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital (as shown below). Net debt is calculated as total debt (as shown in the balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, retained earnings and currency translation reserve):

	2008 $'000	2007 $'000
Net debt:		
All current and non-current borrowings including finance leases	25,472	26,883
Less cash and cash equivalents	(3,545)	(6,929)
Net debt	21,927	19,954
Net capital:		
Equity	17,992	15,050
Net capital	17,992	15,050
Debt-to-adjusted capital ratio	121.8%	132.6%

All reserves classified on the face of the balance sheet as retained earnings represents past accumulated earnings and are distributable. The other reserves are not available for cash dividend unless realised.

21. Other Financial Liabilities

	Group 2008 $'000	Group 2007 $'000
Non-current:		
Term loans (secured) (Note 21B)	3,160	3,324
Term loans (unsecured) (Note 21B)	448	–
Non-current, total	3,608	3,324
Current:		
Bank overdrafts (secured) (Note 21A)	7	1,178
Bank overdrafts (unsecured) (Note 21A)	2,376	1,306
Bank loans (secured) (Note 21A)	–	1,297
Bank loans (unsecured) (Note 21A)	3,025	2,041
Term loans (secured) (Note 21B)	157	173
Term loans (unsecured) (Note 21B)	1,338	352
Current, total	6,903	6,347
Total	10,511	9,671

The range of floating rate interest rates which approximate the weighted effective interest rates paid:

	2008	2007
Bank overdrafts (secured)	7.50%	5.25% to 5.50%
Bank overdrafts (unsecured)	5.25% to 6.75%	5.50% to 6.75%
Bank loans (secured)	–	5.23% to 5.50%
Bank loans (unsecured)	3.60% to 6.50%	5.05% to 6.17%
Term loans (secured)	4.75% to 6.75%	4.75% to 7.75%
Term loans (unsecured)	5.50%	4.53% to 5.53%

21A. Bank Loans and Bank Overdrafts

The bank agreements for certain of the bank loans, bank overdrafts and other credit facilities provide among other matters for the following:-

1. The legal mortgage over a subsidiary's freehold property (Note 14);

2. Corporate guarantee from Soon Lian Holdings Limited; and

3. Joint and several guarantee from certain directors of the company.

21. Other Financial Liabilities (Cont'd)

21B. Term Loans

	Group	
	2008 **$'000**	**2007** **$'000**
Term loan 1	951	1,001
Term loan 2	1,786	–
Term loan 3	–	18
Term loan 4	2,055	2,147
Term loan 5	–	352
Term loan 6	311	331
	5,103	3,849

The carrying amount of the current portion and non-current portions of the term loans from banks are assumed to be a reasonable approximation of fair values.

(a) Term loan 1 is repayable by 240 equal monthly instalments commencing May 2002. This is secured by corporate guarantee from Soon Lian Holdings Limited and first and legal mortgage on a related party's freehold properties.

(b) The number of monthly repayment and commencing date for term loans 2, 3 and 4 are as follows:

	Monthly equal instalments	**Commencing date**
Term loan 2	18	November 2008
Term loan 3	48	July 2004
Term loan 4	240	December 2003

These are secured by:

(i) Corporate guarantee from Soon Lian Holdings Limited;

(ii) First and legal charge on subsidiary's leasehold property (Note 14); and

(iii) First and legal charge on subsidiary's machinery with zero net book value (2007: $105,000).

(c) Term loan 5 is repayable by 35 monthly instalments of $27,000 each and a final instalment of the balance amount outstanding. This is secured by a joint and several personal guarantees of certain directors of the company. As at 31 December 2008, the loan has been fully repaid.

(d) Term loan 6 is repayable by 240 equal monthly instalments commencing November 2006. This is secured by a first and legal charge on the freehold property of Soon Lian (M) Sdn Bhd and a joint and several personal guarantees of certain directors of the company.

22. Finance Leases

Group **2008**	**Minimum payments $'000**	**Finance charges $'000**	**Present value $'000**
Minimum lease payments payable:			
Due within one year	140	(11)	129
Due within 2 to 5 years	184	(18)	166
Total	324	(29)	295
Net book value of plant and equipment under finance leases			563

2007	**Minimum payments $'000**	**Finance charges $'000**	**Present value $'000**
Minimum lease payments payable:			
Due within one year	124	(11)	113
Due within 2 to 5 years	76	(5)	71
Total	200	(16)	184
Net book value of plant and equipment under finance leases			653

It is a policy to lease certain of its plant and equipment under finance leases. The average lease term ranges from 2 – 4 years. The rate of interest for finance leases ranges from 2.33% to 4.37% (2007: 2.3% to 5.5%) per year. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets.

The carrying amount of the lease liabilities is not significantly different from the fair value.

23. Trade and Other Payables, Current

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Trade payables:				
Outside parties and accrued liabilities	4,841	4,716	345	157
Bills payable (a)	14,666	17,028	–	–
Related parties (Note 3)	–	1	–	–
Subtotal	19,507	21,745	345	157
Other payables:				
Subsidiary (Note 3)	–	–	–	1,796
Other payables	166	424	–	–
Subtotal	166	424	–	1,796
Total trade and other payables	19,673	22,169	345	1,953

(a) The range of floating interest rates which approximate the weighted effective interest rates paid was 3.25% to 7.44% (2007: 4.56% to 7.61%) per annum.

24. Derivatives Financial Instruments and Hedge Accounting

24A. Forward Currency Contracts

This includes the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

	Group		
	Contractual amount $'000	Maturity	Fair value $'000
2008			
Purchase United States dollars for Singapore dollars	7,681	06 January 2009 to 15 April 2009	(50)
2007			
Purchase United States dollars for Singapore dollars	2,907	07 January 2008 to 05 March 2008	(154)

Currency derivatives are utilised to hedge significant future transactions and cash flows. The group is party to variety of foreign currency forwards contracts and options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the group's principal markets. As a matter of principle, the group does not enter into derivative contracts for speculative purposes.

25. Financial Instruments: Information on Financial Risks

25A. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the year by FRS 39 categories:

	Group	
	2008 $'000	**2007 $'000**
Financial assets:		
Cash and cash equivalents	3,545	6,929
Loans and receivables	11,411	14,201
At end of year	14,956	21,130
Financial liabilities:		
Borrowings at amortised cost	10,806	9,855
Trade and other payables at amortised cost	19,673	22,169
At end of year	30,479	32,024

	Company	
	2008 $'000	**2007 $'000**
Financial assets:		
Cash and cash equivalents	78	3,448
Loans and receivables	2,111	91
At end of year	2,189	3,539
Financial liabilities:		
Trade and other payables at amortised cost	345	1,953
At end of year	345	1,953

Further quantitative disclosures are included throughout these financial statements.

25. Financial Instruments: Information on Financial Risks (Cont'd)

25B. Financial Risk Management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. The main risks arising from the entity's financial instruments are credit risk, interest risk, liquidity risk, foreign currency risk and market price risk comprising interest rate and currency risk exposures. The management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The major guidelines are the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

3. Enter into derivatives or any other similar instruments solely for hedging purposes.

4. All financial risk management activities are carried out and monitored at central level by senior management staff.

5. All financial risk management activities are carried out following good market practices.

The chief financial officer who monitors the procedures reports to the board. Checked by management are conducted to ensure that the policies and procedures are followed in practice.

With regard to derivatives, the policies are as follows:

1. The company documents carefully all derivatives including the relationship between then and the hedged items at inception and throughout their life.

2. Ineffectiveness is recognised in the income statement as soon as it arises.

3. Effectiveness is assessed at the inception of the hedge and at each reporting date ensuring that FRS 39 criteria are met.

4. Only high quality financial institutions are used as counterparties for derivatives.

25. Financial Instruments: Information on Financial Risks (Cont'd)

25C. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, certain investments, and other financial assets. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the reporting year. Credit risk on cash balances with banks and derivative financial instruments is limited because the counter-parties are banks with acceptable credit ratings. All unencumbered bank deposits totalling $3,430,000 with the banks licensed by the Monetary Authority of Singapore are guaranteed by the Singapore Government until 31 December 2010. For credit risk on receivables an ongoing credit evaluation is performed of the debtors' financial condition and a loss from impairment is recognised in the income statement. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements. The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

As is disclosed in Note 19 cash and cash equivalents balances represent short term deposits with a less than 90-day maturity.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 90 days (2007: 30 to 90 days). But some customers take a longer period to settle the amounts. The table below illustrates the ageing analysis of trade and other receivables (excluding deposits):

	Group	
	2008 $'000	**2007 $'000**
Trade and other receivables:		
Less than 30 days	3,766	3,872
31-60 days	2,440	2,244
61-90 days	2,198	2,751
91- 180 days	1,558	3,623
Over 180 days	1,449	1,711
At end of year	11,411	14,201

Other receivables are normally with no fixed terms and therefore there is no maturity.

Concentration of trade receivable customers:

	2008 $'000	**2007 $'000**
Top 1 customer	2,927	2,746
Top 2 customers	5,169	3,779
Top 3 customers	5,998	4,794

The allowance is based on individual accounts totalling $1,389,000 (2007: $478,000) that are determined to be impaired at the year end date. There are not secured.

25. Financial Instruments: Information on Financial Risks (Cont'd)

25D. Liquidity Risk

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities.

The following table analyses financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Other financial liabilities $'000	Finance leases $'000	Trade and other payables $'000	Total $'000
2008:				
Less than 1 year	6,903	129	19,673	26,705
Due within 2 to 5 years	1,207	166	–	1,373
Over 5 years	2,401	–	–	2,401
At end of year	10,511	295	19,673	30,479

	Other financial liabilities $'000	Finance leases $'000	Trade and other payables $'000	Total $'000
2007				
Less than 1 year	6,319	113	22,169	28,601
Due within 2 to 5 years	743	71	–	814
Over 5 years	2,609	–	–	2,609
At end of year	9,671	184	22,169	32,024

Company	Trade and other payables 2008 $'000	2007 $'000
Less than 1 year	345	1,953
At end of year	345	1,953

The average credit period taken to settle trade payables is about 30 to 90 days (2007: 30 to 90 days). The other payables are with short-term durations.

It is expected that all the liabilities will be paid at their contractual maturity. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

25. Financial Instruments: Information on Financial Risks (Cont'd)

25D. Liquidity Risk (Cont'd)

Bank facilities:

	Group 2008 $'000	Group 2007 $'000
Undrawn borrowing facilities	26,256	13,134

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for budgeted operations. A monthly schedule showing the maturity of financial liabilities and unused borrowing facilities is provided to the directors to assist them in monitoring the liquidity risk.

25E. Interest Rate Risk

The interest rate risk exposure is mainly on financial liabilities. These financial instruments are at floating rates.

The interest rates are disclosed in the respective Notes 21, 22 and 23.

Sensitivity analysis:

	Group 2008 $'000	Group 2007 $'000
A hypothetical increase in interest rates by 50 basis points would have a adverse effect on profit before tax of	131	116
A hypothetical increase in interest rates by 100 basis points would have a adverse effect on profit before tax of	262	231
A hypothetical increase in interest rates by 150 basis points would have a adverse effect on profit before tax of	393	347
A hypothetical increase in interest rates by 200 basis points would have a adverse effect on profit before tax of	524	463

The analysis has been performed separately for fixed interest rate financial assets and liabilities and floating interest rate financial assets and liabilities. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair value. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expense.

In management's opinion, the above effective interest rates are unrepresentative of the inherent interest risks as the historical exposure does not reflect the exposure in the future.

25. Financial Instruments: Information on Financial Risks (Cont'd)

25F. Foreign Currency Risks

There is exposure to foreign currency risk as part of its normal business.

Analysis of amounts denominated in non-functional currency:

Financial assets:	Cash $'000	Group Receivables $'000	Total $'000
At 31 December 2008:			
US dollars	740	1,129	1,869
Malaysia Ringgit	115	588	703
	855	1,717	2,572
At 31 December 2007:			
US dollars	1,320	2,389	3,709
Malaysia Ringgit	109	407	516
	1,429	2,796	4,225

	Group			
Financial liabilities:	**Other financial liabilities $'000**	**Finance leases $'000**	**Trade and other payables $'000**	**Total $'000**
At 31 December 2008:				
US dollars	–	–	17,302	17,302
Malaysia Ringgit	318	80	37	435
	318	80	17,339	17,737
At 31 December 2007:				
US dollars	–	–	17,157	17,157
Malaysia Ringgit	373	93	1,155	1,621
	373	93	18,312	18,778

25. Financial Instruments: Information on Financial Risks (Cont'd)

25F. Foreign Currency Risks (Cont'd)

Sensitivity analysis:

	Group	
	2008 $'000	2007 $'000
A hypothetical 10% increase in the exchange rate of the function currency $ against all other currencies would have a favourable / (adverse) effect on profit before tax of	1,300	1,456
A hypothetical 10% increase in the exchange rate of the function currency $ against the US$ would have a favourable / (adverse) effect on profit before tax of	1,403	1,345
A hypothetical 10% increase in the exchange rate of the function currency $ against the Malaysia Ringgit would have a favourable / (adverse) effect on profit before tax of	(103)	111

The analysis above has been carried out on the basis that there are no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risk as the historical exposure does not reflect the exposures in future.

26. Capital Commitments

Estimate amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2008 $'000	2007 $'000
Commitments to purchase of plant and equipment	47	–

27. Operating Lease Payment Commitments

At the balance sheet date the total of future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2008	**2007**
	$'000	**$'000**
Not later than one year	509	182
Later than one year and not later than five years	670	249
Later than five years	2,549	2,482
Rental expense for the year	456	298

Operating lease payments represent mainly rentals payable for company's leasehold property, warehouse and dormitory at:

Leasehold property

- 45 Joo Koon Circle
  The lease from Jurong Town Corporation is for 60 years from 1 April 1993.

Warehouse

- 9 Gul Circle
  The lease from Transware Distribution Services Pte Ltd is for 2 years from 1 September 2008.

Workers' domitory

- 21 Tuas View Loop
  The lease from TSL 8Quarters Pte Ltd is for 1 year from 1 July 2008.

The above rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage. Such increases are not included in the above amounts.

28. Changes and Adoption of Financial Reporting Standards

For the year ended 31 December 2008 the following new or revised Singapore Financial Reporting Standards were adopted for the first time. The new or revised standards did not require any material modification of the measurement method or the presentation in the financial statements.

FRS No.	**Title**
INT FRS 111	FRS102 - Group and Treasury Share Transactions (*)
INT FRS 112	Service Concessions Arrangements (*)
INT FRS 114	FRS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (*).

(*) Not relevant to the entity.

29. Future Changes in Financial Reporting Standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates are not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 1	(Revised) Presentation of Financial Statements	1.1.2009
FRS 23	Borrowing Costs	1.1.2009
FRS 103	(Revised) Business Combinations and consecutive amendments in other Standards	1.1.2009
FRS 108	Operating Segments	1.1.2009
INT FRS 113	Customer Loyalty Programs (*)	1.7.2008
INT FRS 116	Hedges of a Net Investment in a Foreign Operation (*)	1.10.2008

(*) Not relevant to the entity.

STATISTICS OF SHAREHOLDINGS

As at 18 March 2009

Issued and fully paid share capital	:	SGD 11,859,000
Number of shares	:	108,000,000
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 18 MARCH 2009

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	0	0.00	0	0.00
1,000 - 10,000	289	63.66	1,793,000	1.66
10,001 - 1,000,000	157	34.58	16,642,000	15.41
1,000,001 and above	8	1.76	89,565,000	82.93
Total	**454**	**100.00**	**108,000,000**	**100.00**

Shareholding held by the public

Based on the information available to the Company as at 18 March 2009, approximately 27.39% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

TWENTY LARGEST SHAREHOLDERS AS AT 18 MARCH 2009

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	Soon Tien Holdings Pte. Ltd.	72,900,000	67.50
2	2G Capital Pte Ltd	5,000,000	4.63
3	Phillip Securities Pte Ltd	4,218,000	3.91
4	Kim Eng Securities Pte. Ltd.	2,255,000	2.09
5	Ng Kim Ying	1,600,000	1.48
6	Sia Ling Sing	1,567,000	1.45
7	Tan Ee Hoon	1,012,500	0.94
8	Tan Ee Tin	1,012,500	0.94
9	Ang Yu Seng	1,000,000	0.93
10	Tan Yee Chin	998,334	0.92
11	Tan Yee Ho	998,333	0.92
12	Tan Yee Leong	998,333	0.92
13	Ng Chwee Cheng	903,000	0.84
14	Chow Tuck Fai	800,000	0.74
15	Ang De Yu	600,000	0.56
16	Lee Tiam Nam	500,000	0.46
17	Lim Bok Teck	455,000	0.42
18	Sok Hang Chaw	450,000	0.42
19	Tan Lay Peng	400,000	0.37
20	United Overseas Bank Nominees Pte Ltd	346,000	0.32
	Total	**98,014,000**	**90.76**

STATISTICS OF SHAREHOLDINGS
As at 18 March 2009

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2009

Name of shareholder	Direct interest No. of shares	% of shares	Deemed interest No. of shares	% of shares
Soon Tien Holdings Pte. Ltd.	72,900,000	67.50	–	–
Tan Yee Chin (1)(2)	998,334	0.92	73,300,000	67.87
Tan Yee Ho (1)	998,333	0.92	72,900,000	67.50
Tan Yee Leong (1)	998,333	0.92	72,900,000	67.50

Notes:

(1) Each of Tan Yee Chin, Tan Yee Ho and Tan Yee Leong is deemed to have an interest in the shares held by Soon Tien Holdings Pte. Ltd. by virtue of his holding more than 20% of the total issued shares in Soon Tien Holdings Pte. Ltd..

(2) Tan Yee Chin is deemed to have an interest in the 400,000 shares held by his wife, Tan Lay Peng.

NOTICE IS HEREBY GIVEN that the 2009 Annual General Meeting of the shareholders of the Company will be held at 45 Joo Koon Circle Singapore 629106 on Friday, 24 April 2009 at 9.30 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and consider the audited financial statements of the Company and the Reports of the Directors and Auditors for the year ended 31 December 2008. — Resolution 1

2. To re-elect the following directors retiring pursuant to the Company's Articles of Association:

   Mr Tan Yee Ho (Article 104) — Resolution 2

   Mr Tan Yee Leong (Article 104) — Resolution 3

3. To approve the Directors' fees of $70,000 for the year ended 31 December 2008. — Resolution 4

4. To re-appoint Messrs RSM Chio Lim LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. — Resolution 5

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolution as Ordinary Resolution:

5. **Ordinary Resolution: Authority to allot and issue shares up to fifty per centum (50%) of the issued shares in the capital of the Company** — Resolution 6

   "That pursuant to Section 161 of the Companies Act, Cap. 50. and the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to allot and issue shares and convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that:-

   (a) the aggregate number of shares and convertible securities to be issued pursuant to this Resolution does not exceed 50 per cent (50%) of the total number of issued shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to existing shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (b) below);

   (b) (subject to such manner of calculations as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares excluding treasury shares shall be based on the total number of issued shares excluding treasury shares of the Company at the time this Resolution is passed after adjusting for:-

      (i) new shares arising from the conversion or exercise of any convertible securities;

      (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of SGX-ST; and

(iii) any subsequent bonus issue, consolidation or sub-division of shares

(c) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (i)]

6. And to transact any other business which may be properly transacted at an Annual General Meeting.

Explanatory Notes:

(i) The proposed Resolution 6, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The number of shares and convertible securities, which the Directors may allot and issue under this Resolution shall not exceed 50% of the total number of issued shares excluding treasury shares of the Company at the time of passing this Resolution. For allotment and issue of shares and convertible securities other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares and convertible securities to be allotted and issued shall not exceed 20% of the total number of issued shares excluding treasury shares of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting.

BY ORDER OF THE BOARD

Catherine Lim Siok Ching
Company Secretary

Singapore
Date : 7 April 2009

Notes:

a) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

b) If a proxy is to be appointed, the form must be deposited at the registered office of the Company at 45 Joo Koon Circle Singapore 629106 not less than 48 hours before the meeting.

c) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.

d) In the case of joint shareholders, all holders must sign the form of proxy.

SOON LIAN HOLDINGS LIMITED

Registration No. 200416295G
(Incorporated in Singapore)

IMPORTANT

1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. The Proxy form is, therefore, not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

I/We ______________________________

of ______________________________

being a member(s) of Soon Lian Holdings Limited (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and if necessary, to demand a poll at the 2009 Annual General Meeting of the Company to be held on Friday, 24 April 2009 at 45 Joo Koon Circle Singapore 629106 at 9.30 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Resolutions	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 December 2008		
2	Re-election of Mr Tan Yee Ho as Director		
3	Re-election of Mr Tan Yee Leong as Director		
4	Approval of Directors' fees for the year ended 31 December 2008		
5	Re-appointment of RSM Chio Lim LLP as Auditors		
6	Authority to issue shares		

Signed this ____________ day of ____________ 2009

Total number of shares held	

____
Signature or Common Seal of shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes :

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.

5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Cap. 50.

6. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 45 Joo Koon Circle Singapore 629106 not later than 48 hours before the time set for the Annual General Meeting.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

www.soonlian.com

SOON LIAN
HOLDINGS LIMITED
順聯控股有限公司

Soon Lian Holdings Limited
Company registration no. 200416295G

45 Joo Koon Circle Singapore 629106
Telephone: +(65) 6261 8888
Facsimile: +(65) 6862 6888
Email: irelations@soonlian.com