



Soon Lian Holdings Limited
45 Joo Koon Circle
Singapore 629106
Tel: (65) 6261 8888

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Contact Information:

August Consulting

Tel: (65) 6733 8873 Fax: (65) 6733 9913

Winston CHOO – winston@august.com.sg

Cecilia DU – cecilia@august.com.sg

Erin TAN – erin@august.com.sg

Aluminium alloy products specialist Soon Lian's IPO attracts strong demand

- *IPO is approximately 7.2 times subscribed*
- *Debuts on SGX Sesdaq on 13 December 2007*

SINGAPORE – 12 December 2007– Soon Lian Holdings Limited (“Soon Lian” or the “Group”), a specialist supplier of over 1,200 different aluminium alloy products, mainly to the marine and precision engineering industries, announced today that its initial public offering (“IPO” or the “Invitation”) on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Dealing and Automated Quotation System (the “SGX Sesdaq”) has attracted strong interest from institutional and retail investors.

The IPO comprised 27 million New Shares at S\$0.21 per share (the “Invitation Shares”), of which 1 million Shares were available to the public for subscription (the “Offer Shares”), and 26 million Shares by way of placement (the “Placement Shares”).

As at the close of the public offer at 12 noon on 11 December 2007, there were **3,698** valid applications received for its 1 million Offer Shares made available to the public. In total, these applicants applied for an aggregate of **167,363,000** Offer Shares, with application monies received amounting to approximately **S\$35.1** million.

Based on the total invitation size of 27 million New Shares and the total valid applications received for both the Offer Shares and Placement Shares, the IPO was approximately **7.2** times subscribed.

The Invitation, which represents approximately 25% of Soon Lian's enlarged share capital of 108 million shares, was priced at a price earnings ratio of 5.2 times, based on the Group's net earnings per share of 4.0 cents for the financial year ended 31 December 2006 and pre-Invitation share capital of 81 million shares.

Trading of the Shares of Soon Lian on the SGX Sesdaq is expected to commence at 9.00 a.m. on 13 December 2007.

Phillip Securities Pte Ltd is the Issue Manager, Underwriter and Placement Agent for the IPO.

"We would like to thank all investors for their support to Soon Lian. We view this as a vote of confidence in our strong fundamentals, prospects and growth strategy. Our listing will serve as a springboard to further strengthen Soon Lian's regional presence, via a heightened regional profile and a wider product offering," said Mr Tony Tan, Chairman and CEO of Soon Lian.

To meet the varied needs of the Group's customers from the high-growth marine and precision engineering industries, Soon Lian will continue to secure new distributorships for trademarked, patented, or new grades of products and expand its well-diversified supplier base to ensure a steady supply of suitable aluminium alloy products at the most competitive price.

Mr Tan added, "We believe the demand for our aluminium alloy products will remain robust due to the growing demand for offshore oil and gas service vessels as a result of a global increase in oil and gas exploration and production activities. At the same time, as the economies of Southeast Asia, PRC and India continue to grow, the precision engineering industry will correspondingly expand and this will in turn drive the demand for our aluminium alloy products."

Use of proceeds

Soon Lian intends to use the net proceeds of the IPO which amount to approximately S\$4.2 million for the following:-

- Approximately S\$0.7 million to extend its reach in Malaysia and establish a presence in Indonesia, Vietnam and UAE
- Approximately S\$2.0 million to increase its range of aluminium alloy products and expand its warehousing capacity
- The balance for general working capital

Corporate Profile

Established in 1983 with only seven staff, Soon Lian operated from a 218 square metre office cum store in Singapore, supplying common grade aluminium alloy and stainless steel products to machine shops and construction companies in Singapore.

Under the stewardship of a committed and experienced management team, the Group has grown rapidly over the past 20 years to become a reputable supplier of aluminium alloy products. Today, the Group has four warehouses in Singapore and Malaysia, and supplies a comprehensive range of over 1,200 different aluminium alloy products to 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. Soon Lian's products today cater mainly to the marine and precision engineering industries as they provide better profit margins compared to general purpose aluminium alloy products.

Equipped with a Computer Numerical Control ("CNC") underwater plasma cutting system and CNC high precision saws, Soon Lian has the capability to provide quality customisation services to cut aluminium alloy products to precise dimensions, some of which may be non-industry standard sizes, according to the requirements of its customers.

Over the years, Soon Lian has established strong relationships with its major suppliers, some of which are amongst the world's largest aluminium alloy products manufacturers, such as Alcoa and Alcan – both of which have been principals of Soon Lian for over ten years. Soon Lian is also an exclusive distributor for Merrem in Singapore, Indonesia, Malaysia, Thailand and Philippines.

To increase the resilience of its operations and effectively manage business risks, Soon Lian continually builds and maintains a well-diversified customer base to ensure that it is not overly reliant on any particular customer. In addition, Soon Lian maintains a well-diversified supplier base to ensure a steady supply of suitable aluminium alloy products at the most competitive price. The Group also sources inventories of aluminium alloy products from more than 100 suppliers in countries such as Canada, India, Indonesia, PRC, Singapore, South Africa and USA.

In the last three financial years from FY2004 to FY2006, Soon Lian's net profit grew at a compounded annual growth rate ("CAGR") of 50.2% to S\$3.3 million while sales grew at a CAGR of 38.6% to S\$31.0 million. For the half year ended 30 June 2007, revenue increased 34.5% to S\$19.8 million, while net profit rose 67.6% to S\$2.7 million compared to the half year ended 30 June 2006.

As a testimony of its high level of customer satisfaction, repeat customers accounted for more than 70% of the revenue of Group in the last three financial years.

Soon Lian was awarded the BS EN ISO 9001:2000, EN ISO 9001:2000 and ISO 9001:2000 certifications in April 2002 for its quality management system.

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This media announcement is qualified in its entirety, and should be read in conjunction with the full text of the Prospectus, registered by the Monetary Authority of Singapore on 3 December 2007, including but not limited to the sections "Risk Factors", and "Cautionary Note Regarding Forward-Looking Statements". Words and expressions not defined in this media announcement have the same meaning as defined in the Prospectus unless the context requires otherwise.