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**SIN GHEE HUAT CORPORATION LTD.**

(Co. Regn. No: 197700475Z)

(Incorporated in the Republic of Singapore)

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**FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2007**

The Board of Directors of Sin Ghee Huat Corporation Ltd. (the "Company") is pleased to make the following full year financial statement and dividend announcement.

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS****1(a) An income statement together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	FY2007	FY2006	Increase/ (Decrease)
	\$'000	\$'000	%
Revenue	93,636	78,143	19.8
Cost of sales	(61,869)	(55,936)	10.6
<b>Gross profit</b>	<b>31,767</b>	<b>22,207</b>	43.0
Other operating income	592	719	(17.7)
	32,359	22,926	41.1
Distribution costs	(3,623)	(3,424)	5.8
Administrative expenses	(5,839)	(5,163)	13.1
Other operating expenses	(224)	(717)	(68.8)
Finance costs	(453)	(548)	(17.3)
<b>Profit before income tax</b>	<b>22,220</b>	<b>13,074</b>	70.0
Income tax expenses	(4,280)	(2,684)	59.5
<b>Net profit for the financial year</b>	<b>17,940</b>	<b>10,390</b>	72.7

**Note:**

Profit before income tax has been arrived at after (charging)/crediting the following:

	FY2007	FY2006
	\$'000	\$'000
Allowance for doubtful trade debts	(120)	(124)
Allowance for damage/slow-moving stock	(203)	(751)
Bad trade debts written off	(31)	(38)
Bad trade debts recovered	-	1
Depreciation of property, plant and equipment	(604)	(603)
Foreign exchange loss	(37)	(236)
Gain/(loss) on disposal of plant and equipment	14	(37)
Gain on disposal of short-term quoted investment	61	-
Impairment loss on non-current asset held for sale	-	(280)
Impairment loss on short-term quoted investment	-	(2)
Interest income on bank and short-term bank deposit	88	1
Interest on borrowings	(313)	(439)
Plant and equipment written off	(11)	-
Reversal for damage/slow-moving stock	236	-
Reversal for doubtful trade debts	36	-
Stock written back/(written off)	63	(189)

**1(b)(i) A balance sheet together with a comparative statement as at the end of the immediately preceding financial year.**

	30/06/2007	30/06/2006
	\$'000	\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Stocks	44,779	31,550
Trade receivables	23,767	24,420
Other receivables, deposits and prepayments	155	382
Short-term quoted investment	.#	9
Cash and cash equivalents	22,897	3,607
	<u>91,598</u>	<u>59,968</u>
Non-current asset held for sale	-	2,520
	<u>91,598</u>	<u>62,488</u>
<b>Non-current assets</b>		
Property, plant and equipment	8,428	7,927
Deferred income tax assets	-	178
Total non-current assets	<u>8,428</u>	<u>8,105</u>
<b>Total assets</b>	<u><b>100,026</b></u>	<u><b>70,593</b></u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables and bills payables	13,559	16,416
Other payables	3,421	1,341
Current portion of obligations under hire purchase contracts	63	80
Current income tax liabilities	4,230	3,766
	<u>21,273</u>	<u>21,603</u>
<b>Non-current liabilities</b>		
Deferred income tax liabilities	52	
Provision for loyalty fund	-	1,020
Obligations under hire purchase contracts	-	63
	<u>52</u>	<u>1,083</u>
<b>Total liabilities</b>	<u><b>21,325</b></u>	<u><b>22,686</b></u>
<b>NET ASSETS</b>	<u><b>78,701</b></u>	<u><b>47,907</b></u>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Share capital	45,750	10,800
Revaluation reserve	1,461	877
Retained profits	31,490	36,230
<b>Total equity</b>	<u><b>78,701</b></u>	<u><b>47,907</b></u>

# Denotes amount less than \$1,000

**1(b)(ii) Aggregate amount of the Company's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 30/06/2007		As at 30/06/2006	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
4,982	578	4,045	7,955

**Amount repayable after one year**

As at 30/06/2007		As at 30/06/2006	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

**Details of any collateral**

As at 30 June 2007, the Company's secured borrowings consist of bills payables and obligation under hire purchase contracts.

The banking facilities were secured by (a) legal mortgage of the Company's freehold premises and leasehold properties, and (b) joint and several personal guarantees from certain directors and executive officers. The obligation under hire purchase contracts were secured by the leased assets.

**1(c) A cash flow statement together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	FY2007 \$'000	FY2006 \$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	22,220	13,074
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	604	603
(Gain)/ loss on disposal of property, plant and equipment	(14)	37
Gain on disposal of investment properties	-	(307)
Gain on disposal of short-term quoted investment	(61)	-
Interest expense	322	448
Interest income	(88)	(1)
Impairment loss on non-current asset held for sale	-	280
Impairment loss in value on short-term quoted investment	-	2
Plant and equipment write off	11	-
	<hr/>	<hr/>
<b>Operating cash flows before working capital changes</b>	22,994	14,136
Stocks	(13,229)	(432)
Trade receivables	653	(7,547)
Other receivables, deposits and prepayments	227	(156)
Trade payables and bills payables	(2,857)	1,781
Other payables	1,804	(2,162)
	<hr/>	<hr/>
<b>Cash generated from operations</b>	9,592	5,620
Interest received	88	1
Interest paid	(322)	(448)
Income tax paid	(3,586)	(2,523)
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<b>Net cash generated from operating activities</b>	5,772	2,650
<b>Cash flows from investing activities</b>		
Proceeds from disposal of short-term quoted investment	70	-
Proceeds from sales of property, plant and equipment	2,534	-
Purchase of property, plant and equipment	(531)	(20)
	<hr/>	<hr/>
<b>Net cash generated from/ (used in) investing activities</b>	2,073	(20)
<b>Cash flows from financing activities</b>		
Proceeds from initial public offering	17,127	-
Initial public offering expenses	(1,617)	-
Dividends paid	(3,985)	(235)
Repayment of hire purchase obligations	(80)	(103)
	<hr/>	<hr/>
<b>Net cash generated from/ (used in) financing activities</b>	11,445	(338)
Net increase in cash and cash equivalents	19,290	2,292
Cash and cash equivalents at beginning of the financial year	3,607	1,315
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<b>Cash and cash equivalents at the end of the financial year</b>	22,897	3,607

**Cash and cash equivalents comprise**

Cash and bank balances	7,397	3,607
Short-term bank deposit	15,500	-
	<u>22,897</u>	<u>3,607</u>

**1(d)(i) A statement (for the issuer) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Share capital \$'000	Revaluation reserve \$'000	Retained profits \$'000	Total \$'000
Balance as at 1 July 2005	1,080	930	46,847	48,857
Issue of shares	9,720	-	-	9,720
Surplus on revaluation of investment properties	-	307	-	307
Reversal of revaluation reserve on disposal of investment properties	-	(307)	-	(307)
Revaluation reserve transferred to retained profits		(53)	53	-
Interim dividends	-	-	(21,060)	(21,060)
Net profit for the financial year	-	-	10,390	10,390
Balance as at 30 June 2006	10,800	877	36,230	47,907
Interim dividend*	-	-	(22,680)	(22,680)
Issue of shares	19,440	-	-	19,440
Issue of new shares pursuant to initial public offering	17,127	-	-	17,127
Initial public offering expenses	(1,617)	-	-	(1,617)
Surplus on revaluation of freehold premises	-	584	-	584
Net profit for the financial year	-	-	17,940	17,940
Balance as at 30 June 2007	45,750	1,461	31,490	81,701

\*A special dividend of \$2.625 per ordinary share, less income tax of 20%.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Save for the sub-division of each ordinary share in the capital of the Company into 5.625 ordinary shares on 25 September 2006 and the issue of 51,900,000 new ordinary shares on 6 June 2007 pursuant to the initial public offering of the Company, there were no changes in the share capital of the Company since 30 June 2006.

There were no outstanding convertibles as at 30 June 2007 and 30 June 2006.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures in respect of the financial year ended 30 June 2007 have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Company has adopted the same accounting policies and methods of computation in the financial statements for the current financial year as compared with the audited financial statements for the financial year ended 30 June 2006 except for the adoption of the new and revised Financial Reporting Standards ("FRS"), which became effective for the financial year beginning on or after 1 July 2006. The adoption of these new and revised FRS did not give rise to any significant changes to the financial statements.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Save as disclosed in paragraph 4 above, there were no changes in the accounting policies and methods of computation.

**6. Earnings per ordinary share of the Company for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	FY2007	FY2006
Earnings per ordinary share of the Company (in cents):		
(a) Based on weighted average number of ordinary shares in issue	12.0	138.4
(b) On a fully diluted basis	12.0	138.4
Weighted average number of ordinary shares in issue	149,845,068	7,508,900 <sup>#</sup>

<sup>#</sup> The weighted average number of ordinary shares in issue in FY2006 takes into account the sub-division of each ordinary share into 5.625 ordinary shares on 25 September 2006.

**7. Net asset value (for the issuer and Company) per ordinary share based on issued share capital of the issuer at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	As at 30/06/2007	As at 30/06/2006
Net asset value per ordinary share based on issued share capital at the end of the financial year (cents):	35.5	78.9
Number of ordinary shares	222,000,000	60,750,000

**8. A review of the performance of the Company, to the extent necessary for a reasonable understanding of the Company's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the Company for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Company during the current financial period reported on.**

**Revenue**

Revenue increased by \$15.5 million or 19.8%, from \$78.1 million in FY2006 to \$93.6 million in FY2007. The increase in revenue was due mainly to the increase in selling prices. The increase in the average unit selling price was led by the general increase in stainless steel prices.

**Gross Profit**

Gross profit increased by \$9.6 million or 43.0%, from \$22.2 million in FY2006 to \$31.8 million in FY2007. The increase was due mainly to the increase in revenue. Gross profit margin increased from approximately 28.4% in FY2006 to approximately 33.9% in FY2007. The increase in gross profit margin was due mainly to an increase in selling prices. The Company was able to benefit from stocks purchased earlier at lower prices as general stainless steel prices continued to trend upwards during FY2007.



**Profit before income tax**

Profit before income tax increased by \$9.1 million or 70.0%, from \$13.1 million in FY2006 to \$22.2 million in FY2007, due mainly to the increase in gross profit. The decrease in other operating expenses of \$0.5 million or 68.8%, from \$0.7 million in FY2006 to \$0.2 million in FY2007, as a result of reduction in foreign exchange loss and an one-off impairment loss on non-current asset held for sale which did not occur in FY2007, also contributed to the increase in profit before income tax. Profit before income tax margin increased from 16.7% in FY2006 to 23.7% in FY2007, due mainly to the increase in gross profit margin.

**Income tax expenses**

Income tax expenses increased by \$1.6 million or 59.5%, from \$2.7 million in FY2006 to \$4.3 million in FY2007. The effective tax rate of 19.3% was higher than the corporate tax rate of 18% for year of assessment 2008, due mainly to deferred income tax expense.

**Cash flow and working capital**

The Company continued to enjoy positive cash flow and working capital. Net cash generated from operating activities increased by \$3.1 million or 114.8%, from \$2.7 million in FY2006 to \$5.8 million in FY2007, while net proceeds from the issue of new ordinary shares pursuant to its initial public offering (after deducting issue expenses of \$1.6 million) accounted for a further \$15.5 million cash infusion.

Stocks increased by \$13.2 million or 41.8%, from \$31.6 million in FY2006 to \$44.8 million in FY2007. The increase in stocks was due mainly to the increase in the cost of stainless steel products as a result of a general increase in stainless steel prices.

Despite the increase in revenue, trade receivables decreased by \$0.6 million or 2.5%, from \$24.4 million in FY2006 to \$23.8 million in FY2007. The decrease in trade receivables was due mainly to more stringent credit management.

Trade and bills payables decreased by \$2.8 million or 17.1%, from \$16.4 million in FY2006 to \$13.6 million in FY2007. The decrease in trade and bills payables was due mainly to lower utilization of trade facilities in line with more efficient cash management.

Other payables increased by \$2.1 million or 61.5%, from \$1.3 million in FY2006 to \$3.4 million in FY2007. The increase was due mainly to accruals for staff bonuses, including the performance bonuses mentioned in the prospectus dated 28 May 2007 issued by the Company in respect of its initial public offering.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement was previously disclosed.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Company operates and any known factors or events that may affect the Company in the next reporting period and the next 12 months.**

The continued rise in nickel prices to a high in May 2007 had led to an upsurge in the transaction prices of stainless steel in the financial year ended 30 June 2007.

The reversal in nickel prices in June 2007 had resulted in a decline in the prices of stainless steel. While stainless steel prices are expected to decline further as mills are expected to concede the decrease in nickel prices to their customers in order to encourage orders, prices are not expected to remain depressed for long, given the number of production cuts announced by stainless steel producers.

Barring any unforeseen circumstances, the Board of Directors is confident that the Company will remain profitable.

## 11. Dividend

### (a) Current Financial Period Reported On

The Company has paid a dividend as stated below:

<b>Name of Dividend</b>	Special
<b>Dividend Type</b>	Cash
<b>Dividend Amount per Share (Gross)</b>	\$2.625 <sup>(1)</sup>
<b>Tax Rate</b>	20%

<sup>(1)</sup> The dividend amount per share is computed based on 10,800,000 ordinary shares in issue.

The Board of Directors has proposed a final dividend in respect of the financial year ended 30 June 2007 as stated below:

<b>Name of Dividend</b>	Final
<b>Dividend Type</b>	Cash
<b>Dividend Amount per Share (Gross)</b>	\$0.03 <sup>(1)</sup>
<b>Tax Rate</b>	18%

<sup>(1)</sup> The dividend amount per share is computed based on 222,000,000 ordinary shares in issue.

### (b) Corresponding Period of the Immediately Preceding Financial Year

The Company has paid the following dividends:

<b>Name of Dividend</b>	First interim	Second interim
<b>Dividend Type</b>	Cash	Cash
<b>Dividend Amount per Share (Gross)</b>	\$13.125 <sup>(1)</sup>	\$11.25 <sup>(1)</sup>
<b>Tax Rate</b>	20%	20%

<sup>(1)</sup> The dividend amount per share is computed based on 1,080,000 ordinary shares in issue.

**(c) Date payable**

Subject to shareholders' approval at the forthcoming Annual General Meeting, the final dividend for the financial year ended 30 June 2007 will be paid on 15 November 2007.

**(d) Books closure date**

The Register of Members and Register of Transfers of the Company will be closed on 2 November 2007 for the purpose of determining shareholders' entitlements to the final dividend. Registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registrar Services, at 8 Cross Street, #11-00, PWC Building, Singapore 048424 up to 5.00 pm on 1 November 2007 will be registered before entitlements to the dividend are determined.

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

See paragraph above.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT****13. Segmented revenue and results for business or geographical segments (of the Company) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.****By Business Segment**

<b>FY2007</b>	<b>Project sales \$'000</b>	<b>Product sales \$'000</b>	<b>Total \$'000</b>
Revenue			
- External	62,083	31,553	93,636
Result			
Segmental result	21,580	10,187	31,767
Unallocated costs			(9,686)
			22,081
Other operating income			592
Finance costs			(453)
Profit before income tax			22,220
Income tax expenses			(4,280)
Net profit for the financial year			17,940
Segment assets	15,293	8,099	23,392
Unallocated assets			76,634
			100,026
Segment liabilities – unallocated			21,325
Other information			
Capital expenditure – unallocated			531
Depreciation of property, plant and equipment – unallocated			604
<b>FY2006</b>	<b>Project sales \$'000</b>	<b>Product sales \$'000</b>	<b>Total \$'000</b>
Revenue			
- External	48,496	29,647	78,143
Result			
Segmental result	13,418	8,789	22,207
Unallocated costs			(9,304)
			12,903
Other operating income			719
Finance costs			(548)
Profit before income tax			13,074
Income tax expenses			(2,684)
Net profit for the financial year			10,390
Segment assets	15,548	8,819	24,367
Unallocated assets			46,226
			70,593
Segment liabilities – unallocated			22,686
Other information			
Capital expenditure – unallocated			20
Depreciation of property, plant and equipment – unallocated			603

**By Geographical Segment**

Distribution of revenue by geographical markets:

	FY2007 \$'000	FY2006 \$'000
Singapore	62,238	53,176
Malaysia	12,388	11,877
Others*	19,010	13,090
	<u>93,636</u>	<u>78,143</u>

Assets and capital expenditure by geographical markets:

	Carrying amounts of assets		Capital expenditure	
	30 June 2007 \$'000	30 June 2006 \$'000	FY2007 \$'000	FY2006 \$'000
Singapore	93,183	63,148	531	20
Malaysia	3,855	3,791	-	-
Others*	2,988	3,654	-	-
	<u>100,026</u>	<u>70,593</u>	<u>531</u>	<u>20</u>

\*Others include countries in Asia Pacific, such as, Indonesia, Thailand and Australia, as well as the Middle East, such as, the United Arab Emirates and Saudi Arabia.

Segment revenue is based on sales to the respective geographical markets, segment assets are based on the origin of the assets while capital expenditure is based on the geographical location of the assets.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

There were no material changes in contribution to turnover and earnings by the business or geographical segments.

**15. A breakdown of sales.**

	FY2007 \$'000	FY2006 \$'000	Increase/ (Decrease) %
Sales reported for first half year	50,001	33,302	50.1
Profit after income tax reported for first half year	9,601	4,010	139.4
Sales reported for second half year	43,635	44,841	(2.7)
Profit after income tax reported for second half year	8,339	6,380	30.7

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<b>Latest Full Year (FY2007 - \$'000)</b>	<b>Previous Full Year (FY2006 – \$'000)</b>
Ordinary	22,680	21,060
Total	22,680	21,060

**17. Interested Person Transactions**

None.

BY ORDER OF THE BOARD

Kua Chee Seng  
Chief Executive Officer  
24 August 2007

The initial public offering of the Company's shares was sponsored by UOB Asia Limited, who assumes no responsibility for the contents of this announcement.