

SIN GHEE HUAT CORPORATION LTD.

(Co. Regn. No: 197700475Z)

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2007**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR RESULTS**

The Board of Directors of Sin Ghee Huat Corporation Ltd. (the "Company") is pleased to announce the unaudited results of the Company for the half year ended 31 December 2007 ("HY2008").

1(a) An income statement together with a comparative statement for the corresponding period of the immediately preceding financial year.

	HY2008	HY2007	Increase/ (Decrease)
	\$'000	\$'000	%
Revenue	49,879	50,001	(0.2)
Cost of sales	(35,375)	(34,450)	2.7
Gross profit	14,504	15,551	(6.7)
Other operating income	330	114	189.5
	14,834	15,665	(5.3)
Distribution costs	(1,790)	(1,587)	12.8
Administrative expenses	(1,626)	(1,816)	(10.5)
Other operating expenses	(14)	(112)	(87.5)
Finance costs	(205)	(351)	(41.6)
Profit before income tax	11,199	11,799	(5.1)
Income tax expenses	(2,031)	(2,198)	(7.6)
Net profit attributable to the shareholders of the Company	9,168	9,601	(4.5)

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

	HY2008	HY2007
	\$'000	\$'000
Allowance for doubtful trade debts	-	(87)
Allowance for damage/slow moving stocks	-	(289)
Bad trade debts written off	(14)	(3)
Bad trade debts recovered	1	-
Depreciation of property, plant and equipment	(336)	(275)
Foreign exchange gain/(loss), net	42	(9)
Gain on disposal of property, plant and equipment	41	4
Operating lease expenses in respect of land	(87)	(85)
Operating lease expenses in respect of equipment	(20)	(22)
Operating lease income in respect of freehold premises	-	60
Interest income on bank and short-term bank deposit	163	28
Interest on borrowings	(149)	(292)
Reversal of allowance for damage/slow-moving stock	102	82
Reversal of allowance for doubtful trade debts	72	11
Stock written back	126	698

Note: As at 31 December 2007 and 31 December 2006, there was no legal or constructive obligation to pay the performance bonuses mentioned in the prospectus dated 28 May 2007 issued by the Company in relation to its initial public offering. Accordingly, no performance bonus was provided for HY2008 and HY2007. The performance bonuses for the financial year ended 30 June 2007 ("FY2007") amounted to approximately \$2.5 million.

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

	31/12/2007 \$'000	30/06/2007 \$'000
ASSETS		
Current assets		
Stocks	41,465	44,779
Trade receivables	21,950	23,767
Other receivables, deposits and prepayments	124	155
Short-term quoted investment	-	#
Cash and cash equivalents	27,736	22,897
	<u>91,275</u>	<u>91,598</u>
Non-current assets		
Property, plant and equipment	8,105	8,428
	<u>8,105</u>	<u>8,428</u>
Total assets	<u>99,380</u>	<u>100,026</u>
LIABILITIES		
Current liabilities		
Trade payables and bills payables	12,123	13,559
Other payables	631	3,421
Current portion of obligations under hire purchase		
Contracts	26	63
Current income tax liabilities	4,138	4,230
	<u>16,918</u>	<u>21,273</u>
Non-current liabilities		
Deferred income tax liabilities	54	52
	<u>54</u>	<u>52</u>
Total liabilities	<u>16,972</u>	<u>21,325</u>
NET ASSETS	<u>82,408</u>	<u>78,701</u>
EQUITY		
Capital and reserves		
Share capital	45,750	45,750
Revaluation reserve	1,461	1,461
Retained profits	35,197	31,490
Total equity	<u>82,408</u>	<u>78,701</u>

Denotes amount less than \$1,000

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

As at 31/12/2007		As at 30/06/2007	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
26	8,542	2,859	2,701

Amount repayable after one year

As at 31/12/2007		As at 30/06/2007	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

Details of any collateral

As at 31 December 2007, the secured borrowings related to obligations under hire purchase contracts.

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

	HY2008 \$'000	HY2007 \$'000
Cash flows from operating activities		
Profit before income tax	11,199	11,799
Adjustments for:		
Depreciation of property, plant and equipment	336	275
Gain on disposal of property, plant and equipment	(41)	(4)
Interest expense	149	292
Interest income	(163)	(28)
Operating cash flows before working capital changes	11,480	12,334
Stocks	3,314	7,288
Trade receivables	1,817	632
Other receivables, deposits and prepayments	31	(243)
Trade payables and bills payables	(1,436)	(9,832)
Other payables	(2,790)	15
Cash generated from operations	12,416	10,194
Interest received	163	28
Interest paid	(149)	(292)
Income tax paid	(2,120)	(2,339)
Net cash generated from operating activities	10,310	7,591
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	41	2,524
Purchase of property, plant and equipment	(14)	(301)
Net cash inflows in investing activities	27	2,223
Cash flows from financing activities		
Dividends paid	(5,461)	(3,985)
Repayment of hire purchase obligations	(37)	(39)
Net cash outflows in financing activities	(5,498)	(4,024)
Net increase in cash and cash equivalents	4,839	5,790
Cash and cash equivalents at the beginning of the financial period	22,897	3,607
Cash and cash equivalents at the end of the financial period	27,736	9,397
Cash and cash equivalents comprise:		
Cash and bank balances	17,636	4,012
Short-term bank deposit	10,100	5,385
	27,736	9,397

1(d)(i) A statement 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 2007	45,750	1,461	31,490	78,701
Dividend paid	-	-	(5,461)	(5,461)
Net profit for the financial period	-	-	9,168	9,168
Balance as at 31 December 2007	45,750	1,461	35,197	82,408
Balance as at 1 Jul 2006	10,800	877	36,230	47,907
Interim dividend paid*	-	-	(22,680)	(22,680)
Issue of ordinary shares	19,440	-	-	19,440
Net profit for the financial period	-	-	9,601	9,601
Balance as at 31 December 2006	30,240	877	23,151	54,268

* Being special dividend amount of \$2.625 per ordinary share, less income tax of 20%, based on 10,800,000 ordinary shares in issue.

1(d)(ii) Details of any changes in the 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the share capital of the Company since 30 June 2007. There were no outstanding convertibles and treasury shares as at 31 December 2007 and 31 December 2006.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31/12/2007	As at 30/06/2007
222,000,000	222,000,000

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

Not applicable.

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

The figures in respect of HY2008 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 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 period as compared with the audited financial statements for FY2007.

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.

There were no changes in the accounting policies and methods of computation.

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

	HY2008	HY2007
Earnings per ordinary share (in cents):		
(a) Based on weighted average number of ordinary shares in issue	4.1	7.8
(b) On a fully diluted basis	4.1	7.8
Weighted average number of ordinary shares in issue	222,000,000	123,150,815*

* The weighted average number of ordinary shares in issue in HY2007 takes into account the sub-division of each ordinary share into 5.625 ordinary shares on 25 September 2006.

7. Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	As at 31/12/2007	As at 30/06/2007
Net asset value per ordinary share (cents):	37.1 ⁽¹⁾	35.5 ⁽¹⁾

⁽¹⁾ The net asset value per ordinary share as at 31 December 2007 and 30 June 2007 are computed based on 222,000,000 ordinary shares in issue.

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

- (a) any significant factors that affected the turnover, costs, and earnings 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 during the current financial period reported on.

Revenue

Revenue remained stable at \$49.9 million in HY2008 (HY2007: \$50.0 million). Revenue from Singapore and Malaysia increased by \$2.1 million or 6.8% and \$1.0 million or 16.5% respectively, whereas revenue from other countries decreased by \$3.2 million or 26.0%. Revenue from Project Sales increased by \$1.8 million or 5.5%, whereas revenue from Product Sales decreased by \$1.9 million or 11.2%.

Gross Profit

Gross profit decreased by \$1.1 million or 6.7%, from \$15.6 million in HY2007 to \$14.5 million in HY2008. The decrease in gross profit was due mainly to a decrease in gross profit margin of 31.1% in HY2007 to 29.1% in HY2008. The decrease in gross profit margin was due mainly to the increase in the average unit selling price being lower than the increase in the average unit cost of sales. Selling prices were affected by the decline in stainless steel prices in HY2008, after an upsurge for most of FY2007. On the other hand, the decline in stainless steel prices had a muted impact on cost of sales in HY2008, due mainly to the delivery time lag for purchases and the stockholding period before the products were sold.

Other Operating Income

Other operating income increased by \$0.2 million or 189.5%, from \$0.1 million in HY2007 to \$0.3 million in HY2008. The increase in other operating income was due mainly to higher interest income arising from the deployment of part of the net proceeds from the issue of new shares pursuant to the initial public offering in end FY2007 and a gain in foreign exchange (HY2007: \$9,000 loss).

Expenses

Other operating expenses decreased by \$98,000 or 87.5%, from \$112,000 in HY2007 to \$14,000 in HY2008. The decrease in other operating expenses was due mainly to a decrease in allowance for doubtful trade debts for HY2008 as a result of the credit and collection policies put in place in FY2007 and a commission payment in HY2007 in relation to the disposal of freehold land at 21 Playfair Road in FY2006.

Finance costs decreased by \$146,000 or 41.6%, from \$351,000 in HY2007 to \$205,000 in HY2008. The decrease in finance costs was due mainly to a decrease in interest expense on trust receipts.

Profit before Income tax

Profit before income tax decreased by \$0.6 million or 5.1%, from \$11.8 million in HY2007 to \$11.2 million in HY2008, due mainly to the decrease in gross profit. Profit before income tax margin decreased marginally from 23.6% in HY2007 to 22.5% in HY2008, due mainly to the decrease in gross profit margin.

Cash Flow and Working Capital

The Company continued to enjoy positive cash flow and working capital in HY2008. Net cash generated from operating activities was \$10.3 million in HY2008 (HY2007: \$7.6 million).

Stocks decreased by \$3.3 million or 7.4%, from \$44.8 million as at 30 June 2007 to \$41.5 million as at 31 December 2007. The decrease in stocks was due mainly to lower stock quantities held as at 31 December 2007.

Trade receivables decreased by \$1.8 million or 7.6%, from \$23.8 million as at 30 June 2007 to \$22.0 million as at 31 December 2007. The decrease in trade receivables resulted mainly from the credit and collection policies which were put in place in the second half of FY2007.

Trade and bills payables decreased by \$1.4 million or 10.6%, from \$13.5 million as at 30 June 2007 to \$12.1 million as at 31 December 2007. 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 decreased by \$2.8 million or 81.6%, from \$3.4 million as at 30 June 2007 to \$0.6 million as at 31 December 2007. The decrease in other payables was due mainly to the payout of staff bonuses which were accrued as at 30 June 2007.

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

No variance between prospect statement previously disclosed and actual results.

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

After an upsurge for most of FY2007, stainless steel prices saw a decline in HY2008. The decline in stainless steel prices led, in turn, to a fall in stainless steel production during the latter part of HY2008 as a result of production cuts by stainless steel mills.

However, the inventory depletion phase is expected to end in the next reporting period. Mill delivery lead times are starting to extend and customers are expected to increase their orders. Hence, producers should be in a position to increase plant utilization.

Barring any unforeseen circumstances, the Board of Directors is confident that the Company will remain profitable for FY2008.

11. Dividend**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

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

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

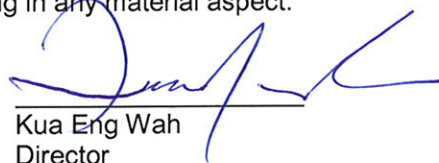
No dividend has been declared/recommended for HY2008.

13. Confirmation by Directors.

Pursuant to Rule 705(4) of the Listing Manual, we, the undersigned, on behalf of the Board of the Directors of the Company, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of the Directors of the Company which may render the unaudited financial statements for HY2008 to be false or misleading in any material aspect.



 Kua Chee Seng
 Chief Executive Officer



 Kua Eng Wah
 Director

BY ORDER OF THE BOARD

Kua Chee Seng
 Chief Executive Officer

13 February 2008

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