

# SIM SIANG CHOON LTD

Registration No. 199905693M

## Half Year Financial Statement And Dividend Announcement

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	Group		
	31 Dec 2007 \$'000	31 Dec 2006 \$'000	Change %
<b>Revenue</b>	11,164	9,542	17
Cost of sales	(5,813)	(5,057)	15
<b>Gross profit</b>	5,351	4,485	19
Financial income	11	26	(58)
Financial expense	(17)	(21)	(19)
Distribution costs	(468)	(287)	63
Administrative expenses	(2,260)	(1,939)	17
Other expenses	(1,167)	(1,102)	6
Other (charges) / credits	(133)	(3)	4,333
<b>Profit before tax</b>	1,317	1,159	14
Income tax expense	(186)	(245)	(24)
<b>Profit for the year</b>	1,131	914	24

#### 1(a)(ii) Notes to the Income Statement

Included in financial income are:

	31 Dec 2007 \$'000	31 Dec 2006 \$'000
Other income	6	22
Foreign exchange transaction gain	5	4
Reversal for impairment on trade receivables	0	0
	11	26

Included in financial expense are:

	31 Dec 2007 \$'000	31 Dec 2006 \$'000
Interest expense	16	18
Provision for impairment on trade receivables	1	3
	17	21

Included in other (charges) / credits are:

	31 Dec 2007 \$'000	31 Dec 2006 \$'000
(Provision) / reversal for impairment of inventories	(163)	(3)
Gain on disposal of plant and equipment	30	0
	(133)	(3)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 Dec 2007 \$'000	30 June 2007 \$'000	31 Dec 2007 \$'000	30 June 2007 \$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	865	1,435	50	131
Trade and other receivables	769	912	9	0
Inventories	9,144	8,875	0	0
<b>Total current assets</b>	<b>10,778</b>	<b>11,222</b>	<b>59</b>	<b>131</b>
<b>Non-current assets:</b>				
Investment in subsidiary	0	0	2,112	2,000
Property, plant and equipment	9,408	9,373	0	0
Other receivables	0	0	12,737	12,620
<b>Total non-current assets</b>	<b>9,408</b>	<b>9,373</b>	<b>14,849</b>	<b>14,620</b>
<b>Total assets</b>	<b>20,186</b>	<b>20,595</b>	<b>14,908</b>	<b>14,751</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Short-term borrowings	1,102	856	0	0
Trade and other payables	2,789	3,327	203	233
Current tax payable	394	406	64	79
Current portion of finance leases	0	1	0	0
<b>Total current liabilities</b>	<b>4,285</b>	<b>4,590</b>	<b>267</b>	<b>312</b>
<b>Non-current liabilities:</b>				
Deferred tax	290	290	0	0
Finance leases	0	0	0	0
<b>Total non-current liabilities</b>	<b>290</b>	<b>290</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>4,575</b>	<b>4,880</b>	<b>267</b>	<b>312</b>
<b>Equity:</b>				
Share capital	12,882	12,595	12,882	12,595
Capital reserve - ESOS	143	0	143	0
Retained earnings	2,586	3,120	1,616	1,844
<b>Total equity</b>	<b>15,611</b>	<b>15,715</b>	<b>14,641</b>	<b>14,439</b>
<b>Total liabilities and equity</b>	<b>20,186</b>	<b>20,595</b>	<b>14,908</b>	<b>14,751</b>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand (\$'000)

As at 31 December 2007		As at 30 June 2007	
Secured	Unsecured	Secured	Unsecured
0	1,102	1	856

Amount repayable after one year (\$'000)

As at 31 December 2007		As at 30 June 2007	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

Details of any collateral

Nil

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

<b>GROUP</b>	<b>1 Jul 2007 to 31 Dec 2007 \$'000</b>	<b>1 Jul 2006 to 31 Dec 2006 \$'000</b>
<b>Cash flows from operating activities:</b>		
Profit for the year	1,131	914
Adjustments for: -		
Income tax expense	186	245
Depreciation expense	168	167
Share option expense	143	0
Gain on disposal of plant and equipment	(30)	0
Interest expense	16	18
Operating profit before working capital changes	1,614	1,344
Trade and other receivables	143	16
Inventories	(269)	(481)
Trade and other payables	(538)	120
Cash generated from operations	950	999
Income tax paid	(198)	(275)
Net cash from operating activities	752	724
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(308)	(16)
Proceeds from disposal of plant and equipment	135	0
Net cash used in investing activities	(173)	(16)
<b>Cash flows from financing activities:</b>		
Proceeds from issuing shares	287	7
Increase / (Decrease) in borrowings	246	(131)
Decrease in finance leases	(1)	(29)
Interest paid	(16)	(18)
Dividends paid	(1,665)	(1,352)
Net cash used in financing activities	(1,149)	(1,523)
<b>Net decrease in cash</b>	<b>(570)</b>	<b>(815)</b>
<b>Cash at beginning of year</b>	<b>1,435</b>	<b>1,668</b>
<b>Cash at end of year</b>	<b>865</b>	<b>853</b>

1(d)(i) A statement (for the issuer and group) 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

<b>GROUP</b>	<b>Share Capital \$'000</b>	<b>Other Reserve \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Total Equity \$'000</b>
<b>Balance at 1 July 2006</b>	<b>12,326</b>	<b>0</b>	<b>4,337</b>	<b>16,663</b>
Profit for the year	0	0	914	914
Dividends paid	0	0	(1,352)	(1,352)
Issue of share capital	7	0	0	7
<b>Balance at 31 December 2006</b>	<b>12,333</b>	<b>0</b>	<b>3,899</b>	<b>16,232</b>
<b>Balance at 1 July 2007</b>	<b>12,595</b>	<b>0</b>	<b>3,120</b>	<b>15,715</b>
Profit for the year	0	0	1,131	1,131
Dividends paid	0	0	(1,665)	(1,665)
Share option expense	0	143	0	143
Issue of share capital	287	0	0	287
<b>Balance at 31 December 2007</b>	<b>12,882</b>	<b>143</b>	<b>2,586</b>	<b>15,611</b>

<b>COMPANY</b>	<b>Share Capital \$'000</b>	<b>Other Reserve \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Total Equity \$'000</b>
<b>Balance at 1 July 2006</b>	<b>12,326</b>	<b>0</b>	<b>2,671</b>	<b>14,997</b>
Profit for the year	0	0	257	257
Dividends paid	0	0	(1,352)	(1,352)
Equity share options issued proceeds	7	0	0	7
<b>Balance at 31 December 2006</b>	<b>12,333</b>	<b>0</b>	<b>1,576</b>	<b>13,909</b>
<b>Balance at 1 July 2007</b>	<b>12,595</b>	<b>0</b>	<b>1,844</b>	<b>14,439</b>
Profit for the year	0	0	1,437	1,437
Dividends paid	0	0	(1,665)	(1,665)
Share option expense	0	143	0	143
Equity share options issued proceeds	287	0	0	287
<b>Balance at 31 December 2007</b>	<b>12,882</b>	<b>143</b>	<b>1,616</b>	<b>14,641</b>

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

<b>Share Capital - Ordinary shares</b>	<b>Number of shares</b>	<b>\$</b>
Balance at 1 July 2007	132,750,000	12,595,196
Employee share option scheme - Proceeds from shares issued	2,685,000	287,005
<b>Balance at 31 December 2007</b>	<b>135,435,000</b>	<b>12,882,201</b>

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The above financial statements have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 accounting policies and methods of computation adopted by the Group for the half year ended 31 December 2007 are consistent with those used in the annual audited statements as at 30 June 2007.

**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 used in the preparation of the financial information in this announcement except for the adoption of the respective new or revised Financial Reporting Standards ("FRS") which has no significant impact on the financial position or performance of the Group.

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

	31 Dec 2007	31 Dec 2006
Earnings per share (EPS) (based on consolidated profit after taxation and minority interest)		
- on weighted average number of shares	0.84 cents	0.70 cents
- on a fully diluted basis	0.82 cents	0.69 cents

Basic earnings per share is calculated based on the consolidated profit after tax of \$1,130,942 (2006: net profit of \$914,000) and on 134,939,924 (2006: 130,055,000) weighted average ordinary shares issue during the year. Fully diluted earnings per share is calculated based on 137,231,304 (2006: 132,103,587) shares, assuming the full conversion of the employee stock option outstanding at 31 December 2007.

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

	Group		Company	
	31 Dec 2007	30 June 2007	31 Dec 2007	30 June 2007
Net asset value per share based on existing issued share capital as at the respective period	11.53 cents	11.84 cents	10.81 cents	10.88 cents

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Group revenue increased by 17% to \$11.2 million as a result of improved property market. Consequently, gross profit improved by \$866,000 to \$5.4 million.

Distribution costs increased by \$181,000 due to higher advertising expenses for product awareness.

Administrative expenses increased by \$321,000 mainly due to employee share option expense and salary increments.

Other charges increased by \$130,000 mainly due to impairment of inventories amounting to \$163,000.

Although profit before tax increased by \$158,000 to \$1,317,000, tax expense decreased by 24% to \$186,000. This is due to reduction in corporate tax rate and an increase in the partial tax exemption threshold. Consequently, profit after tax increased by 24% to \$1,131,000.

Cash and cash equivalents decrease by \$570,000 mainly due to payment of dividends.

Inventories increased by \$269,000 and short-term borrowings increased by \$246,000 mainly due to purchase of goods in anticipation of higher demand.

Trade and other payables decreased by \$538,000 mainly due to deposit received utilised by customers.

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

Not Applicable.

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

The housing market for our products continues to improve. Barring any unexpected changes in economic conditions, we expect improvement in our revenue over the next 12 months.

**11. Dividend**

***(a) Current Financial Period Reported On***

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

Yes.

Name of Dividend	Interim	Special
Dividend Type	Cash	Nil
Dividend Rate	0.80 cents per ordinary share	
Tax Rate	Exempt (one-tier)	

***(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	Interim	Special
Dividend Type	Cash	Cash
Dividend Rate	0.46125 cents per ordinary share net of tax	0.76875 cents per ordinary share net of tax
Tax Rate	18%	18%

***(c) Date payable :***

17 March 2008

***(d) Books closure date :***

Duly completed transfers received by the Company's Registrar, M & C Services Private Limited at 138 Robinson Road #17-00 The Corporate Office Singapore 068906 up to 5.00 p.m. on 3 March 2008 will be registered before entitlements to the Dividend is determined.

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

Not Applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not Applicable.

**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**

Not Applicable.

**15. A breakdown of sales**

Not Applicable.

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

Not Applicable.

**BY ORDER OF THE BOARD**