

SIM SIANG CHOON LTD

Registration No. 199905693M

Full 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		
	30 Jun 2008 \$'000	30 Jun 2007 \$'000	Change %
Revenue	21,470	19,121	12
Cost of sales	(11,332)	(10,026)	13
Gross profit	10,138	9,095	11
Interest income	63	0	100
Other credits	11,716	111	10,455
Distribution costs	(884)	(831)	6
Administrative expenses	(4,283)	(3,886)	10
Finance costs	(27)	(37)	(27)
Other expenses	(2,933)	(2,291)	28
Other charges	(341)	(2)	16,950
Profit before tax	13,449	2,159	523
Income tax expense	(47)	(404)	(88)
Profit for the year	13,402	1,755	664

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

Included in other credits are:

	30 Jun 2008 \$'000	30 Jun 2007 \$'000
Foreign exchange transaction gains	12	2
Reversal for impairment of inventory	0	109
Gain on disposal of property, plant and equipment	11,154	0
Amortisation of deferred revenue	550	0
	11,716	111

Included in finance costs are:

	30 Jun 2008 \$'000	30 Jun 2007 \$'000
Interest expenses	27	37
	27	37

Included in other charges are:

	30 Jun 2008 \$'000	30 Jun 2007 \$'000
Provision for impairment of inventories	339	0
Bad debts written off trade receivables	2	2
	341	2

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	
	30 Jun 2008 \$'000	30 June 2007 \$'000	30 Jun 2008 \$'000	30 June 2007 \$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	436	9,373	0	0
Investment in subsidiary	0	0	2,112	2,000
Other receivables	0	0	22,876	12,620
Total non-current assets	436	9,373	24,988	14,620
Current assets:				
Investment at fair value through profit or loss	5,000	0	0	0
Inventories	9,818	8,875	0	0
Trade and other receivables	1,849	882	5	0
Other Assets	32	30	0	0
Cash and cash equivalents	23,342	1,435	63	131
Total current assets	40,041	11,222	68	131
Total assets	40,477	20,595	25,056	14,751
EQUITY AND LIABILITIES				
Equity:				
Share capital	12,897	12,595	12,897	12,595
Other reserves	143	0	143	0
Retained earnings	13,773	3,120	11,689	1,844
Total equity	26,813	15,715	24,729	14,439
Non-current liabilities:				
Deferred tax liabilities	0	290	0	0
Other liabilities	9,181	0	0	0
Total non-current liabilities	9,181	290	0	0
LIABILITIES AND EQUITY				
Current liabilities:				
Current tax payable	348	406	64	79
Trade and other payables	2,290	3,327	263	233
Other liabilities	1,845	0	0	0
Other financial liabilities	0	857	0	0
Total current liabilities	4,483	4,590	327	312
Total liabilities	13,664	4,880	327	312
Total liabilities and equity	40,477	20,595	25,056	14,751

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 30 June 2008		As at 30 June 2007	
Secured	Unsecured	Secured	Unsecured
0	0	1	856

Amount repayable after one year (\$'000)

As at 30 June 2008		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

GROUP	1 Jul 2007 to 30 Jun 2008 \$'000	1 Jul 2006 to 30 Jun 2007 \$'000
Cash flows from operating activities:		
Profit before tax	13,449	2,159
Adjustments for: -		
Interest Income	(63)	0
Interest expense	27	37
Depreciation of property, plant and equipment	269	335
Share option expense	143	0
Gain on disposal of property, plant and equipment	(11,154)	0
Deferred revenue	(550)	0
Operating cashflows before changes in working capital	2,121	2,531
Inventories	(943)	(625)
Trade and other receivables	(967)	(1)
Other assets	(2)	3
Trade and other payables	(1,037)	1,139
Net cash flows (used in)/ generated from operations before interest and tax	(828)	3,047
Income tax paid <9610.1>	(395)	(547)
Net cash flows (used in)/ generated from operating activities	(1,223)	2,500
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment <9609.2>	31,713	0
Purchase of plant and equipment <9609.1>	(315)	(36)
Purchase of investment at fair value through profit or loss	(5,000)	0
Interest Received	63	0
Net cash generated from / (used in) investing activities	26,461	(36)
Cash flows from financing activities:		
Issue of shares	302	269
(Decrease)/ increase in other financial liabilities	(857)	43
Interest paid	(27)	(37)
Dividends paid	(2,749)	(2,972)
Net cash used in financing activities	(3,331)	(2,697)
Net increase / (decrease) in cash and cash equivalents	21,907	(233)
Cash and cash equivalents, cash flow statement, beginning balance	1,435	1,668
Cash and cash equivalents, cash flow statement, ending balance	23,342	1,435

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

GROUP	Share Capital \$'000	Other Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Current year				
Opening balance at 1 July 2007	12,595	0	3,120	15,715
Profit for the year	0	0	13,402	13,402
Total recognised income for the year	0	0	13,402	13,402
Other movements in equity:				
Transactions with equity holders:				
Equity share options issued	302	0	0	302
Share option expense	0	143	0	143
Dividends paid	0	0	(2,749)	(2,749)
	302	143	(2,749)	(2,304)
Closing balance at 30 June 2008	12,897	143	13,773	26,813
Previous Year:				
Balance at 1 July 2006	12,326	0	4,337	16,663
Profit for the year	0	0	1,755	1,755
Total recognised income for the year	0	0	1,755	1,755
Other movements in equity:				
Transactions with equity holders:				
Issue of share capital	269	0	0	269
Dividends paid	0	0	(2,972)	(2,972)
	269	0	(2,972)	(2,703)
Closing balance at 30 June 2007	12,595	0	3,120	15,715

COMPANY	Share Capital \$'000	Other Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Current year				
Opening balance at 1 July 2007	12,595	0	1,844	14,439
Profit for the year	0	0	12,594	12,594
Total recognised income for the year	0	0	12,594	12,594
Other movements in equity:				
Transactions with equity holders:				
Equity share options issued	302	0	0	302
Share option expense	0	143	0	143
Dividends paid	0	0	(2,749)	(2,749)
	302	143	(2,749)	(2,304)
Balance at 30 June 2008	12,897	143	11,689	24,729
Previous Year:				
Balance at 1 July 2006	12,326	0	2,671	14,997
Profit for the year	0	0	2,145	2,145
Total recognised income for the year	0	0	2,145	2,145
Other movements in equity:				
Transactions with equity holders:				
Equity share options issued	269	0	0	269
Dividends paid	0	0	(2,972)	(2,972)
	269	0	(2,972)	(2,703)
Balance at 30 June 2007	12,595	0	1,844	14,439

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

Share Capital - Ordinary shares	Number of shares	\$
Balance at 1 July 2007	132,750,000	12,595,196
Employee share option scheme - Proceeds from shares issued	2,805,000	302,315
Balance at 30 June 2008	135,555,000	12,897,511

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 above financial information has been using the same accounting policies and methods of computation as presented in the financial statements for the year ended 30 June 2007, except as described in paragraph 5.

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

	30 Jun 2008	30 Jun 2007
Earnings per share (EPS) (based on consolidated profit after taxation and minority interest)		
- on weighted average number of shares	9.91 cents	1.34 cents
- on a fully diluted basis	9.76 cents	1.29 cents

Basic earnings per share is calculated based on the consolidated profit after tax of \$13,402,000 (2007: net profit of \$1,755,000) and on 135,228,268 (2007: 130,600,685) weighted average ordinary shares issue during the year. Fully diluted earnings per share is calculated based on 137,335,082 (2007: 135,817,055) shares, assuming the full conversion of the employee stock option outstanding at 30 June 2008.

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	
	30 Jun 2008	30 June 2007	30 Jun 2008	30 June 2007
Net asset value per share based on existing issued share capital as at the respective period	19.78 cents	11.84 cents	18.24 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 12% to \$21.5 million as a result of improved property market. Consequently, gross profit improved by \$1.1 million to \$10.1 million.

Other credits of \$11.7 million were primarily due to a gain of \$11 million from a sale and leaseback transaction and amortisation of deferred revenue on disposal of property.

Administrative expenses increased by \$397,000 mainly due to employee share option expense and salary increments.

Other expenses increased by \$642,000 largely due to rental on leaseback of property. Other charges increased by \$339,000 due to impairment of inventories.

Although profit before tax increased by \$11.3 million to \$13.4 million, tax expense decreased 88% to \$47,000. This is due to a tax exempt capital gain of \$11 million from disposal of property, amortisation of deferred revenue \$0.5 million and a reversal of deferred tax liabilities provided in prior year of \$290,000 which is no longer required as the property was sold during the year. Consequently, profit after tax increased by 664% to \$13 million.

Cash and cash equivalents increase by \$21.9 million due to receipt of net proceeds from completion of sale and leaseback transaction. Part of the proceeds, \$5 million was invested in Merrill Lynch Floating Rate Note through OCBC bank and accounted as Investment at fair value through profit or loss in the Balance Sheet.

Trade and other receivables \$967,000 generally due to deposit paid to supplier to secure purchases for project sales. Inventories increased by \$1.7 million mainly due to purchase of goods in anticipation of higher demand.

Other financial liabilities and Trade and other payables decreased by \$857,000 and \$1,037,000 mainly due to repayment as a result of improved cash flows. An aggregate of \$11.6 million has been treated as deferred revenue (based on the Financial Reporting Standards 17 on Leases), to be amortised over the period of leaseback. Net balance of deferred revenue as at 30.06.08 was \$11 million.

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

Against the backdrop of economic uncertainty and high inflation, the housing market for our products is slowing down. We therefore do not 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	Final	Interim
Dividend Type	Cash	Cash
Dividend Rate	8 cents per ordinary share	0.8 cents per ordinary share
Tax Rate	Exempt (one-tier)	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	Final	Interim	Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	1.23 cents per ordinary share net of tax	0.46125 cents per ordinary share net of tax	0.76875 cents per ordinary share net of tax
Tax Rate	18%	18%	18%

(c) Date payable :

Interim Dividend	17 March 2008
Final Dividend	To be announced on a later date

(d) Books closure date :

To be announced on a later date

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

Not Applicable.

(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

	Bathroom		Kitchen & Others		Project		Consolidated	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Revenue								
Segment revenue - external	14,542	12,517	5,986	5,451	929	1,128	21,457	19,096
Unallocated revenue							13	25
							21,470	19,121
Operating profit								
Segment result	7,928	6,838	1,820	1,843	377	389	10,125	9,070
Unallocated result							13	25
							10,138	9,095
Unallocated expenses							(8,378)	(7,010)
Operating profit							1,760	2,085
Other credits							11,716	111
Financial costs							(27)	(37)
Income tax expense							(47)	(404)
Profit for the year							13,402	1,755
Other Information								
Segment assets	7,712	6,753	2,106	2,122	0	0	9,818	8,875
Unallocated assets							30,659	11,720
Consolidated total assets							40,477	20,595
Segment liabilities							0	0
Unallocated liabilities							13,664	4,880
Consolidated total liabilities							13,664	4,880
Capital expenditure							315	36
Depreciation expense							269	335

Segment results and assets include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets consist of inventories. All other assets and all liabilities are unallocated. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

As the group operates only in Singapore, no geographical segment information is shown.

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

	Group		
	Latest Financial Year \$'000	Previous Financial Year \$'000	Increase / (Decrease) %
Revenue reported for first half year	11,170	9,564	16.79
Profit after tax reported for first half year	1,131	914	23.74
Revenue reported for second half year	10,300	9,557	7.77
Profit after tax reported for second half year	12,271	841	1,359.10

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

	Latest Full Year (\$)	Previous Full Year (\$)
Ordinary	11,928,840	3,284,411
Preference	0	0
Total	11,928,840	3,284,411

BY ORDER OF THE BOARD