

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER / YEAR ENDED 30 JUNE 2009

The Board of Directors of Sin Ghee Huat Corporation Ltd. (the "Company") is pleased to announce the unaudited results of the Company for the quarter / year ended 30 June 2009.

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

1(a)(i) Income Statement

	Quarter ended		Increase/ (Decrease) %	Year ended		Increase/ (Decrease) %
	30/06/2009	30/06/2008		30/06/2009	30/06/2008 *	
	\$'000	\$'000		\$'000	\$'000	
Revenue	10,707	22,480	(52)	54,385	92,554	(41)
Cost of sales	(9,983)	(16,812)	(41)	(44,352)	(67,394)	(34)
Gross profit	724	5,668	(87)	10,033	25,160	(60)
Other operating income	1,201	284	323	445	1,165	(62)
Distribution costs	(835)	(947)	(12)	(3,461)	(3,754)	(8)
Administrative expenses	(649)	(2,583)	(75)	(2,839)	(4,909)	(42)
Other operating expenses	(70)	(12)		(2,382)	(241)	888
Finance costs	(22)	(103)	(79)	(188)	(414)	(55)
Profit before income tax	349	2,307	(85)	1,608	17,007	(91)
Income tax expense	177	(624)	(128)	(111)	(3,285)	(97)
Net profit for the quarter/year	526	1,683	(69)	1,497	13,722	(89)

*Certain reclassifications have been made to the comparative figures to enhance comparability with the current year's presentation (see note 18).

1(a)(ii) Net profit for the quarter/year has been arrived at after crediting/(charging) the following:

	Quarter ended		Year ended	
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	\$'000	\$'000	\$'000	\$'000
Allowance for doubtful trade debts	(7)	-	(93)	(8)
Allowance for damaged/obsolete stock	(16)	-	(194)	(186)
Allowance for stock write-down	-	-	(2,074)	-
Bad trade debts written off	-	#	(11)	(22)
Bad trade debts recovered	4	-	4	4
Depreciation of property, plant and equipment	(156)	(174)	(645)	(683)
Foreign exchange (loss)/gain, net	(47)	40	27	76
Gain on disposal of plant and equipment	10	#	10	41
Interest income on bank and short-term bank deposit	9	53	99	287
Interest expense	(7)	(73)	(119)	(294)
Plant and equipment written off	#	(1)	(1)	(1)
Reversal of allowance for damaged/obsolete stock	225	117	60	420
Reversal of allowance for doubtful trade debts	5	23	9	128
Reversal of allowance for stock write-down	741	-	-	-
Stock written back	99	22	126	173
Stock written off	#	(11)	(9)	(24)
Over/(under)-provision of income tax in respect of prior years	225	-	176	(178)

Denotes amount less than \$1,000

1(b)(i) Balance Sheet

	30/06/2009	30/06/2008*
	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	33,672	28,221
Trade receivables	11,231	21,499
Other receivables, deposits and prepayments	183	451
Stock	34,644	47,484
	<u>79,730</u>	<u>97,655</u>
Non-current assets		
Property, plant and equipment	7,547	7,858
Deferred income tax asset	328	-
	<u>7,875</u>	<u>7,858</u>
Total assets	<u>87,605</u>	<u>105,513</u>
LIABILITIES		
Current liabilities		
Trade payables	1,785	3,694
Bills payables	-	8,920
Other payables	726	2,552
Current income tax liabilities	742	3,341
	<u>3,253</u>	<u>18,507</u>
Non-current liabilities		
Deferred income tax liabilities	-	44
Total liabilities	<u>3,253</u>	<u>18,551</u>
NET ASSETS	<u>84,352</u>	<u>86,962</u>
EQUITY		
Capital and reserves		
Share capital	45,750	45,750
Revaluation reserve	1,461	1,461
Retained earnings	37,141	39,751
Total equity	<u>84,352</u>	<u>86,962</u>

*Certain reclassifications have been made to the comparative figures to enhance comparability with the current year's presentation (see note 18).

1(b)(ii) Borrowings

Amount repayable in one year or less, or on demand:

30/06/2009		30/06/2008	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	8,920

Amount repayable after one year:

30/06/2009		30/06/2008	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

1(c) Cash Flow Statement

	Quarter ended		Year ended	
	30/06/2009	30/06/2008	30/06/2009	30/06/2008*
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before income tax	349	2,307	1,608	17,007
Adjustments for:				
Depreciation of property, plant and equipment	156	174	645	683
Gain on disposal of property, plant and equipment	(10)	#	(10)	(41)
Plant and equipment written off	-	1	1	1
Interest expense	7	73	119	294
Interest income	(9)	(53)	(99)	(287)
Operating cash flows before working capital changes	493	2,502	2,264	17,657
Changes in operating assets and liabilities				
Stock	3,589	(2,944)	12,840	(2,705)
Trade receivables	389	(911)	10,268	2,268
Other receivables, deposit and prepayments	287	(163)	245	(270)
Trade payables	(860)	678	(1,909)	(4,368)
Other payables	148	2,042	(1,826)	(869)
Cash generated from operations	4,046	1,204	21,882	11,713
Interest received	10	52	122	261
Interest paid	(7)	(73)	(119)	(294)
Income tax paid	-	(627)	(3,082)	(4,182)
Net cash generated from operating activities	4,049	556	18,803	7,498
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	10	#	10	41
Purchase of property, plant and equipment	(138)	(50)	(335)	(114)
Net cash used in investing activities	(128)	(50)	(325)	(73)
Cash flows from financing activities				
Bills payables, net	(1,206)	(1,631)	(8,920)	3,423
Dividend paid	-	-	(4,107)	(5,461)
Repayment of hire purchase obligations	-	(11)	-	(63)
Net cash used in financing activities	(1,206)	(1,642)	(13,027)	(2,101)
Net increase/(decrease) in cash & cash equivalents	2,715	(1,136)	5,451	5,324
Cash & cash equivalents at the beginning of quarter/year	30,957	29,357	28,221	22,897
Cash & cash equivalents at the end of quarter/year	33,672	28,221	33,672	28,221
Cash & cash equivalents comprise:				
Cash & bank balances	18,015	9,806	18,015	9,806
Short-term bank deposits	15,657	18,415	15,657	18,415
	33,672	28,221	33,672	28,221

Denotes amount less than \$1,000

*Certain reclassifications have been made to the comparative figures to enhance comparability with the current year's presentation (see note 18).

1(d)(i) Statement of Changes in Equity

	Share capital \$'000	Revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
Balance as at 1 July 2008	45,750	1,461	39,751	86,962
Net profit for the three quarters ended 31 March 2009	-	-	971	971
Total income recognised for the three quarters ended 31 March 2009	-	-	971	971
Final dividend paid in respect of FY2008	-	-	(4,107)	(4,107)
Balance as at 31 March 2009	45,750	1,461	36,615	83,826
Net profit for the quarter ended 30 June 2009	-	-	526	526
Total income recognised for the quarter ended 30 June 2009	-	-	526	526
Balance as at 30 June 2009	45,750	1,461	37,141	84,352
Balance as at 1 July 2007	45,750	1,461	31,490	78,701
Net profit for the three quarters ended 31 March 2008	-	-	12,039	12,039
Total income recognised for the three quarters ended 31 March 2008	-	-	12,039	12,039
Final dividend paid in respect of FY2007	-	-	(5,461)	(5,461)
Balance as at 31 March 2008	45,750	1,461	38,068	85,279
Net profit for the quarter ended 30 June 2008	-	-	1,683	1,683
Total income recognised for the quarter ended 30 June 2008	-	-	1,683	1,683
Balance as at 30 June 2008	45,750	1,461	39,751	86,962

1(d)(ii) There were no changes in the share capital of the Company since 31 March 2009. There were no outstanding convertibles as at 30 June 2009 and 30 June 2008. There were no treasury shares as at 30 June 2009.

1(d)(iii)

	30/06/2009	30/06/2008
Number of shares in issue	222,000,000	222,000,000

1(d)(iv) There were no sales, transfers, disposal, cancellation and/or use of treasury shares during FY2009 and as at 30 June 2009.

2. The figures in respect of the quarter/year ended 30 June 2009 have not been audited or reviewed by the auditors.

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

Not applicable.

4. The Company has adopted the same accounting policies and methods of computation in the financial statements for the year ended 30 June 2009 as compared with the audited financial statements for the year ended 30 June 2008.

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

6. Earnings per Share

	Quarter ended		Year ended	
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
Earnings per share (cents)				
(a) based on weighted average number of shares in issue	0.24	0.76	0.67	6.20
(b) on a fully diluted basis	0.24	0.76	0.67	6.20
Weighted average number of shares in issue	222,000,000	222,000,000	222,000,000	222,000,000

7. Net Asset Value per Share

	30/06/2009	30/06/2008
Net asset value per share based on issued share capital (cents)	38.0	39.2
Number of shares in issue	222,000,000	222,000,000

8. Review of Performance*Revenue*

Revenue decreased by \$11.8 million or 52%, from \$22.5 million for the quarter ended 30 June 2008 ("4Q2008") to \$10.7 million for the quarter ended 30 June 2009 ("4Q2009"). The decrease was due mainly to a decrease in sales volume of 580 tonnes or 37%, from 1,548 tonnes for 4Q2008 to 968 tonnes for 4Q2009 and a decrease in average selling price of \$3,455 per tonne or 24%, from \$14,522 per tonne for 4Q2008 to \$11,067 per tonne for 4Q2009, as a result of a fall in demand for stainless steel products.

Revenue decreased by \$38.2 million or 41%, from \$92.6 million for the financial year ended 30 June 2008 ("FY2008") to \$54.4 million for the financial year ended 30 June 2009 ("FY2009"). The decrease was due mainly to a decrease in sales volume of 2,114 tonnes or 35%, from 6,049 tonnes for FY2008 to 3,935 tonnes for FY2009 and a decrease in average selling price of \$1,479 per tonne or 10% from \$15,301 per tonne for FY2008 to \$13,822 per tonne for FY2009, as a result of a fall in demand for stainless steel products.

Gross profit

Gross profit decreased by \$5.0 million or 87%, from \$5.7 million for 4Q2008 to \$0.7 million for 4Q2009. The decrease was due mainly to a decrease in revenue and a decrease in gross profit margin. Gross profit margin decreased from 25% for 4Q2008 to 7% for 4Q2009. The decrease was due mainly to a decrease in average selling price.

Gross profit decreased by \$15.2 million or 60%, from \$25.2 million for FY2008 to \$10.0 million for FY2009. The decrease was due mainly to a decrease in revenue and a decrease in gross profit margin. Gross profit margin decreased from 27% for FY2008 to 18% for FY2009. The decrease was due mainly to a decrease in average selling price.

Other Operating Income

Other operating income increased by \$0.9 million or 323%, from \$0.3 million for 4Q2008 to \$1.2 million for 4Q2009. The increase was due mainly to a reversal of allowance for stock write-down of \$0.7 million for 4Q2009 (4Q2008: Nil) and an increase in reversal of allowance for damaged/obsolete stock of \$0.1 million.

Other operating income decreased by \$0.7 million or 62%, from \$1.2 million for FY2008 to \$0.5 million for FY2009. The decrease was due mainly to a decrease in interest income of \$0.2 million, a decrease in reversal of allowance in doubtful trade debts of \$0.1 million and a decrease in reversal of allowance for damaged/obsolete stock of \$360,000.

Distribution Costs

Distribution costs decreased by \$0.1 million or 12%, from \$0.9 million for 4Q2008 to \$0.8 million for 4Q2009. The decrease was due mainly to the decrease in sales volume.

Distribution costs decreased by \$0.3 million or 8%, from \$3.8 million for FY2008 to \$3.5 million for FY2009. The decrease was due mainly to the decrease in sales volume.

Administrative Expenses

Administrative expenses decreased by \$2.0 million or 75%, from \$2.6 million for 4Q2008 to \$0.6 million for 4Q2009. The decrease was due mainly to no performance bonus for FY2009 in line with the decrease in profit of the Company.

Administrative expenses decreased by \$2.1 million or 42%, from \$4.9 million for FY2008 to \$2.8 million for FY2009. The decrease was due mainly to no performance bonus for FY2009 in line with the decrease in profit of the Company.

Other Operating Expenses

Other operating expenses increased by \$58,000 or 483%, from \$12,000 for 4Q2008 to \$70,000 for 4Q2009. The increase was due mainly to a foreign exchange loss of \$47,000 for 4Q2009 (4Q2008: \$40,000 gain) and an increase in allowance for damaged/obsolete stock of \$16,000, offset by a decrease in stock written off of \$11,000.

Other operating expenses increased by \$2.2 million or 888%, from \$0.2 million for FY2008 to \$2.4 million for FY2009. The increase was due mainly to an allowance for stock write-down of \$2.1 million for FY2009.

Finance Costs

Finance costs decreased by \$81,000 or 79%, from \$103,000 for 4Q2008 to \$22,000 for 4Q2009. The decrease was due mainly to lower interest expense incurred on bills payables as a result of lower utilization of trade financing and lower interest cost.

Finance costs decreased by \$0.2 million or 55%, from \$0.4 million for FY2008 to \$0.2 million for FY2009. The decrease was due mainly to lower interest expense incurred on bills payables as a result of lower utilization of trade financing and lower interest rate charged.

Profit before income tax

Profit before income tax decreased by \$2.0 million or 85%, from \$2.3 million for 4Q2008 to 0.3 million for 4Q2009. The decrease was due mainly to the decrease in gross profit, offset by the increase in other operating income and the decrease in administrative expenses. Profit before income tax margin decreased from 10% for 4Q2008 to 3% for 4Q2009. The decrease was due mainly to the decrease in gross profit margin, offset by the increase in other operating income as a percentage of revenue and the decrease in administrative expenses as a percentage of revenue.

Profit before income tax decreased by \$15.4 million or 91%, from \$17 million for FY2008 to \$1.6 million for FY2009. The decrease was due mainly to the decrease in gross profit and an increase in other operating expenses, offset by the decrease in administrative expenses. Profit before income tax margin decreased from 18% for FY2008 to 3% for FY2009. The decrease was due mainly to the decrease in gross profit margin, the increase in distribution costs as a percentage of revenue and the increase in other operating expenses as a percentage of revenue.

Income tax

Income tax for 4Q2009 relates to a decrease in provision for income tax payable for FY2009 of \$117,000 and over-provision for FY2007 of \$225,000, offset by a decrease in deferred tax asset of \$166,000.

Income tax for FY2009 relates to a provision of income tax payable for FY2009 of \$659,000, offset by a reversal of deferred tax liability of \$44,000, a deferred tax asset of \$328,000 recognised for the year and over-provision of income tax of \$176,000 in respect of prior year.

Review of Financial Position

The Company continued to enjoy a positive working capital position as at 30 June 2009.

Stock

Stock decreased by \$12.8 million or 27%, from \$47.4 million as at 30 June 2008 to \$34.6 million as at 30 June 2009. The decrease was due mainly to a decrease in purchases during the year and an allowance for stock write-down of \$2.1 million for FY2009 (FY2008: Nil). Average stock turnover days increased from 251 days for FY2008 to 338 days for FY2009

Trade receivables

Trade receivables decreased by \$10.3 million or 48%, from \$21.5 million as at 30 June 2008 to \$11.2 million as at 30 June 2009. The decrease was due mainly to a decrease in revenue. Average trade receivables turnover days increased from 90 days for FY2008 to 109 days for FY2009.

Trade payables

Trade payables decreased by \$1.9 million or 52%, from \$3.7 million as at 30 June 2008 to \$1.8 million as at 30 June 2009. The decrease was due mainly to a decrease in purchases. Average trade payables turnover days decreased from 31 days for FY2008 to 30 days for FY2009.

Other payables

Other payables decreased by \$1.9 million or 73%, from \$2.6 million as at 30 June 2008 to \$0.7 million as at 30 June 2009. The decrease was due mainly to no accrual of performance bonus (FY2008: \$1.6 million).

Deferred tax asset/liability

Deferred tax asset was \$0.3 million as at 30 June 2009 (deferred tax liability of \$44,000 as at 30 June 2008). The deferred tax asset of \$0.3 million was due mainly to an allowance for stock write-down of \$2.1 million for FY2009.

Review of Cash Flows

Net cash generated from operating activities for 4Q2009 was \$4.0 million, due mainly to a decrease in stock and trade receivables of \$4.0 million.

Net cash generated from operating activities for FY2009 was \$18.8 million, due mainly from operating cash inflows before working capital changes of \$2.3 million, a decrease in stock of \$12.8 million and a decrease in trade receivables of \$10.3 million. This was offset by a decrease in trade payables of \$1.9 million, a decrease in other payables of \$1.8 million and income tax paid of \$3.1 million.

Net cash used in investing activities for 4Q2009 was \$0.1 million, due mainly to renovation.

Net cash used in investing activities for FY2009 was \$0.3 million, due mainly to renovation and the purchase of motor vehicles and machinery.

Net cash used in financing activities for 4Q2009 was \$1.2 million, due mainly to the repayment of bills payables.

Net cash used in financing activities in FY2009 was \$13.0 million, due mainly to the repayment of bills payables and payment of dividend.

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 recovery in stainless steel prices seems to be underway. World production in the second half of 2009 is expected to be higher than in the first half of 2009 and markets have started to pick up. Replenishment of depleted stock appears to be commencing. Nevertheless, demand from end-users is expected to remain low at least until end 2009.

11. *If a decision regarding dividend has been made:*

- 11(a) *Whether a dividend has been declared (recommended):*

The Board of Directors recommends a final one-tier tax exempt dividend of 1.0 cent per share in respect of FY2009, amounting to \$2,220,000 based on 222,000,000 shares issued as at 30 June 2009 for shareholders' approval at the forthcoming Annual General Meeting.

The recommended final dividend in respect of FY2009 has not been reflected in the financial statements for FY2009 but will be accounted for in the Statement of Changes in Equity as an appropriation of retained earnings in FY2010, subject to shareholders' approval at the forthcoming Annual General Meeting.

- 11(b)(i) *Amount per share:* 1.0 cent

- 11(b)(ii) *Previous corresponding period :* FY2008

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (cent)	1.85
Tax rate	one-tier tax exempt

- 11(c) *Whether the dividend is before tax, net of tax or tax exempt:*

The recommended final dividend is a one-tier tax exempt dividend.

- 11(d) *The date the dividend is payable:*

Subject to shareholders' approval at the forthcoming Annual General Meeting, the final dividend in respect of FY2009 will be paid on 16 November 2009.

- 11(e) *The date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined:*

Subject to the shareholders' approval mentioned above, the Register of Members and Register of Transfers of the Company will be closed on 5 November 2009 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 4 November 2009, will be registered before entitlements to the dividend are 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**13. Revenue and Results by Product Segments**

FY2009	Bars/Plates \$'000	Pipes/Fittings \$'000	Others \$'000	Total \$'000
Revenue	23,856	26,909	3,620	54,385
Gross profit	3,264	5,556	1,213	10,033
Unallocated costs				(8,682)
				1,351
Other operating income				445
Finance costs				(188)
Profit before income tax				1,608
Income tax expense				(111)
Net profit for the year				1,497
Assets - unallocated				87,605
Liabilities – unallocated				3,253
Capital expenditure – unallocated				335
Depreciation of property, plant and equipment – unallocated				645
FY2008	Bars/Plates \$'000	Pipes/Fittings \$'000	Others \$'000	Total \$'000
Revenue	43,829	42,930	5,795	92,554
Gross profit	10,873	11,813	2,474	25,160
Unallocated costs				(8,904)
				16,256
Other operating income				1,165
Finance costs				(414)
Profit before income tax				17,007
Income tax expense				(3,285)
Net profit for the year				13,722
Assets - unallocated				105,513
Liabilities – unallocated				18,551
Capital expenditure – unallocated				114
Depreciation of property, plant and equipment – unallocated				683

Revenue and Results by Geographical Segments

Distribution of revenue based on the geographical location of customers:

	FY2009	FY2008
	\$'000	\$'000
Singapore	38,507	65,008
Malaysia	8,425	13,279
Others*	7,453	14,267
	<u>54,385</u>	<u>92,554</u>

Assets and capital expenditure based on the geographical location of assets:

	Assets		Capital Expenditure	
	30 June 2009	30 June 2008	FY2009	FY2008
	\$'000	\$'000	\$'000	\$'000
Singapore	84,751	99,084	335	114
Malaysia	2,137	4,607	-	-
Others*	717	1,822	-	-
	<u>87,605</u>	<u>105,513</u>	<u>335</u>	<u>114</u>

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

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:*

Please refer to paragraph 8.

15. Breakdown of Revenue

	FY2009	FY2008	Decrease
	\$'000	\$'000	%
(a) Revenue reported for first half year	33,681	49,879	(32)
(b) Profit after income tax reported for first half year	1,361	9,168	(85)
(c) Revenue reported for second half year	20,704	42,675	(51)
(d) Profit after income tax reported for second half year	136	4,554	(97)

16. Breakdown of Total Annual Dividend

	FY2009	FY2008
	\$'000	\$'000
Ordinary	-	4,107

17. There were no interested person transactions during the year under review.
18. Certain reclassifications have been made to the comparative figures to enhance comparability with current year's presentation. As a result, certain line items have been amended on the face of the income statement, balance sheet and cash flow statement.

The items reclassified on the face of the Income Statement are as follows:

	Previously reported \$'000	After reclassification \$'000
Cost of sales	(67,011)	(67,394)
Other operating income	572	1,165
Other operating expenses	(31)	(241)

The items reclassified on the face of the Balance Sheet are as follows:

	Previously reported \$'000	After reclassification \$'000
Trade payables and bills payables	12,614	-
Trade payables	-	3,694
Bills payables	-	8,920

The items reclassified on the face of the Cash Flow Statement are as follows:

	Previously reported \$'000	After reclassification \$'000
Under cash flows from operating activities		
- Trade payables and bills payables	(945)	-
- Trade payables	-	(4,368)
Under cash flows from financing activities		
- Bills payables	-	3,423

BY ORDER OF THE BOARD

Kua Chee Seng
Chief Executive Officer

25 August 2009