

NEWS RELEASE

SEE HUP SENG'S REVENUE RISES 5% Q-O-Q TO S\$36 M IN 2Q09

Key Highlights:

- Steady sales of corrosion prevention services and refined petroleum products over 1Q09
- Group net profit in 2Q09 down marginally to S\$0.6 m, from 1Q09
- Balance sheet remains sound with cash and cash equivalents of S\$23.8 m
- Group resuming plans to list 51%-owned TAT Petroleum on SGX-ST

Singapore, 13 August 2009 – See Hup Seng Limited (“See Hup Seng” or the “Group”), a leading provider of corrosion prevention services in Singapore and strategic value-added distributor of refined petroleum products in Asia Pacific, today announced a profit after tax of S\$0.6 million for the three months ended 30 June 2009 (“2Q09”) on Group revenue of S\$36.0 million during the quarter.

Financial and Operations Review

S\$ million	SEGMENTS (2Q09)		GROUP				
	CP	TAT Petroleum	2Q09	1Q09	q-o-q change	2Q08	y-o-y change
Revenue	8.4	27.6	36.0	34.2	5%	58.1	(38)%
Gross Profit	2.1	4.7	6.8	7.2	(6%)	11.3	(40)%
GP Margin	25.2%	16.9%	18.8%	21.1%	-	19.4%	-
Profit/Loss before tax	0.03	0.8	0.8	1.2	(30%)	5.5	(85)%
Income tax	(0.03)	(0.2)	(0.2)	(0.4)	(49%)	(1.0)	(80)%
Profit after tax	0.0	0.6	0.6	0.8	(20%)	4.6	(86)%
EBITA	0.6	1.3	1.9	2.4	(18%)	6.7	(71)%

On a year-on-year basis, Group revenue declined 38% to S\$36 million in 2Q09 as the effects of the global financial crisis and economic slowdown continued to weigh on the performances of its two business segments – corrosion prevention (“CP”) and refined petroleum distribution (“TAT Petroleum”). CP segment saw a 56% decline in revenue while TAT Petroleum experienced a smaller decline of 29% in sales during 2Q09, as compared to 2Q08.



However, Group revenue in 2Q09 improved over 1Q09 on the back of resilient performances from both CP and TAT Petroleum business segments. Revenue of CP segment increased to S\$8.4 million in 2Q09, from S\$7.3 million in 1Q09, as a result of higher orders for tank coating services. Revenue from TAT Petroleum segment was also stable at S\$27.6 million in 2Q09, against S\$26.9 million in the preceding quarter.

The Group experienced a small decline in gross profit margin in 2Q09 to 18.8% when compared against the same period a year ago. Although TAT Petroleum segment registered better trade margins in 2Q09 than 2Q08, CP segment's gross profit margin was affected by the decline in sales which resulted in lower capacity and under-absorption of the segment's fixed overhead costs.

Due to the substantial reduction in revenue, the Group's net profit witnessed a year-on-year decline of 86% to S\$0.6 million in 2Q09. However, Group net profit remained relatively stable when compared to the preceding quarter, thanks to the benefits of the management's cost-containment measures.

As at 30 June 2009, the Group had a sound balance sheet with S\$12.8 million of cash and bank balances, and S\$16.6 million of fixed deposits. Based on total cash equivalents of S\$23.8 million, the Group had a low net gearing of 0.17 times.

Resuming plans to list TAT Petroleum

Said Mr Thomas Lim Siok Kwee, Executive Chairman of See Hup Seng, "While demand for refined petroleum products has softened in the wake of the economic slowdown, the Group foresees that sales of TAT Petroleum segment may start to stabilise during the second half of 2009, barring any unexpected sharp decline in the global economy. As such, we have resumed the preparation work to list TAT Petroleum as a separate listing on the Main Board of the Singapore Exchange Securities Trading Ltd through a proposed initial public offer."

There have been signs over recent months that the world economy is stabilising as the worst of the global financial crisis appears to have passed. However, the pace of recovery is still uncertain at this juncture. While TAT Petroleum segment could achieve a steady



performance in the second half of 2009 on the back of a potential economic recovery, the Group expects the operating environment for its CP segment to remain challenging due to the slowdown in the marine and offshore, and steel distribution sectors, more intense competition and increasing price pressure from customers.

“Against this uncertain outlook, we will continue to exercise cost discipline to ensure a stable financial position. Coupled with the established capabilities of CP segment, and the extensive product range and market coverage of TAT Petroleum, we believe the Group is placed in good stead to overcome market challenges and respond swiftly to business opportunities,” Mr Lim added.

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About See Hup Seng

See Hup Seng Limited is a leading provider of corrosion prevention services to the marine, oil and gas, construction and infrastructure industries in Singapore. The Group also has a 51%-owned subsidiary, TAT Petroleum Pte Ltd, which is a strategic value-added distributor that offers comprehensive supply chain management of refined petroleum products in Asia Pacific.

Established in 1971, the Group's corrosion prevention business has successfully moved up the value chain to establish a strong niche in specialised tank coating services, and large-scale plant operations that are supported by two fully-equipped facilities in Singapore. Its proven capability in corrosion prevention services is underlined by its status as a resident contractor for premier shipyards in Singapore.

As a strategic distributor of ExxonMobil in the Asia Pacific region, TAT Petroleum offers value-added solutions to its major supplier and customers in diverse sectors such as vehicular, agriculture, coating, pharmaceutical, plastic and electronics industries. Its comprehensive services range from the blending and packaging of refined petroleum products into pails, drums or intermediate bulk containers bearing the ExxonMobil brand, to storage and distribution of these products to designated locations.

Headquartered in Singapore with offices in Hong Kong, China (Guangzhou) and Indonesia, TAT Petroleum is also one of only three distributors of ExxonMobil in the world that has an approved clean-room facility for packaging of medicine white oil.

See Hup Seng was listed on the Mainboard of SGX-ST in November 1998.

For further information on the Group, please visit its website at www.seehupseng.com.sg