



NEWS RELEASE

SEE HUP SENG'S NET PROFIT IN 3Q09 JUMPS 216% OVER 2Q09

Key Highlights:

- Group revenue improved 18% to S\$42.2 m in 3Q09, compared with 2Q09
- Group continues to benefit from its focus on streamlining costs
- Sound balance sheet with cash and cash equivalents of S\$36.1 m

Singapore, 12 November 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, has reported a 216% jump in profit after tax for the third quarter ended 30 September 2009 (“3Q09”) to S\$2.0 million, from S\$0.6 million in 2Q09. The improved quarter-on-quarter performance was driven by an 18% increase in Group revenue, coupled with the benefit of its continuing efforts to trim costs.

On a year-on-year basis however, the Group’s revenue in 3Q09 declined 22% to S\$42.2 million, from S\$54.4 million in 3Q08, as slower economic conditions continued to affect sales of its two business segments – corrosion prevention (“CP”) and refined petroleum distribution (“TAT Petroleum”). As a result, profit after tax in 3Q09 was 46% lower than S\$3.7 million in the same period last year.

Financial Review

S\$ million	SEGMENTS (3Q09)		GROUP				
	CP	TAT Petroleum	3Q09	2Q09	q-o-q change	3Q08	y-o-y change
Revenue	8.3	34.1	42.4	36.0	18%	54.4	(22%)
Gross profit	1.9	5.2	7.1	6.8	4%	10.7	(33%)
GP margin	23%	15%	17%	19%	-	20%	-
Profit before tax	0.5	1.8	2.3	0.8	287%	4.5	(49%)
Income tax	0	(0.3)	(0.3)	(0.2)	50%	(0.8)	(60%)
Profit after tax	0.5	1.5	2.0	0.6	215%	3.7	(46%)
EBITA	1.1	2.4	3.5	1.9	84%	5.7	(39%)



Mr Thomas Lim Siok Kwee, Executive Chairman of See Hup Seng said, “The Group’s results in the third quarter was lifted by the performance of Tat Petroleum, which is benefitting from the pick-up in demand for refined petroleum products as industrial activities in the region recover. At the same time, our continuous efforts to streamline the Group’s cost structure during this business slowdown had a positive impact on our bottom line profits.”

In 3Q09, revenue of TAT Petroleum segment of S\$34.1 million was an increase of 24% over S\$27.6 million in 2Q09 as a result of the larger volumes of refined petroleum products sold. But this was still 15% below the same period a year ago due largely to the impact of a significant fall in selling prices.

The Group also secured higher volume of orders for its CP segment despite a more competitive operating environment and increased pricing pressure for corrosion prevention services. This enabled CP segment’s revenue to hold steady at S\$8.3 million in 3Q09, compared with S\$8.4 million in 2Q09. With its customers in the marine and steel distribution sectors experiencing a slowdown since early 2009, sales of CP segment were down by 41% from 3Q08.

Group gross profit margin was only slightly narrower at 17% in 3Q09, compared to 19% in 3Q08, despite relatively tougher business conditions. Gross profit margin of TAT Petroleum segment remained relatively stable while CP segment’s gross profit margin was affected by a change in sales mix, under-absorption of fixed overhead costs as well as pricing pressure.

“Given the more competitive operating landscape, continued uncertainty over the pace of recovery for our customers’ industries as well as possible project delays by customers, the Group will continue exercising cost discipline. This will ensure we have a sound financial position to overcome business volatility and competitive pressures, as well as be ready to seize business and suitable diversification or growth opportunities that arise,” said Mr Lim.

The Group is on the look out for opportunities to enhance the value proposition of CP segment through expansion of service offerings and market coverage. It is also aiming to strengthen Tat Petroleum segment’s market position by seeking new master distribution contracts that broaden its product range and geographical footprint.

As at 30 September 2009, the Group maintained a healthy balance sheet that had S\$36.1 million in cash and cash equivalents, and a low net gearing of 0.06 times.



SEE HUP SENG LIMITED

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), South Korea 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 is listed on the Mainboard of SGX-ST.

For further information, please visit the Group's website at www.seehupseng.com.sg