SEE HUP SENG LIMITED

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NEWS RELEASE

SEE HUP SENG POSTS PROFIT AFTER TAX OF S$12.8 MILLION ON THE BACK OF S$200.3M IN REVENUE FOR FY2008

Key Highlights:

- Robust performance from refined petroleum products distribution ("TAT") segment boosted FY2008 Group revenue 57% above previous corresponding financial year
- High diesel and key raw materials costs impacted on Corrosion Prevention ("CP") segment margins during the year
- TAT secured new contract to package medicine white oil ("MWO") in ExxonMobil branded drum and has also expanded its area of coverage for MWO distribution from South East Asia ("SEA") to Asia Pacific Region
- TAT to suspend its listing preparation work on SGX in view of current weak market condition

Singapore, 26 February 2009 – See Hup Seng Limited ("See Hup Seng" or the "Group"), a leading provider of corrosion prevention services for the marine, oil and gas, construction and infrastructure industries in Singapore and a leading distributor of refined petroleum products in Asia Pacific region, today announced a profit after tax of S$12.8 million on the back of a 57% increase in revenue to S$200.3 million for the financial year ended 2008 ("FY2008").

Financial and Operation Review

Financial Highlights	**12 months ended 31 December 2008**				
	2008 CP S$'000	**2008 TAT** S$'000	**2008 Total** S$'000	**2007* Total** S$'000	**%** *Change*
Revenue	56,442	143,877	200,319	127,422	*57%*
Gross Profit	16,930	21,421	38,351	30,866	*24%*
Gross Margin %	*30%*	*15%*	*19%*	*24%*	-
Profit before tax	7,846	8000	15,846	16,504	(4%)
Income tax	(1,176)	(1,822)	(2,998)	(1,659)	81%
Profit after tax	6,670	6,178	12,848	14,845	*(13%)*

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The Group's revenue of S$200.3 million in FY2008 was 57% higher than FY2007 of S$127.4 million. The increase in revenue was mainly attributable to the robust performance from Tat segment.

Weighed down by the sharp drop in oil prices and slowdown in the economy in Q408, CP segment saw a slowdown in its business, and the decrease in CP revenue in Q408 had pulled down the revenue growth of 18% registered by CP segment in 9 months period ended 2008 ("YTD Q308") to a slight decrease in revenue of 3% in FY2008.

Revenue for TAT surged 109% to S$143.9 million in FY2008 from S$69.0 million in FY2007 on the back of 4 quarters' financial results consolidated into the Group in FY2008 as compared to only 3 quarters' financial results in FY2007 following the Company gained effective control of TAT segment in Q207. Furthermore, the additional master distribution contracts clinched in the last 2 quarters of FY2007 had also expanded its customer base, products range and areas of coverage in the Asia Pacific region.

Gross profit increased by S$7.5 million or 24% from S$30.9 million in FY2007 to S$38.4 million in FY2008 driven by the significant revenue growth in TAT which more than offset the lower gross profit (FY2008: S$16.9 million ; FY2007: S$22.0 million) reported by CP segment due to lower revenue and contribution margin (FY2008: 30% ; FY2007: 38%).

The lower contribution margin from CP segment was mainly attributable to the following:-

- lower gross margins secured by Plant Operation and Grit Blasting – Site divisions. These 2 divisions reported substantially higher gross margins from the completion of several high value projects in FY2007 whereas in FY2008 there was no such similar projects; and
- higher cost of diesel, copper grits and rental of machinery and equipment in YTD Q308, as prices of these materials and equipment spiked in response to global

inflationary pressures and demand, had lowered the gross margins of tank coating division in FY2008

Notwithstanding the lower gross margin from CP, higher gross margin of 15% registered by Tat segment in FY2008 as compared to 13% in FY2007 partly offset the shortfalls in CP segment's gross margin and this helped the Group to narrow the decrease in composite gross margin to 19% in FY2008 as compared to 24% in FY2007.

The increase in selling and distribution and administrative expenses was mainly attributable to the higher operating costs incurred by Tat segment as a result of the expanded operations from the additional master distribution contracts clinched in FY2007. The decrease in other operating expenses was mainly due to lower maintenance costs incurred by CP segment and foreign exchange gain registered by Tat segment in Q408.

The increase in finance costs was in line with the higher revenue contributed by TAT segment as its working capital is largely funded by short-term trade facilities from bank.

With lower gross profit from CP segment and full income tax had to be provided for CP segment for FY2008 as prior years' tax losses have been fully utilized in FY2007, profit after income tax as a result decreased by 13% to S$12.8 million in FY2008 from S$14.8 million in FY2007. If CP segment needs not to accrue for the income tax in FY2008, profit after income tax for the Group would have only decreased by 7.0% to S$13.7 million on a comparable basis against FY2007.

Commenting on the performance for FY2008, See Hup Seng's Non-Executive Chairman, Mr. Thomas Lim Siok Kwee said, "We are pleased to announce a profitable set of results for FY2008 notwithstanding the challenging operating environment started to face at the end of Q308. With the continued weakening offshore, oil and gas and marine near-term fundamentals, the Group expects the operating environment for CP segment to be challenging in FY2009. In addition, CP segment also faced heightened competition with new entrants and pricing revision pressure from the key customers for its tank coating business unit. This coupled with the challenging operating environment ahead will likely

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have an adverse impact on the business volume and contribution margin moving forward. To brace CP segment for this uncertain business outlook, the Group will continue to exercise prudent cost management and position ourselves for opportunities that may arise when the business environment stabilizes.

TAT segment continues to perform to expectations in FY2008. Riding on the various master distribution contracts it has secured with ExxonMobil for the Asia-Pacific region, FY2008 sales has accelerated and improve 109% against FY2007. I am also pleased to announce that Tat Petroleum Pte Ltd has secured a new contract to package MWO in ExxonMobil branded drums and has also expanded its area of coverage for MWO distribution from SEA to Asia Pacific region. With the successful commissioning of the new clean-room type drumming facility for MWO, TAT becomes one of the three distributors in the world within ExxonMobil's circuit to have an approved facility.

However, TAT segment is expected to face challenging operating environment in FY2009 amid the slowing regional economies. Customers are now more cautious in their purchasing and inventories management in view of the slowing economy and volatile demand trend ahead. As such, this will likely have an adverse impact on TAT segment's business volume in FY2009. Despite the challenging environment ahead, TAT segment will continue to seek opportunity to strengthen its regional position and intensify its effort to grow some of the emerging markets such as South Asia region and Vietnam, and try to secure more master distribution contracts moving forward.

Notwithstanding the challenges ahead, with the Group's strong balance sheet coupled with positive cash flow, it should be able to brace itself to meet the challenges and seize opportunities when the global financial crisis abates and economic conditions improve.

With reference to the announcement made on 8 September 2008 in relation to the proposed listing of TAT, the Board of Directors have, in view of the current weak market condition, decided to suspense the listing preparation work of Tat until market condition improves.

Finally, in appreciation for the support shown by shareholders, the Board of Directors is pleased to propose a final one-tier tax exempt dividend of 1.10 cents per share for FY2008. This is in addition to the interim one-tier tax-exempt dividend of 0.75 cents per share paid on 10 September 2008. Total dividend in absolute terms for FY2008 will be 1.85 cents per share."

–End –

About See Hup Seng Limited

The Company is a Singapore listed company with the Mainboard of Singapore Exchange Securities Trading Limited. The Company is a leading provider of corrosion prevention services for the marine, oil and gas, construction and infrastructure industries in Singapore and also a leading distributor of refined petroleum products for the Asia Pacific region arising from the recent acquisition of Tat Petroleum Pte Ltd.

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