

SEE HUP SENG LIMITED

(Company Registration No. 197502208Z)

Unaudited Financial Statement Announcement for the Second Quarter Ended 2009

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

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	3 months ended 30 Jun			6 months ended 30 Jun		
	2009	2008	Change	2009	2008	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	35,990	58,083	(38%)	70,187	106,519	(34%)
Cost of sales and services	(29,214)	(46,800)	(38%)	(56,193)	(86,901)	(35%)
Gross profit	<u>6,776</u>	<u>11,283</u>	(40%)	<u>13,994</u>	<u>19,618</u>	(29%)
Other income	106	261	(59%)	323	501	(36%)
Selling and distribution expenses	(1,124)	(872)	29%	(2,056)	(1,694)	21%
Administrative expenses	(2,465)	(2,573)	(4%)	(5,009)	(5,008)	-
Other operating expenses	(2,181)	(2,141)	2%	(4,503)	(3,378)	33%
Profit from operations	<u>1,112</u>	<u>5,958</u>	(81%)	<u>2,749</u>	<u>10,039</u>	(73%)
Finance costs	(292)	(428)	(32%)	(644)	(882)	(27%)
Share of loss of associated company	-	-	N/M	(118)	(39)	203%
Profit before income tax	<u>820</u>	<u>5,530</u>	(85%)	<u>1,987</u>	<u>9,118</u>	(78%)
Income tax	(189)	(956)	(80%)	(563)	(1,598)	(65%)
Profit after income tax	<u>631</u>	<u>4,574</u>	(86%)	<u>1,424</u>	<u>7,520</u>	(81%)
Attributable to:						
Equity holders of the Company	319	3,782	(92%)	429	6,083	(93%)
Minority interests, net of income tax	312	792	(61%)	995	1,437	(31%)
	<u>631</u>	<u>4,574</u>	(86%)	<u>1,424</u>	<u>7,520</u>	(81%)

Statement of Comprehensive Income/(Expense)

	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
	2009 S\$'000	2008 S\$'000	Change %	2009 S\$'000	2008 S\$'000	Change %
Profit after income tax	631	4,574	(86%)	1,424	7,520	(81%)
Other comprehensive income/(expense)						
Foreign currency translation	(234)	6	(4000%)	350	16	2088%
Deferred taxation on revaluation of property	-	-	N/M	(311)	-	N/M
	<u>(234)</u>	<u>6</u>	(4000%)	<u>39</u>	<u>16</u>	144%
Total comprehensive income for the year	<u>397</u>	<u>4,580</u>	(91%)	<u>1,463</u>	<u>7,536</u>	(81%)
Attributable to:						
Equity holders of the Company	204	3,788	(95%)	296	6,099	(95%)
Minority interests, net of income tax	193	792	(76%)	1,167	1,437	(19%)
	<u>397</u>	<u>4,580</u>	(91%)	<u>1,463</u>	<u>7,536</u>	(81%)

Additional Information to Group Consolidated Profit and Loss Accounts Under the Provision of Rule 705 of SGX-ST Listing Manual

	Note	Group 3 months ended 30 Jun			Group 6 months ended 30 Jun		
		2009 S\$'000	2008 S\$'000	Change	2009 S\$'000	2008 S\$'000	Change
Other Income	1	106	261	(59%)	323	501	(36%)
Dividend income		-	-	N/M	-	54	(100%)
Interest Income	2	80	75	6%	111	172	(35%)
Interest on borrowings	3	(292)	(428)	(32%)	(644)	(882)	(27%)
Depreciation	4	(824)	(731)	13%	(1,680)	(1,440)	17%
Amortisation of intangible assets	5	-	(7)	(100%)	-	(31)	(100%)
Fixed assets written off	6	(1)	(7)	(86%)	(3)	(7)	(57%)
Gain on sales of fixed assets	7	-	54	(100%)	-	55	(100%)
Bad debt expense		(9)	(9)	-	(13)	(9)	44%
Provision for doubtful debts		-	-	N/M	(21)	-	N/M
Write-back on provision for stock obsolescence		2	2	-	3	4	(25%)
Stock written off	8	(4)	(16)	(75%)	(5)	(24)	(79%)
Foreign exchange (loss)/gain	9	(430)	(91)	373%	(1,078)	63	(1811%)
		<u></u>	<u></u>		<u></u>	<u></u>	

- 1) The decrease was mainly due to lesser rebate received by TAT segment in Q209.
- 2) The increase was in line higher cash & cash equivalents in Q209.
- 3) The decrease was in line with lower business activities in Q209.
- 4) The increase was in line with plant expansion in June 2008.
- 5) Intangible assets had been fully amortized in FY2008.
- 6) The decrease was mainly due to lesser fixed assets written-off in Q209.
- 7) There was no asset being disposed in Q209.
- 8) The decrease was mainly due to lesser stocks written-off in Q209.
- 9) The increase was mainly due to the volatility of the foreign exchange market in Q209.

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 2009 S\$'000	31 Dec 2008 S\$'000	30 Jun 2009 S\$'000	31 Dec 2008 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	33,337	34,161	17,775	18,361
Subsidiary companies	-	-	17,171	17,171
Associated company	394	512	394	512
Available-for-sale financial asset	290	290	290	290
Membership rights	195	195	-	-
Goodwill	9,525	8,982	-	-
Other receivables	569	693	-	-
	<u>44,310</u>	<u>44,833</u>	<u>35,630</u>	<u>36,334</u>
Current Assets				
Stock and work-in-progress	16,356	17,013	-	-
Trade receivables	37,786	38,784	8,082	10,711
Amount due from related parties	-	-	8,329	7,312
Other receivables	3,515	3,671	1,062	616
Fixed deposits	16,612	28,328	14,318	20,300
Cash and bank balances	12,819	8,225	1,001	1,393
	<u>87,088</u>	<u>96,021</u>	<u>32,792</u>	<u>40,332</u>
TOTAL ASSETS	<u>131,398</u>	<u>140,854</u>	<u>68,422</u>	<u>76,666</u>
LIABILITIES				
Current Liabilities				
Trade payables and accrual	12,190	14,205	1,243	1,871
Other payables	520	1,391	452	852
Amount due to related parties	-	-	3,352	6,022
Term loan	2,178	1,458	600	600
Trust receipts	26,364	31,543	-	-
Hire purchase creditors	869	871	105	158
Provision for taxation	2,200	2,844	360	562
	<u>44,321</u>	<u>52,312</u>	<u>6,112</u>	<u>10,065</u>
Non-current Liabilities				
Term loan	7,079	6,208	2,455	2,755
Hire purchase creditors	912	1,102	-	26
Deferred taxation	1,247	937	545	545
	<u>9,238</u>	<u>8,247</u>	<u>3,000</u>	<u>3,326</u>
TOTAL LIABILITIES	<u>53,559</u>	<u>60,559</u>	<u>9,112</u>	<u>13,391</u>
EQUITY				
Share capital	74,167	74,167	74,167	74,167
Treasury shares	(751)	(751)	(751)	(751)
Asset revaluation reserve	1,621	1,932	2,874	2,874
Foreign currency translation reserve	1,762	1,584	-	-
Accumulated losses	(7,376)	(3,886)	(16,980)	(13,015)
	<u>69,423</u>	<u>73,046</u>	<u>59,310</u>	<u>63,275</u>
Minority interests	8,416	7,249	-	-
TOTAL EQUITY	<u>77,839</u>	<u>80,295</u>	<u>59,310</u>	<u>63,275</u>
TOTAL LIABILITIES & EQUITY	<u>131,398</u>	<u>140,854</u>	<u>68,422</u>	<u>76,666</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	30-Jun-09	31-Dec-08
	S\$'000	S\$'000
Amount Repayable in one year or less, or on demand		
Secured	29,411	33,872
Unsecured	-	-
	<u>29,411</u>	<u>33,872</u>
Amount Repayable after one year		
Secured	7,991	7,310
Unsecured	-	-
	<u>7,991</u>	<u>7,310</u>

Details of any collateral

The credit facilities of the Group were secured by the following:

- (i) A mortgage in-escrow and deed of assignment over 81 Tuas South Street 5 and 9 Jalan Pesawat;
- (ii) Corporate guarantee by the Company for its subsidiaries under corrosion prevention segment;
- (iii) Corporate guarantee of S\$1,530,000 and fixed deposit of S\$3,300,000 by the Company for its subsidiary's (TAT Petroleum Pte Ltd) banking facility;
- (iv) TAT Petroleum's fixed deposits of S\$2,295,000 for its own banking facilities with its bank;
- (v) Fixed and floating charge over all present and future undertakings, property assets, revenues and right of TAT Petroleum Pte Ltd;
- (vi) Joint and several personal guarantee of certain directors of its subsidiary (TAT Petroleum Pte Ltd); and
- (vii) Fixed assets under hire purchase arrangements.

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		Group	
	3 months ended 30 Jun		6 months ended 30 Jun	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities				
Profit before income tax	820	5,530	1,987	9,118
Adjustments for:				
Depreciation	824	731	1,680	1,440
Fixed assets written off	1	7	3	7
Amortisation of intangible assets	-	7	-	31
Gain on sales of fixed assets	-	(54)	-	(55)
Finance costs	292	428	644	882
Interest income	(80)	(75)	(111)	(172)
Share of loss of associated companies	-	-	118	39
Write-back on provision for stock obsolescence	(2)	(2)	(3)	(4)
Dividend income	-	-	-	(54)
Bad debts expense	9	9	13	9
	<u>1,864</u>	<u>6,581</u>	<u>4,331</u>	<u>11,241</u>
Operating cash flow before working capital changes				
Changes in working capital				
Inventories and work-in-progress	243	72	694	684
Receivables	73	(6,526)	1,251	(16,056)
Payables	2,619	238	(3,309)	2,587
Cash generated from/(used in) operations	<u>4,799</u>	<u>365</u>	<u>2,967</u>	<u>(1,544)</u>
Interest paid	(292)	(430)	(644)	(882)
Interest received	80	75	111	172
Dividend income	-	-	-	54
Income tax paid	(909)	(935)	(1,209)	(1,128)
Net cash generated from/(used in) operating activities	<u>3,678</u>	<u>(925)</u>	<u>1,225</u>	<u>(3,328)</u>
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(309)	(1,450)	(576)	(3,691)
Proceeds from disposal of property, plant and equipment	-	112	105	115
Cashflow on acquisition of subsidiary (net of cash)	-	-	(261)	-
Net cash generated from investing activities	<u>(309)</u>	<u>(1,338)</u>	<u>(732)</u>	<u>(3,576)</u>
Cash Flows from Financing Activities				
Dividends paid	(3,919)	-	(3,919)	-
Fixed deposit pledges with bank	(71)	(25)	(159)	(25)
Repayment to hire purchase	(237)	(235)	(474)	(467)
Funding from/(repayment to) term loan	2,150	(390)	1,591	(750)
Funding from/(repayment to) trusts receipts	786	(1,626)	(5,178)	(1,246)
Net cash generated from/(used in) financing activities	<u>(1,291)</u>	<u>(2,276)</u>	<u>(8,139)</u>	<u>(2,488)</u>
Net foreign currency translation adjustments	(210)	7	366	17
Net increase/(decrease) in cash and cash equivalents	<u>1,868</u>	<u>(4,532)</u>	<u>(7,280)</u>	<u>(9,375)</u>
Cash and cash equivalents at the beginning of the year	<u>21,968</u>	<u>20,856</u>	<u>31,118</u>	<u>25,699</u>
Cash and cash equivalents at the end of the year	<u><u>23,836</u></u>	<u><u>16,324</u></u>	<u><u>23,838</u></u>	<u><u>16,324</u></u>

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

	Share Capital S\$'000	Treasury Share S\$'000	Revaluation Reserve S\$'000	Capital Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Revenue Reserve S\$'000	Total S\$'000	Minority Interests S\$'000	Total Equity S\$'000
Group									
Balance at 01 January 2009	74,167	(751)	1,932	-	1,584	(3,886)	73,046	7,249	80,295
Total comprehensive income for the period	-	-	(311)	-	178	429	296	1,167	1,463
Dividends paid	-	-	-	-	-	(3,919)	(3,919)	-	(3,919)
Balance at 30 June 2009	74,167	(751)	1,621	-	1,762	(7,376)	69,423	8,416	77,839
Balance at 01 January 2008	74,167	-	3,508	-	1,708	(10,986)	68,397	5,269	73,666
Total comprehensive income for the period	-	-	-	-	16	6,083	6,099	1,437	7,536
Dividends paid	-	-	-	-	-	(2,704)	(2,704)	-	(2,704)
Balance at 30 June 2008	74,167	-	3,508	-	1,724	(7,607)	71,792	6,706	78,498
Company									
Balance at 01 January 2009	74,167	(751)	2,874	-	-	(13,015)	63,275	-	63,275
Total comprehensive income for the period	-	-	-	-	-	(46)	(46)	-	(46)
Dividends paid	-	-	-	-	-	(3,919)	(3,919)	-	(3,919)
Balance at 30 June 2009	74,167	(751)	2,874	-	-	(16,980)	59,310	-	59,310
Balance at 01 January 2008	74,167	-	3,505	-	-	(15,991)	61,681	-	61,681
Total comprehensive income for the period	-	-	-	-	-	1,551	1,551	-	1,551
Dividends paid	-	-	-	-	-	(2,704)	(2,704)	-	(2,704)
Balance at 30 June 2008	74,167	-	3,505	-	-	(17,144)	60,528	-	60,528

- 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.**

There were no new shares issued by the Company during the financial period and there are no unissued shares as at 30 June 2009.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

There are 4,310,000 treasury shares as at 30 June 2009 (31 December 2008: 4,310,000). The total number of issued shares excluding treasury shares as at 31 March 2009 is 356,256,100 (31 December 2008: 356,256,100 shares).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been reviewed nor audited by the Company's auditors.

- 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.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the financial year ended 31 December 2008.

- 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**

In the current year, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

FRS 1 (Revised) Presentation of Financial Statements
FRS 108 Operating Segments

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies or any significant impact on the financial statements.

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

	Group		Group	
	3 months ended 30 Jun 2009	2008	6 months ended 30 Jun 2009	2008
Profit per ordinary share for the financial year based on consolidated profit attributable to members of the Company (Basic and diluted)				
- Basic	0.09 cents	1.05 cents	0.12 cents	1.69 cents
- Diluted	0.09 cents	1.05 cents	0.12 cents	1.69 cents
Based on the weighted average number of shares	356,256,100	360,566,100	356,256,100	360,566,100
Based on the weighted average number of shares	356,256,100	360,566,100	356,256,100	360,566,100

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 financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	31 Jun 2009	31 Dec 2008	31 Jun 2009	31 Dec 2008
Net asset backing per ordinary share:				
- Basic	19.49 cents	20.50 cents	16.65 cents	17.76 cents
- Diluted	19.49 cents	20.50 cents	16.65 cents	17.76 cents
Based on issued share capital as at	356,256,100	356,256,100	356,256,100	356,256,100
Based on issued share capital as at	356,256,100	356,256,100	356,256,100	356,256,100

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**

Revenue

The Group recorded revenue of S\$36.0 million for the three months ended 30 June 2009 ("2Q09"), which was a decline of 38% from S\$58.1 million in the corresponding financial period last year ("2Q08"). The effects of the global financial crisis and economic slowdown continued to weigh down the performance of the Group's two core business segments – Corrosion Prevention ("CP") and Refined Petroleum Distribution ("TAT Petroleum") – in 2Q09.

However, when compared to the preceding financial quarter ("1Q09"), Group revenue in 2Q09 increased slightly by 5%, supported by an improvement in revenues of both CP and TAT Petroleum business segments.

Revenue breakdown by business segments:

Business Segments	Group			Group		
	3 months ended 30 Jun			6 months ended 30 Jun		
	2009	2008	Inc/(Dec)	2009	2008	Inc/(Dec)
	S\$'000	S\$'000		S\$'000	S\$'000	
Corrosion prevention	8,437	19,324	(56%)	15,702	32,849	(52%)
Distribution - refined petroleum products	27,553	38,759	(29%)	54,485	73,670	(26%)
Total Sales	35,990	58,083	(38%)	70,187	106,519	(34%)

Revenue of CP segment fell 56% year-on-year to S\$8.4 million in 2Q09, due mainly to soft market conditions in the marine and steel distribution sectors as well as keener competition in the corrosion prevention services industry. Compared to 1Q09, sales from CP segment was up 16% from S\$7.3 million in 1Q09, driven primarily by an increase in orders for tank coating services.

In line with the weaker global economic climate, demand for refined petroleum products softened in 2009. As a result, the revenue of TAT Petroleum segment decreased 29% year-on-year to S\$27.6 million in 2Q09. However, sales have remained stable compared to S\$26.9 million in 1Q09.

In 2Q09, TAT Petroleum segment made up 77% of Group revenue, an increase from its contribution of 67% in 2Q08, while CP segment accounted for the remaining 23% of Group revenue.

For the six months ended 30 June 2009 ("1H09"), Group revenue decreased 34% to S\$70.2 million, from S\$106.5 previously, due to the impact of the global financial crisis and economic slowdown on both the Group's core business segments.

GROSS PROFIT

Gross profit in 2Q09 decreased 40% to S\$6.8 million compared to 2Q08, due mainly to lower Group revenue recorded in the period under review. The Group's gross profit margin ("GPM") narrowed marginally to 18.8% in 2Q09, from 19.4% in 2Q08, which can be attributed to a decline in GPM of CP business segment.

Gross profit margin by business segments:-

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Jun</u>	<u>30 Jun</u>	<u>6 months ended 30 Jun</u>	<u>30 Jun</u>
Business Segment	2009	2008	2009	2008
Corrosion prevention	25.2%	29.2%	24.2%	29.5%
Distributed - refined petroleum products	16.9%	14.6%	18.7%	13.5%
	<u>18.8%</u>	<u>19.4%</u>	<u>19.9%</u>	<u>18.4%</u>

The GPM of the CP segment declined to 25.2% from 29.2% in 2Q08. This can be attributed to the decline in sales of the CP segment, which resulted in lower capacity utilization and hence under-absorption of fixed overhead costs, as well as prevailing price pressure in the corrosion prevention services industry. The impact on CP segment's GPM was exacerbated by the expansion of the Group's plant operations in June 2008.

The GPM of the CP segment in 2Q09 was an improvement from 23.2% in 1Q09 as this segment benefited from cost control initiatives implemented in May 2009 as well as a change in sales mix.

TAT Petroleum segment turned in higher GPM of 16.9% in 2Q09, compared to 14.6% in the same period last year, due to better trade margins. In comparison to the preceding quarter, GPM in 2Q09 was lower due to the absence of a quantity rebate that TAT Petroleum segment received from a supplier in 1Q09 which lifted its GPM to 20.5%.

OTHER INCOME

Other income in 2Q09 decreased 59% year-on-year to S\$0.1 million was mainly due to lesser rebate received by TAT Petroleum segment.

SELLING, DISTRIBUTION, ADMINISTRATIVE AND OTHER OPERATING EXPENSES

The Group's selling and distribution, administrative and other operating expenses rose to S\$5.8 million in 2Q09, from S\$5.6 million in 2Q08.

CP segment benefited from cost-cutting measures in 2Q09, which saw its total operating expenses easing slightly compared to the same period last year.

TAT Petroleum segment incurred higher operating expenses in 2Q09 relative to 2Q08 in tandem with the expansion of its sales operations following the awards of additional master distribution contracts in second half of 2007 and 4Q08. This segment's operating expenses also included a foreign exchange loss of S\$0.4 million. However, total operating expenses for TAT Petroleum segment in 2Q09 remained stable over 1Q09.

NET PROFIT

Group profit from operations declined 81% to S\$1.0 million in 2Q09, which can be attributed mainly to the decrease in revenue during the quarter. After taking into account finance costs and income tax expenses for the period, the Group posted a net profit of S\$0.6 million for 2Q09.

The Group recorded net profit of S\$ 1.4 million over 1H09, compared to S\$7.5 million in the year-ago corresponding period.

	Group		Group	
	3 months ended 30 Jun		6 months ended 30 Jun	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Provision for tax in respect of results for the current year	169	956	542	1,598
Underprovision for tax in prior years	20	-	21	-
Deferred tax	-	-	-	-
	<u>189</u>	<u>956</u>	<u>563</u>	<u>1,598</u>

BALANCE SHEET AND CASH FLOW ANALYSIS

At the end of 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's net gearing at the end of June 2009 was 0.17 times.

Non-current assets as at 30 June 2009 decreased by S\$0.5 million as compared to 31 December 2008. The increase in goodwill arising from the investment in Yuen Fung Hong Petroleum Company Limited on 2 April 09 was offset by a decline in interests in associated company due to share of loss (equity accounting) of associated company in 1H09; as well as depreciation of property, plant and equipment.

Current assets as at 30 June 2009 decreased by S\$8.9 million over 31 December 2008, due largely to the decrease in stock, trade and other receivables, and cash and cash equivalents balances. Stock and work-in-progress, and trade receivables were reduced to S\$16.4 million and S\$37.8 million respectively at the end of 2Q09, due mainly to lower level of business activities. The decrease in cash and cash equivalents balance arose mainly from the repayment of trade payables and trust receipts, as well as dividend payment of S\$3.9 million in 2Q09.

Current liabilities as at 30 June 2009 decreased S\$8.0 million over 31 December 2008. Trade payables, accrual and other payables decreased by S\$2.9 million to S\$12.7 million at the end of 2Q09, from S\$15.6 million as at 31 December 2009, while the Group also reduced the level of trust receipts during 1H09 by S\$5.1 million to S\$26.3 million. The declines are attributable to repayments and lower level of business activities.

Long-term liabilities as at 30 June 2009 increased by around S\$1.0 million over 31 December 2008, as a result of a net increase in term loan by S\$0.9 million, and higher deferred taxation at the close of financial period under review.

The Group's net asset value decreased to S\$77.8 million at the end of the period under review due mainly to the payment of dividends in 2Q09.

Net cash generated from operations in 1H09 amounted to S\$1.2 million, against a negative operating cash flow in the same period last year. Net cash used in financing activities amounted to S\$8.2 million in 1H09 due primarily to the dividend payment of S\$3.9 million, and repayment of trust receipts of S\$5.2 million, which offset the additional S\$1.6 million of term loans in 1H09. Consequently, the Group's cash and cash equivalents declined to S\$23.8 million at the end of June 2009, compared to S\$31.1 million at the end of December 2008.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The current announced results are in line with the prospect commentary previously disclosed to shareholders in the results announcement for the period ended 31 March 2009.

10. A commentary at the date of the announcement of the significant trends and 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.

In recent months, there are signs that the global economy is stabilising as the worst of the global financial crisis appears to have passed. However, the world economy remains in recession and the pace of recovery is still uncertain. Against this uncertain outlook, the Group will continue to exercise prudent cost management to ensure that its balance sheet remains sound to withstand the market challenges. In addition, the Group is also operationally ready to seize business opportunities when economic conditions improve.

CP SEGMENT

While revenue for CP segment in 2Q09 improved sequentially from 1Q09, the operating environment for corrosion prevention services continues to be challenging in the face of reduced customer demand due to the slowdown in the marine and offshore, and steel distribution sectors. Coupled with heightened competition and increased pressure from customers to revise the pricing of the Group's services, the business volume and gross profit margin of the CP segment may be adversely affected. As such, the Group shall continue to streamline and maintain an efficient cost structure to cope with the market challenges. With the necessary capacity and capabilities in place for its plant operations and tank coating services, the Group will be able to respond quickly to an upturn in its key customer industries.

TAT PETROLEUM SEGMENT

While demand for refined petroleum products has softened in the wake of the economic slowdown and affected the revenue of TAT Petroleum segment in 1H09, the Group foresees that sales of TAT Petroleum segment may start to stabilise in the second half of 2009, barring any unexpected sharp decline in the global economy.

In the past two financial years, TAT Petroleum segment has secured new master distribution contracts that have enabled it to expand its product range and widen its market coverage. These new contracts should benefit TAT Petroleum segment in the longer term as it strives to increase its market penetration in some of the emerging markets in South Asia and South East Asia including India, Pakistan and Vietnam.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended for the quarter ended 30 June 2009.

13. Confirmation Pursuant to Rule 705(5) of the Listing Manual

We, Thomas Lim Siok Kwee and Lum Chee Kong, being two directors of See Hup Seng Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the Q209 financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lum Chee Kong
Acting CEO & Executive Director
13 August 2009