



SSH CORPORATION LTD.

新順發股份有限公司

Co. Reg. No. 197600985C



NEWS RELEASE

SSH REPORTS Q1 FY2010 NET PROFIT OF S\$1.8 MILLION

- Revenue is lower due to lower revenue from projects and lower demand for industrial material products.
- Net profit after tax is lower than same quarter last year but significantly improved from Q4 FY09.
- Balance sheet is healthy and Group has S\$20.6 million in cash and cash equivalent.
- Gearing stood at 0.29 times.

SINGAPORE, 11 November 2009 – Main board listed SSH Corporation Ltd (“SSH” or the “Group”) today announced sales of S\$29.4 million and net profit after tax and minority interest of S\$1.8 million for the first quarter ended 30 September 2009 (Q1 FY2010).

The Group delivered weaker revenue and net profits relative to the same quarter in the previous financial year (Q1 FY2009). This was due to the lower revenue from projects and lower demand for industrial material products, such as pipes and plates, following the global economic crisis. Revenue declined by 53% to S\$29.4 million and net profit after tax declined by 79% to S\$1.8 million.

The lower revenue coupled with the competitive operating landscape resulted in lower gross profit margin, which decreased from 29% to 26% this quarter. Net profit margin also narrowed from 13% in Q1 FY09 to 6% this quarter.

This quarter saw significant reduction in operating expenses. Total expenses reported a decrease of 34%, declining from S\$9.6 million to S\$6.4 million. The lower expenses this quarter were attributable to the lower business activities and cost control.

Notwithstanding the lower performance this quarter, the Group’s balance sheet remained strong. Trade receivables were lower by 16% due to lower revenue and trade receivables turnover increased from 77 to 100 days. Inventory reported a marginal decrease of 3% due to earlier substantial purchases received in the quarter. At the close of the quarter, there was a marginal increase in bank borrowings, which rose from S\$33.8 million to S\$34.2 million and gearing stood at 0.29 times.



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The Group closed the quarter with net increase in cash and cash equivalent of S\$11.9 million compared to a decrease of S\$0.7 million in Q1 FY09. This is mainly due to an increase in net cash generated from operating activities.

Commenting on SSH's performance, Mr. Kris Wiluan, Chairman and CEO said: "The Group has performed well despite the difficult operating conditions. Riding on our experience from the global economic crisis, SSH is ready to meet the new business demands when the oil and gas industry recovers from the current downturn."

The oil and gas, petrochemical and marine offshore industries, in which the Group operates, has yet to see a general recovery. However, there are early signs of renewed interest from substantial oil and gas related projects, which have been announced recently.

The Group will continue to closely manage operating cost, and improve operating efficiencies.

About SSH Corporation Ltd

Established in 1942, SSH Corporation Ltd ("SSH") became a public listed company in 1995. The Group specialises in supplying high-grade industrial materials and products such as seamless pipes, flanges, valves, fittings as well as welding equipment and consumables to the oil and gas industry. These products meet the stringent specifications of its core oil and gas, petrochemical, marine, power generation, and other infrastructure-related customers. Headquartered in Singapore, SSH's geographical presence covers China, Indonesia, Malaysia, Thailand and Vietnam.

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