



**SSH CORPORATION LTD.**

新順發股份有限公司

Co. Reg. No. 197600985C



## NEWS RELEASE

### SSH REPORTS 22% RISE IN Q2 FY09 NET PROFIT

- Net profit after tax rose 22% to S\$5.3M.
- Revenue was marginally lower by 2%.
- Net cash flow from operating activities was S\$6.5M.
- Group expects FY2009 to remain profitable.

**SINGAPORE, 11 February 2009** – For the second quarter ended 31 December 2008 (“Q2 FY09”) the Group reported a 22% increase in net profit after tax from S\$4.3M to S\$5.3M.

Revenues decreased by 2% from S\$56.1M to S\$55.1M. Arising from the drop in steel prices, the Group increased its provision for stock write down from S\$0.8M in Q2 FY08 to S\$3.1M in Q2 FY09.

Other income increased by 200% from S\$0.9M to S\$2.6M due mainly to contribution from increased rental and service income from a project.

Administrative expenses increased by 35%, from S\$3.6 million to S\$4.8 million. This was due mainly to an increase in depreciation charge for the leasehold property, warehousing costs and utilities. Other operating expenses increased by 193% due mainly to impairment loss on leasehold property of S\$0.7 million recognised in Q2 FY09. Finance cost declined by 39% from S\$0.8M to S\$0.5M despite higher bank borrowings.

In Q2 FY09, the Group’s inventory turn stood at 7.9 months and trade debtors’ turn rose from 70 days to 79 days.

Non-current liabilities were higher this quarter, rising by S\$18.6M, due to the increase in long term bank borrowings. The Group’s gearing declined marginally from 0.48 times to 0.47 times. The Group obtained unsecured long term loans of about S\$33M payable within a period of 3 to 5 years from January 2009 to March 2013.

The Group achieved a net cash inflow from operating activities of S\$6.5M.



**SSH CORPORATION LTD.**

新順發股份有限公司

Co. Reg. No. 197600985C



The financial crisis is expected to continue for some time and may be extended if the global economies show no sign of recovery. Steel prices have softened and this may affect the gross profit margin for our products. This is a very challenging environment as the extent and duration of the impact of the global financial crisis is still unclear. The directors will continue to monitor the situation closely and take all possible actions to counteract or minimize any negative impact. Barring any unforeseen circumstances, the directors expect the Group to remain profitable for the full year.

“We will continue to integrate and synergise the business within the KS Energy Group to meet the challenges of the global economic downturn. It is important that we implement our vision and build a strong integrated energy services hub,” said Mr Kris Wiluan, Chairman and CEO of SSH Corporation. “This integrated energy services hub will have the resources to provide comprehensive supply and services for the demands of the energy industry worldwide.”

#### **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.

\*\*\*\*\*

*For enquiries, please contact:*

*Tan Peck Hwa*

*Tel: +65 9635 4996 / +65 6749 8871*

*Email: [tpocomms@singnet.com.sg](mailto:tpocomms@singnet.com.sg)*