SSH CORPORATION LTD.

新順發股份有限公司

Co. Reg. No. 197600985C

News Release

SSH reports $15.3 million full year net profit

- Revenue stood at $217.6 million
- Net profit after tax totalled $15.3 million
- Performance affected by $9.7 million provision for inventories write down
- Gearing ratio reduced from 0.48 to 0.29
- Group proposes dividend of 0.88 cent per ordinary share

SINGAPORE, 12 August 2009 – Mainboard listed SSH Corporation Ltd. ("SSH" or the "Group") today announced revenues of $217.6 million and net profit after tax and attributable to shareholders of $15.3 million for the financial year ended 30 June 2009.

The Group's revenue for the year ended 30 June 2009 (FY09) decreased by 13%, from S$249.3 million to S$217.6 million. The decrease was mainly due to fewer projects, softening of steel prices and lower demand, resulting from the effects of the global economic crisis.

The Group's gross profit decreased by 26%, from S$64.4 million to S$47.9 million. The decrease was mainly due to the provision of inventories write down of S$9.7 million, resulting in a gross profit margin of 22%. Excluding the provision for inventories write down, the gross profit margin would be about 26%, which is comparable to that of FY08.

Other income rose by 98%, from S$3.2 million to S$6.4 million. This was mainly due to the increase in rental income by S$2.2 million and other service income by S$0.9 million.

Distribution expenses decreased by 14%, from S$15.6 million to S$13.5 million, because of lower business activities. Administrative expenses rose by 12%, from S$14.6 million to S$16.3 million, due to higher depreciation charges and warehouse rental expenses.

Other operating expenses increased by 225%, from S$1.2 million to S$3.9 million. This was the result of an exchange loss of S$1.2 million in FY09, which included an exchange loss S$0.9 million, arising from FRS39. In FY08, there was an exchange gain of S$0.6 million, which included an exchange gain of S$1.0 million, arising from FRS39. The Group recorded an impairment loss on the leasehold property of S$0.9 million (FY08 – nil) and a provision for doubtful debts of S$0.4 million (FY08 – S$0.06 million).

Finance cost decreased by 36%, from S$2.6 million to S$1.7 million, due to lower bank borrowing and lower interest rate.

Share of profit in joint venture decreased by 58%, from S$0.7 million to S$0.3 million.

Net profit after tax decreased by 45%, from S$27.5 million to S$15.3 million.

Trade receivables decreased by 37%, from S$56.8 million to S$35.8 million, as a result of lower revenue and better collection from customers.

Financial Derivative Asset/Liability arose from the foreign exchange element embedded in the outstanding purchase and sales orders, under FRS39.

Inventories decreased by 5%, from S$100.5 million to S$95.4 million, due to the provision for inventories write down of S$9.7 million (FY08 - nil).The inventory turnover was 6.9 months (6.2 months in FY08).

Leasehold property decreased 10%, from S$17.0 million to S$15.2 million, due to impairment and depreciation charges.

Current Trade Payables decreased by 63%, from S$16.9 million to S$6.3 million, due to lower business activities. Other Payables and accruals decreased by 36%, from S$13.3 million to S$8.5 million, due mainly to accruals for construction cost of S$3.2 million in FY08 and lower accrual for expenses in FY09 .

Bank borrowings reduced by 33%, from S$50.2 million to S$33.8 million, due to lower working capital requirement. The long term borrowings of S$ 28.4 million were unsecured, repayable for a period of 3-5 years from January 2009. Gearing ratio was 0.29 at 30 June 2009, as compared to 0.48 at 30 June 2008.

Non-current Other Payable was in respect of long term rental received in advance from a tenant at 17 Jurong Port Road.

Shareholders' funds rose by 11%, from S$104.9 million to S$116.2 million.

Net cash generated from operating activities for the year was S$28.7 million, as compared to S$12.1 million for FY08.

Bank borrowings decreased by S$16.4 million, from S$50.2 million to S$33.8 million, due to lower working capital requirements.

Cash and Bank balances increased by S$5.3 million, from S$3.4 million to S$8.8 million.

Commenting on the Group's performance, Mr. Kris Wiluan, executive chairman and CEO says: "*SSH has done well despite the volatile and difficult operating environment. The Group will continue to exploit its international network to grow its business. Moreover, it will continue to leverage on the KS Energy Group for new opportunities.*"

The oil and gas, petrochemical and marine offshore industries, in which the Group operates, has yet to see a general recovery from the global economic crisis. However, oil prices have increased in recent months. If this is sustained, it may induce more oil exploration, which may result in an increase in the demand for our products and services. In addition, steel prices have increased and this may also affect the demand for our products.

The Group will continue to monitor the operating expenses and explore other areas of business opportunities.

The Group will continue to operate in a challenging and competitive environment for the next financial year and expects to be profitable.

The Board has proposed a final dividend of 0.88 cent per ordinary share, for the year ended 30 June 2009.

About SSH Corporation Ltd

Established in 1942, SSH Corporation Ltd ("SSH" or the "Group") became a public listed company in 1995. The Group specializes 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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