SEE HUP SENG LIMITED – LA
(Company Registration Number: 197502208Z)

Unaudited Results for the Half Year Ended 30 June 2006

PART I INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF-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

(These figure have not been audited or reviewed by Auditors)

	Note	**Group**		
		30 June 2006 S$'000	**30 June 2005 S$'000**	***Increase/ (Decrease) %***
Revenue		14,887	12,729	*17%*
Cost of Sales and Services		(9,650)	(9,322)	*4%*
Gross Profit		5,237	3,407	*54%*
Other Income		568	190	*199%*
Selling and Distribution Expenses		(366)	(356)	*3%*
Administrative Expenses	(i)	(1,875)	(2,264)	*-17%*
Other Operating Expenses	(ii)	(2,188)	(1,351)	*62%*
Profit/(Loss) from Operation	(iii)	1,376	-374	*N/M*
Net Finance Costs		(339)	(362)	*-6%*
Share of Profit of Associated Companies		40	4	*900%*
Profit/(Loss) Before Income Tax		1,077	(732)	*N/M*
Income Tax	(iv)	(31)	-	*NM*
Profit/(Loss) After Income Tax		1,046	(732)	*N/M*
Attributable to:				
Equity Holders of the Company		1,046	(732)	*N/M*
Minority Interests, Net of Income Tax		-	-	*N/M*
		1,046	(732)	*N/M*

N/M *Not meaningful*

Note (i)

The reduction in Administrative Expense (17%) is due to the reduction in executive directors and lower headcount in the first half of 2006 versus last year.

Note (ii)

The increase in Other Operating Expense (+62%) relates largely to the increase in the electricity costs for the plant operation caused by the increase in sales volume and the increase unit cost for electricity; the increase in equipment repairs and; the exchange loss arising from inter-company loans and balances versus an exchange gain in the previous year.

Note (iii)

The profit / (loss) from operations was arrived at after (charging)/crediting the following:-

	Group	
	30 June 2006 S$'000	**30 June 2005 S$'000**
Depreciation	(835)	(1,040)
Provision for Doubtful Debts	(13)	-
Provision for Doubtful Debts Written Back	25	46
Provision for Stock Obsolescence Written Back	31	-
Foreign Exchange (Loss) / Gain	(128)	310
Gain/(Loss) on Sales of Fixed Assets	8	53
Revaluation/(Provision) in Impairment in Value of Other Investment	17	11
Fixed Assets Written Off	-	(1)
Interest on Borrowings	(339)	(362)

Note (iv)

	Group	
	30 June 2006 S$'000	**30 June 2005 S$'000**
Provision for Tax in Respect of Results for the Previous Year	(24)	-
Current year's provision	(7)	
	(31)	-

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 June 2006 S$'000	31 December 2005 S$'000	30 June 2006 S$'000	31 December 2005 S$'000
ASSETS				
Non-Current Assets				
Property Plant and Equipment	15,187	15,306	13,790	13,767
Subsidiary Companies	-	-	51	51
Associated Companies	450	409	423	424
Available-for-Sale Financial Assets	384	367	95	78
	16,021	16,082	14,359	14,320
Current Assets				
Inventories and Work-In-Progress	758	640	146	73
Trade Receivables	9,191	10,166	4,569	4,352
Amount Due from Related Parties	-	-	844	673
Other Receiveables	820	1,424	503	1,235
Cash and Bank Balances	997	559	677	185
	11,766	12,789	6,739	6,518
Total Assets	27,787	28,871	21,098	20,838
LIABILITIES				
Current Liabilities				
Trade Payables and Accrual	9,713	12,769	5,788	7,579
Other Payables	925	887	403	369
Amounts due to Related Parties	3,454	3,470	3,689	4,140
Short Term Loan	390	6,755	390	6,755
Other Amounts Due to Bankers	2,120	3,266	1,820	2,084
Discounted Bills	608	819	-	-
Hire Purchase Creditors	344	387	217	270
Provision for Income Tax	139	130	-	-
	17,693	28,483	12,307	21,197
Long-Term Liabilities				
Other Amounts Due to Bankers	70	80	-	-
Long Term Loan	4,165	-	4,165	-
Hire Purchase Creditors	766	452	589	263
	5,001	532	4,754	263
Total Liabilities	22,694	29,015	17,061	21,460
EQUITY				
Equity Attributable to Equity Holders of the Parent				
Share Capital	25,849	17,058	25,849	17,058
Share Premium *	-	4,654	-	4,654
Asset Revalution Reserve	3,505	3,505	3,505	3,505
Foreign currency Translation Reserve	2,608	2,554	-	-
Accumulated Losses	(26,869)	(27,915)	(25,317)	(25,839)
Total Equity	5,093	(144)	4,037	(622)
Total Liabilities and Equity	27,787	28,871	21,098	20,838

* Due to changes in Companies (Amendment) Act 2005, w hich is effective from 30 January 2006, the concepts of par value, authorised share capital and share premium have been abolished. Share premium account is now merged into the Share Capital account.

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

	As at 30 June 2006 S$'000		As at 31 December 2005 S$'000	
Amount Repayable in one year or less, or on demand				
Secured	2,553		10,079	*
Unsecured	4,231	**	4,602	**
	6,784		14,681	
Amount Repayable after one year				
Secured	4,931		452	
Unsecured	70	**	80	**
	5,001		532	

* Include term loan of S$ 4,955,000 that was due after one year which was reclassed as current liabilities under existing Financial Reporting Standard. The Company have breached one of the loan convenants that stipulate that Group and Company's total liabilities do not exceed 300% of the Group and Company 's shareholders funds. In addition, the Company had also defaulted on the monthly term loan repayments since January 2005. The default has since been resolved in February 2006 with the bank.

** Consists of amounts due to a corporate shareholder, a director and bank.

Details of any collateral

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

- A mortgage in-escrow and deed of assignment over 81 Tuas South Street 5;
- A fixed and floating charge over the fixed assets and machinery of the Company financed by the bank;
- Joint and several personal guarantee of certain directors; and
- Legal assignment of all current and future receivables from customers.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	30 June 2006 S$'000	30 June 2005 S$'000
Cash flows from operating activities:		
Operating profit/(loss) before net finance costs, results of associated companies and income tax	1,376	(374)
Adjustments for:		
Depreciation of fixed assets	835	1,040
Fixed assets written off	-	1
(Gain)/Loss on disposal of fixed assets	(8)	(53)
(Revaluation)/Impairment in value of other investments	(17)	(11)
Operating cash flows before reinvestment in working capital	2,186	603
(Increase)/Decrease in debtors	1,579	(1,169)
(Increase)/Decrease in stocks and work-in-progress	(118)	(9)
Increase/(Decrease) in creditors	(3,018)	1,694
Increase in amount due to related parties	(16)	66
Cash flows from operations	613	1,185
Interest paid	(339)	(362)
Income tax paid	(8)	-
Net cash generated from operating activities	266	823
Cash flows from investing activities:		
Purchase of fixed assets	(860)	(83)
Proceeds from disposal of fixed assets	8	86
Net cash generated from/(used in) investing activities	(852)	3
Cash flows from financing activities:		
Net (repayments to)/funding from bankers	(1,156)	97
Additional funding from hire purchase	696	-
Repayment of hire purchase	(280)	(91)
Net funding from finance company	-	277
Repayment of discounted bills	(211)	-
Proceeds from issuance of shares	2,200	-
Repayment of term loan facility *	(263)	(452)
Net cash generated from financing activities	986	(169)
Net foreign currency translation adjustments	38	(436)
Net increase / (decrease) in cash and cash equivalent	438	221
Cash and cash equivalent at beginning of the period	559	260
Balance as at end of the period	997	481
Represented by:		
Cash and bank balances	997	481

* Excludes the portion relating to the settlement of term loan of S$1,937,000 which was settled by the issue of new shares.

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$'000	Share Premium S$'000	Revaluation Reserve S$'000	Capital Reserve S$'000	Foreign Currency Translation Reserve S$'000	Revenue Reserve S$'000	Total S$'000
Group							
Balance at 01 January 2006	17,058	4,654	3,505	-	2,554	(27,915)	(144)
Profit for the period	-	-	-	-	-	1,046	1,046
Share Issue	4,137	-	-	-	-	-	4,137
Reclass from share premium *	4,654	(4,654)	-	-	-	-	-
Premium on issue of warrants	-						-
Exchange differences arising from consolidation	-	-	-	-	54	-	54
Balance at 30 June 2006	25,849	-	3,505	-	2,608	(26,869)	5,093
Balance at 01 January 2005	17,058	4,654	3,879	280	2,726	(26,601)	1,996
Loss for the period	-	-	-	-	-	(732)	(732)
Exchange differences arising from consolidation	-	-	-	-	(271)	-	(271)
Balance at 30 June 2005	17,058	4,654	3,879	280	2,455	(27,333)	993
Company							
Balance at 01 January 2006	17,058	4,654	3,505	-	-	(25,839)	(622)
Profit for the period	-	-	-	-	-	522	522
Share Issue	4,137	-	-	-	-	-	4,137
Reclass from share premium *	4,654	(4,654)	-	-	-	-	-
Balance at 30 June 2006	25,849	-	3,505	-	-	(25,317)	4,037
Balance at 01 January 2005	17,058	4,654	3,879	280	-	(24,668)	1,203
Loss for the period	-	-	-	-	-	(1,088)	(1,088)
Balance at 30 June 2005	17,058	4,654	3,879	280	-	(25,756)	115

* Due to changes in Companies (Amendment) Act 2005, which is effective from 30 January 2006, the concepts of par value, authorised share capital and share premium have been abolished. Share premium account is now merged into the Share Capital account.

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 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

As at 30 June 2006, there were no unexercise warrants for the subscription of new ordinary shares (31 December 2005 : NIL).

Due to changes in Companies (Amendment) Act 2005, which is effective from 30 January 2006, the concepts of par value, authorised share capital and share premium have been abolished. Share premium account is now merged into the Share Capital account as shown in the following table:

	No. of Share Issued	Issued & Paid-up Capital S$
Balance as at 31 December 2005	170,576,100	17,057,610
Add:		
Exercise of convertible loan	19,132,000	2,200,180
Conversion of share in settlement of outstanding bank loan	14,900,000	1,937,000
Effect of changes in Companies (Amendment) Act 2005	-	4,654,359
Balance as at 30 June 2006	204,608,100	25,849,149

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

These figures have not been audited nor reviewed by the 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

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 2005.

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

The Group has adopted the new Singapore Financial Reporting Standards (FRSs) that are mandatory for financial year beginning on or after 1 January 2006 where applicable. These do not have a material financial impact on the Group's results.

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	
	June 2006	June 2005
Profit/(Loss) per ordinary share for the financial year based on consolidated loss attributable to members of the Company (Basic and diluted)	0.55 cents	(0.43) cents
Based on the weighted average number of shares	187,751,669	170,576,100

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	
	June 2006	Dec 2005	June 2006	Dec 2005
Net asset/(liability) backing per ordinary share	2.49 cents	(0.08) cents	1.97 cents	(0.36) cents
Base on the issued share capital as at the end of the period reported on	204,608,100	170,576,100	204,608,100	170,576,100

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

Sales for the first half increased by 17% from S$12.73 million to S$14.89 million. Continuing strong performance seen in the marine and offshore and oil and gas sectors drives the credible performance for the first half. The changes made to strengthen the Board of Directors in the beginning of the year and the Group's direction to refocus back to its core business of corrosion control services is beginning to show significant improvement in sales and more importantly profitability. Gross profit increased by 54% over last year. The significant improvement in gross margin is driven by better prices and improved labour efficiency. With the exception of our business units in China which are also engaged principally in the provision of corrosion control services, the operating business units in Singapore (which accounts for 90% of the Group's sales) are profitable. The withdrawal of the pipe-gas ventures in China has also helped contained operating and administrative costs.

As a result, net profit after tax of S$1.05 million was earned in the first half compared to a S$0.73 million loss in the previous year.

The Group's Net Tangible Asset improved significantly from a liability position S$0.14 million to an asset position of S$5.1 million. During the first half of the financial year, several actions have been taken to improve the financial position of the Company. These include the issue of S$2.2 million convertible loans of which the full amount have been converted into equity in the first half; the restructuring of the term loan owing to OCBC Bank of which part of the oustanding loans of S$2.5 million were settled through the issue of new shares amounting to S$1.94 million and the balance settled in cash. The profit for the first half further improved the Group's NTA as at 30 June 2006.

In addition to the above, the following actions taken will further strengthen the financial position of the the Company :

- On 18 May 2006, the Company announced that it had entered into separate settlement agreements with its trade creditors to settle the outstanding debts owing to them by the allotment and issue of new ordinary shares in the capital of the Company to the trade creditors or by the allotment and issue of new ordinary shares in the capital of the Company and cash repayments in installments to the trade creditors. The total number of shares to be issued to these trade creditors are 12,760,000 shares at an issue price of S$0.14 amounting to S$1,786,400. The allotment of shares to the trade creditors is subject to the approval of the Singapore Exchange and the approval of the shareholders of the Company which had yet to be obtained as the date of this announcement.

- On 18 May 2006, the Company also announced that pursuant to a Deed of Settlement agreement with related parties in 2003, one of the related party had exercised it's rights to convert the debt owing by the Company of S$2.8 million into new ordinary shares at the issue price of S$0.15. The allotment of shares to the related party is subject to the approval of the Singapore Exchange and the approval of the shareholders of the Company which had yet to be obtained as the date of this announcement.

- On 7 June 2006, the Company announced that it had entered into a Placement Agreement with a group of subscribers to subscribe for 18,800,000 new ordinary shares at an issue price of S$0.11 amounting to S$2,068,000. In-principle approval from the Singapore Exchange for the application for the listing of the new shares have been received on 24 July 2006.

Upon completion of these actions, the Group NTA would further improve by another S$6.6 million to S$11.7 million.

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

Not applicable.

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.

The Marine and Offshore, Gas and Oil industries continue to show robust performance and this trend is expected to continue in the coming years. The bright prospects for these industries are mainly driven by the booming intra-regional trade and the improved business sentiments boosting increase in new shipbuilding orders and ship repairs; the surging oil / energy prices driving increase in oil and gas explorations which Singapore is a major supplier of oil rigs and conversion of vessels to FPSOs (Floating Production, Storage and Offloading units) and; the global fleet of offshore rigs and vessels are approaching replacement. The thriving Marine and Offshore, Gas and Oil industries bode well for the Group as it primarily serve the customers operating within these industries.

The Company has on 25 July 2006 announced that it had entered into a sale and purchase agreement to acquire the entire issued share capital of Speedo Corrosion Control Pte Ltd (SCCPL). The acquisition of SCCPL would allow the Company to :

- Enlarge the Group's operating capacities to take advantge of the thriving marine and offshore industries;
- Maximise the synergies from the combined strength of the Company and SCCPL in the area of corrosion prevention;
- Take over the contract rights of SCCPL for immediate contribution to the Company's business in the current financial year;
- Acquire an experienced and skillful workforce in addition to the existing team of the Company;
- Take over a profitable operation and the contract rights of SCCPL which will contribute significantly to the Group's business after acquisition.

The acquisition is subject to the approval-in-principle from the Singapore Exchange and the approvals from the Company's shareholders at an extra-ordinary general meeting to be convened.

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.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

15. A breakdown of sales

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend was recommended/declared for the latest full year and the previous full year .

17. Information required in Rule 920(1)(a) relating to the aggregate value of interested person transactions conducted pursuant to the general mandate for the financial period reported on in the form set out in Rule 907

During the period from 1 January 2006 to 30 June 2006, there was no general mandate in force.

BY ORDER OF THE BOARD

Thomas Lim
Executive Chairman
1 August 2006