

SEE HUP SENG LIMITED

(Company Registration No. 197502208Z)

Unaudited Financial Statement Announcement for the Fourth Quarter and Full Year 2013

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

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

	Group 3 months ended 31 Dec			Group 12 months ended 31 Dec		
	2013	2012	Change	2013	2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	72,750	69,189	5%	290,354	256,917	13%
Cost of sales and services	(61,654)	(59,292)	4%	(245,723)	(219,096)	12%
Gross profit	<u>11,096</u>	<u>9,897</u>	12%	<u>44,631</u>	<u>37,821</u>	18%
Other income	508	449	13%	2,186	1,060	106%
Selling and distribution expenses	(2,293)	(2,123)	8%	(9,169)	(7,949)	15%
Administrative expenses	(4,565)	(3,259)	40%	(15,363)	(12,728)	21%
Other operating expenses	(3,296)	(3,737)	(12%)	(10,846)	(10,247)	6%
Profit from operations	<u>1,450</u>	<u>1,227</u>	18%	<u>11,439</u>	<u>7,957</u>	44%
Finance costs	(284)	(294)	(3%)	(1,101)	(1,214)	(9%)
Share of loss of associated companies	(6)	(10)	(44%)	5	(20)	N/M
Profit before income tax	<u>1,160</u>	<u>923</u>	26%	<u>10,343</u>	<u>6,723</u>	54%
Income tax	(510)	(286)	78%	(2,383)	(1,478)	61%
Profit after income tax	<u>650</u>	<u>637</u>	2%	<u>7,960</u>	<u>5,245</u>	52%
Attributable to:						
Equity holders of the Company	638	630	1%	8,019	5,206	54%
Non-controlling interests, net of income tax	<u>12</u>	<u>7</u>	(77%)	<u>(59)</u>	<u>39</u>	251%
	<u>650</u>	<u>637</u>	2%	<u>7,960</u>	<u>5,245</u>	52%

Statement of Comprehensive Income

	Group			Group		
	3 months ended 31 Dec			12 months ended 31 Dec		
	2013 S\$'000	2012 S\$'000	Change %	2013 S\$'000	2012 S\$'000	Change %
Profit after income tax	650	637	2%	7,960	5,245	52%
<u>Other comprehensive income/(expense)</u>						
Foreign currency translation	94	(33)	N/M	309	(466)	(166%)
Deferred taxation	29	-	100%	29	-	100%
	<u>123</u>	<u>(33)</u>	N/M	<u>338</u>	<u>(466)</u>	N/M
Total comprehensive income	<u>773</u>	<u>604</u>	28%	<u>8,298</u>	<u>4,779</u>	74%
Attributable to:						
Equity holders of the Company	761	644	18%	8,358	4,742	76%
Non-controlling interests, net of income tax	12	(40)	N/M	(60)	37	N/M
	<u>773</u>	<u>604</u>	28%	<u>8,298</u>	<u>4,779</u>	74%

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

	Note	Group			Group		
		3 months ended 31 Dec			12 months ended 31 Dec		
		2013 S\$'000	2012 S\$'000	Change %	2013 S\$'000	2012 S\$'000	Change %
Other Income	1	361	181	99%	1,049	283	271%
Interest Income	2	150	238	(37%)	674	434	55%
Interest on borrowings	3	(284)	(294)	(3%)	(1,101)	(1,214)	(9%)
Depreciation		(858)	(949)	(10%)	(3,396)	(3,323)	2%
Fixed assets written off	4	(8)	(361)	(98%)	(22)	(370)	(94%)
Gain on disposal of fixed assets	5	7	60	(88%)	163	131	24%
Impairment of goodwill	6	-	454	(100%)	-	454	(100%)
Amortisation of intangible assets	7	(14)	(5)	180%	(57)	(5)	1040%
Bad debts expense	8	(6)	(5)	20%	(25)	(52)	(52%)
Allowance for doubtful debts		(293)	(197)	49%	(335)	(197)	70%
Write-back on allowance/(Allowance) for stock obsolescence	9	161	(520)	(131%)	(132)	(517)	(74%)
Stock written off	10	(68)	(11)	518%	(238)	(144)	65%
Foreign exchange gain/(loss)	11	306	(228)	(234%)	(13)	(286)	(95%)
(Loss)/gain on disposal of investment		<u>(10)</u>	<u>(15)</u>	(33%)	<u>300</u>	<u>(15)</u>	N/M

- 1) The increase was largely due to higher marketing rebate and gain from disposal of investment
- 2) The increase was mainly due to shareholder loan extended to an associated company for property development business
- 3) The decrease was mainly due to shorter working capital loan tenure placed
- 4) The increase was mainly due to lesser fixed assets are required to be written off
- 5) The increase was mainly due to slightly more items were disposed
- 6) The decrease was due to no impairment was required
- 7) The increase was mainly due to full year amortization for this intangible assets that acquired in Q412
- 8) The decrease was mainly due to lower bad debts were noted
- 9) The decrease was mainly due to lower allowance for stocks obsolescence was required
- 10) The increase was mainly due to higher stocks were required to be written off
- 11) The decrease was mainly due to stronger S\$ against US\$ and KRW.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 Dec 2013 S\$'000	31 Dec 2012 S\$'000	31 Dec 2013 S\$'000	31 Dec 2012 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	28,544	30,854	12,592	13,800
Subsidiary companies	-	-	49,628	49,628
Associated companies	1,485	1,480	-	-
Financial assets, available-for-sale	14,555	7,624	12,555	7,612
Membership rights	195	195	-	-
Intangible assets	224	281	-	-
Goodwill	11,735	11,735	-	-
Loan to related party	11,100	15,000	-	-
Other receivables	523	713	-	-
	<u>68,361</u>	<u>67,882</u>	<u>74,775</u>	<u>71,040</u>
Current Assets				
Stock and work-in-progress	25,839	25,191	-	-
Trade receivables	56,058	48,882	6,932	7,951
Amount due from related parties	-	-	29,826	27,663
Other receivables	5,875	3,450	397	599
Fixed deposits	3,498	3,164	1,517	1,512
Cash and bank balances	48,045	31,451	13,335	7,470
	<u>139,315</u>	<u>112,138</u>	<u>52,007</u>	<u>45,195</u>
Total Assets	<u>207,676</u>	<u>180,020</u>	<u>126,782</u>	<u>116,235</u>
LIABILITIES				
Current Liabilities				
Trade payables and accruals	22,775	21,157	3,728	1,431
Other payables	7,047	3,759	790	1,406
Amount due to related parties	-	-	29,936	23,837
Term loans	2,884	586	-	-
Other amounts due to bankers	75,804	62,555	8,555	6,263
Hire purchase creditors	391	349	-	-
Provision for taxation	2,934	2,728	490	423
	<u>111,835</u>	<u>91,134</u>	<u>43,499</u>	<u>33,360</u>
Non-current Liabilities				
Hire purchase creditors	405	483	-	-
Deferred taxation	2,101	1,259	1,165	545
	<u>2,506</u>	<u>1,742</u>	<u>1,165</u>	<u>545</u>
Total Liabilities	<u>114,341</u>	<u>92,876</u>	<u>44,664</u>	<u>33,905</u>
EQUITY				
Share capital	94,953	94,953	94,953	94,953
Treasury shares	(3,226)	(3,226)	(3,226)	(3,226)
Asset revaluation reserve	2,490	2,461	2,874	2,874
Foreign currency translation reserve	942	631	-	-
Capital reserve	-	-	-	-
Other reserve	(16,687)	(16,687)	-	-
Revenue reserve/(accumulated losses)	13,346	7,435	(12,483)	(12,271)
	<u>91,818</u>	<u>85,567</u>	<u>82,118</u>	<u>82,330</u>
Non-controlling interests	1,517	1,577	-	-
Total Equity	<u>93,335</u>	<u>87,144</u>	<u>82,118</u>	<u>82,330</u>
Total Liabilities and Equity	<u>207,676</u>	<u>180,020</u>	<u>126,782</u>	<u>116,235</u>

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

	31-Dec-13 S\$'000	31-Dec-12 S\$'000
Amount Repayable in one year or less, or on demand		
Secured	79,122	63,490
Unsecured	-	-
	<u>79,122</u>	<u>63,490</u>
Amount Repayable after one year, or on demand		
Secured	362	483
Unsecured	-	-
	<u>362</u>	<u>483</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 for the Company's banking facility of approximately S\$21.0 million.
- (ii) A mortgage in-escrow and deed of assignment over 9 Jalan Pesawat, fixed and floating charge over all present and future undertakings, property assets, revenues and right of TAT Petroleum Pte Ltd ("TAT Petroleum"), corporate guarantee of S\$120.0 million and fixed deposit of S\$1.5 million and S\$1.1 million by the Company and TAT Petroleum respectively for banking facility (including foreign exchange spot and forward) extended to TAT Petroleum of approximately S\$151.6 mil;
- (iii) TAT Petroleum's corporate guarantee of approximately S\$3.4 million and fixed deposits of S\$0.5 million by TAT Petroleum (HK) Pte Limited ("TAT HK") for banking facilities extended to TAT HK of approximately S\$3.4 million; and
- (iv) Fixed assets under hire purchase arrangements.

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

	Group		Group	
	3 months ended 31 Dec		12 months ended 31 Dec	
	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities				
Profit before income tax	1,160	923	10,343	6,723
Adjustments for:				
Depreciation	858	949	3,396	3,323
Fixed assets written off	8	361	22	370
Amortisation of intangible assets	14	5	57	5
Gain on disposal of fixed assets	(7)	(60)	(163)	(131)
Interest on borrowings	284	294	1,101	1,214
Interest income	(150)	(238)	(674)	(434)
Gain on disposal of other investment	(1)	-	(311)	-
Share of loss/(gain) of associated companies	6	10	(5)	20
Impairment of goodwill	-	454	-	454
Write off negative goodwill	-	(18)	-	(18)
Loss on available-for-sale assets	11	15	11	15
Allowance for doubtful debts	293	197	335	197
(Write-back on allowance)/allowance for stock obsolescence	(161)	520	132	517
Bad debts expense	6	5	25	52
Stock written off	68	11	238	144
Net foreign currency translation adjustments	(1,022)	449	(650)	(1,278)
Operating cash flow before working capital changes	1,367	3,877	13,857	11,173
Changes in working capital				
Inventories and work-in-progress	79	1,154	(1,017)	(563)
Receivables	(1,109)	3,798	(8,889)	3,485
Payables	6,125	(6,733)	6,041	4,975
Cash generated from operations	6,462	2,096	9,992	19,070
Interest paid	(284)	(295)	(1,101)	(1,214)
Interest received	7	7	26	32
Income tax payment	(260)	(50)	(1,307)	(1,209)
Net cash generated from operating activities	5,925	1,758	7,610	16,679
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(240)	(1,535)	(1,060)	(2,991)
Proceeds from disposal of property, plant and equipment	15	105	316	277
Acquisition of a subsidiary	-	(655)	-	(4,735)
Acquisition of associated company	-	-	-	(1,500)
Loan to associated company	3,900	-	3,900	(15,000)
Acquisition of other investment	-	-	(7,233)	(7,322)
Proceeds from disposal of other investment	2	-	602	-
Cashflow on acquisition of subsidiary (net of cash)	-	782	-	902
Net cash generated from/(used in) investing activities	3,677	(1,303)	(3,475)	(30,369)
Cash Flows from Financing Activities				
Proceeds from issue of warrants	-	-	-	5,333
Purchase of treasury shares	-	(1,775)	-	(2,475)
Dividends paid	-	-	(2,107)	(1,086)
Proceeds from profit warranty shortfall	-	1,353	-	1,353
Fixed deposit pledges with bank	(310)	31	(328)	2,981
Repayment to hire purchase	(300)	(108)	(425)	(332)
Increase in/(repayment to) term loan	558	(335)	2,298	(1,895)
(Repayment to)/Increase in funds from trusts receipts	8,190	3,828	12,862	5,965
Net cash generated from financing activities	8,138	2,994	12,300	9,844
Net foreign currency translation adjustments	92	56	168	(947)
Net increase/(decrease) in cash and cash equivalents	17,832	3,505	16,603	(4,793)
Cash and cash equivalents at the beginning of the year	30,231	27,955	31,460	36,253
Cash and cash equivalents at the end of the year	48,063	31,460	48,063	31,460

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	Other 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 2013	94,953	(3,226)	2,461	-	(16,687)	631	7,435	85,567	1,577	87,144
Comprehensive income	-	-	29	-	-	311	8,018	8,358	(60)	8,298
Dividends paid	-	-	-	-	-	-	(2,107)	(2,107)	-	(2,107)
Balance at 31 December 2013	94,953	(3,226)	2,490	-	(16,687)	942	13,346	91,818	1,517	93,335
Balance at 01 January 2012	89,388	(751)	2,461	1,589	(18,040)	1,095	1,958	77,700	265	77,965
Comprehensive income	-	-	-	-	-	(464)	5,206	4,742	37	4,779
Exercise of warrants	5,565	-	-	(232)	-	-	-	5,333	-	5,333
Expiry of warrants	-	-	-	(1,357)	-	-	1,357	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,275	1,275
Disposal of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	(1,086)	(1,086)	-	(1,086)
Profit warranty shortfall	-	-	-	-	1,353	-	-	1,353	-	1,353
Share buyback	-	(2,475)	-	-	-	-	-	(2,475)	-	(2,475)
Balance at 31 December 2012	94,953	(3,226)	2,461	-	(16,687)	631	7,435	85,567	1,577	87,144
Company										
Balance at 01 January 2013	94,953	(3,226)	2,874	-	-	-	(12,271)	82,330	-	82,330
Comprehensive income	-	-	-	-	-	-	1,895	1,895	-	1,895
Dividends paid	-	-	-	-	-	-	(2,107)	(2,107)	-	(2,107)
Balance at 31 December 2013	94,953	(3,226)	2,874	-	-	-	(12,483)	82,118	-	82,118
Balance at 01 January 2012	89,388	(751)	2,874	1,589	-	-	(16,455)	76,645	-	76,645
Comprehensive income	-	-	-	-	-	-	3,915	3,915	-	3,915
Share buyback	-	(2,475)	-	-	-	-	-	(2,475)	-	(2,475)
Dividends paid	-	-	-	-	-	-	(1,088)	(1,088)	-	(1,088)
Expiry of warrants	-	-	-	(1,357)	-	-	1,357	-	-	-
Exercise of warrants	5,565	-	-	(232)	-	-	-	5,333	-	5,333
Balance at 31 December 2012	94,953	(3,226)	2,874	-	-	-	(12,271)	82,330	-	82,330

- 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 ordinary shares issued since the end of the financial year ended 31 December 2012.

There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares since the end of the financial year ended 31 December 2013.

There were no outstanding shares as at 31 December 2013 (31 December 2012: Nil).

- 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.**

	<u>As at 31 Dec 2013</u>	<u>As at 31 Dec 2012</u>
Total number of shares (including treasury shares)	438,542,125	438,542,125
Less treasury shares	(17,100,000)	(17,100,000)
Total number of shares (excluding treasury shares)	<u>421,442,125</u>	<u>421,442,125</u>

- 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 year 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.**

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 2012.

- 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**

None.

6. Earnings per ordinary share of the group for the current financial 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 31 Dec		12 months ended 31 Dec	
	2013	2012	2013	2012
Profit per ordinary share for the financial year based on consolidated profit attributable to members of the Company (Basic and diluted)				
- Basic	0.15 cents	0.15. cents	1.90 cents	1.22 cents
- Diluted	0.15 cents	0.15 cents	1.90 cents	1.22 cents
Based on the weighted average number of shares (Basic)	421,442,125	427,197,229	421,442,125	427,197,229
Based on the weighted average number of shares (Diluted)	421,442,125	427,197,229	421,442,125	427,197,229

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	GROUP		COMPANY	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Net asset backing per ordinary share	21.79 cents	20.03 cents	19.49 cents	19.27 cents
Based on the weighted average number of shares	421,442,125	427,197,229	421,442,125	427,197,229

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) 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; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

In the financial year ended 31 December 2013 ("FY2013"), the Group registered four straight quarters of profit growth, leading to a 54% increase in net profit attributable to equity holders to S\$8.0 million. Excluding non-recurring expenses in relation to acquisition and corporate activities of S\$2.1 million, the Group would have reported a full year net profit of S\$10.1 million, up 91% from FY2012.

The Group's stellar set of results in FY2013 was lifted by the underlying performances of its corrosion prevention ("CP") and refined petroleum ("RP") businesses. Higher sales of the CP and RP businesses led to a 13% increase in Group revenue to S\$290.4 million. At the bottom line (excluding corporate costs), CP chalked up a 61% gain in net operating profit after tax to S\$4.7 million while RP's net operating profit after tax more than doubled to S\$5.5 million.

At the end of December 2013, the Group maintained a sound financial position with cash and fixed deposits of S\$51.5 million. Net gearing stood at around 0.3 times.

Revenue

The Group reported revenue of S\$72.8 million in the fourth quarter ended 31 December 2013 ("4Q13"), an increase of 5% from S\$69.2 million in 4Q12. Both CP and RP businesses recorded higher sales which were partially offset by lower revenue contribution from the Group's subsidiary Eastern Tankstore (S) Pte Ltd ("ETS"). In FY2012, ETS recognised non-recurring revenue from trading business.

For FY2013, Group revenue climbed 13% to S\$290.4 million, driven mainly by higher sales of the CP and RP businesses. As a percentage of Group revenue, RP accounted for 85% while CP contributed 14% in FY2013.

Revenue breakdown by business segments:

Business Segments	Group		Group		
	3 months ended 31 Dec		12 months ended 31 Dec		
	2013	2012	2013	2012	Inc/(Dec)
	S\$'000	S\$'000	S\$'000	S\$'000	
Corrosion prevention	10,891	8,192	42,062	35,322	19%
Distribution of refined petroleum products	61,639	57,609	247,123	217,762	13%
Others *	220	3,388	1,170	3,833	(69%)
Total Sales	72,750	69,189	290,355	256,917	13%

**Others comprise the consolidated revenue of Eastern Tankstore (S) Pte Ltd (ETS) which has become a 51%-owned subsidiary of See Hup Seng in April 2012. The acquisition of a stake in ETS is for the purpose of forming a joint venture for the development of an integrated chemical hub in Singapore.*

RP segment

Revenue generated from the sale of RP products in the region improved 7% year-on-year to S\$61.6 million in 4Q13. RP segment also reaped maiden benefits from its new blending and trading business which was initiated by RP's current management in November 2013.

Total sales volume in 4Q13 increased 11%, which was partially undermined by lower average selling prices as the Group adopted an aggressive sales strategy for certain products to increase market penetration. The revenue increase in 4Q13 was attributed mainly to the sales of *Industrial and Wholesale* products which rose 12% year-on-year.

For FY2013, RP segment's revenue increased 13% to S\$247.1 million from S\$217.8 million last year. While total sales volume increased 21%, this was partially offset by lower average selling prices.

The increase in FY2013 revenue was led primarily by the *Industrial and Wholesale* product segment which registered robust sales growth of 24%. This was attributed to the firm demand driven by industrial, marine, service, infrastructure and construction activities in Singapore, as well as the Group's marketing efforts and expansion of its truck fleet to capitalise on the demand. In addition, this product segment also benefited from incremental revenue from the sale of *asphalt* (which commenced during FY2012), and full-year contribution from a new subsidiary (Axxmo International) that was acquired by the Group at the end of FY2012.

Sales of *Petroleum-intermediates* (which are generally used as feedstock in manufacturing processes) edged up 5% in tandem with the recovery in demand from end-users and resellers in Asia Pacific.

As a result, *Industrial and Wholesale* products contributed to 52% of RP revenue in FY2013, up from 48% previously. Correspondingly, revenue contribution from *Petroleum-intermediates* dipped to 48% in FY2013.

CP segment

The CP segment notched up higher revenue of S\$10.9 million in 4Q13, up 33% from S\$8.2 million in 4Q12. This was lifted by higher sales achieved across all the business units – *Plant Operations, Site Blasting and Tank Coating, and Trading*.

For FY2013, the CP segment revenue improved 19% to S\$42.1 million on the back of a broad-based increase for all its business units. The *Plant Operations* saw higher business volume from the marine, oil and gas, infrastructure and construction sectors in FY2013. *Trading* unit had a significant increase in revenue as a result of the revenue recognition of a turnkey project. *Site Blasting and Tank Coating* also improved its sales slightly following a recovery in orders in the second half of FY2013.

As a percentage of CP's revenue, Plant Operations unit continued to account for the largest share with a contribution of 44% in FY2013.

Gross Profit (GP)

The Group's GP in 4Q13 increased 12% to S\$11.1 from S\$9.9 million in 4Q12, underpinned by higher GP from RP and CP businesses. RP's GP increased 6.5% to S\$7.4 million while CP recorded a 34% increase in GP to S\$3.6 million. The Group's composite GP margin expanded to 15.3% from 14.3% previously as a result of CP's stronger GP margin in 4Q13.

For FY2013, Group GP increased 18% to S\$44.6 million from S\$37.8 million. RP's GP increased at a faster pace of 19% compared to its revenue, to S\$31.1 million. CP's GP rose in tandem with sales by 17% to S\$13.1 million. The Group's composite GP margin in FY2013 widened to 15.4%, underpinned by the higher GP margin of RP segment.

Gross profit margin (GPM) by business segments:-

	Group		Group	
	3 months ended 31 Dec		12 months ended 31 Dec	
	2013	2012	2013	2012
Corrosion prevention	33.1%	32.3%	31.2%	31.8%
Distribution of refined petroleum products	12.0%	12.1%	12.6%	12.0%
Others	38.3%	8.8%	31.9%	12.4%
Average composite gross margin	15.3%	14.3%	15.4%	14.7%

*Others comprise the consolidated GPM of Eastern Tankstore (S) Pte Ltd (ETS) which has become a 51%-owned subsidiary of See Hup Seng in April 2012. The acquisition of a stake in ETS is for the purpose of forming a joint venture for the development of an integrated chemical hub in Singapore.

RP business

Notwithstanding the competitive environment and its aggressive sales strategy to win market share, RP's GPM in 4Q13 was steady at 12.0%. This can be attributed partly to a recovery in profit margins for certain products, as well as the new blending and trading business which fetched better gross profit margin.

For FY2013, GPM improved to 12.6% from 12.0% despite overall lower average selling price. This was due mainly to better profit margins for certain product categories which benefited from lower cost of inventory replenishment, as well as maiden contribution from the new blending and trading business.

CP segment

CP's GPM in 4Q13 increased to 33.1% due to higher GPM of its *Plant Operations* and *Site Blasting and Tank Coating* units. These units benefited from higher capacity utilisation, better product mix and improved cost efficiencies.

For FY2013, CP segment recorded a steady GPM of 31.2% compared to 31.8% last year despite the lower-margin turnkey project under its *Trading* unit. CP's GPM was supported by its *Plant Operations* which achieved improved gross profit margin.

Other Income

Other income in FY2013 increased 106% to S\$2.2 million from S\$1.1 million previously, due largely to recognition of interest income from a shareholder loan that was extended to an associated company to finance its property development activities, higher incentive rebates received, foreign exchange gain and gain from disposal of investment.

Selling, Distribution, Administrative and Other Operating Expenses

Total operating expenses in FY2013 increased to S\$35.4 million, up 14% from S\$30.9 million in FY2012.

Selling and distribution expenses in FY2013 increased 15% to S\$9.2 million in tandem with higher business volume.

Administrative expenses in FY2013 increased 21% to S\$15.4 million. This was due to staff related expenses annual salary increments and bonus provisions, increases in workers' levy and general business expenses, legal and professional fees relating to corporate activities as well as the inclusion of administrative expenses from new subsidiary under the RP business.

Other operating expenses in FY2013 increased 6% to S\$10.8 million from S\$10.2 million, due mainly to corporate expenses of S\$1.9 million that were incurred in relation to the acquisition of Hetat Holdings Pte. Ltd ("Hetat"), partly offset by lower allowances made for certain business expenses and there was an impairment of investment in FY2012 as compared to none this year.

Finance Costs

Finance costs in FY2013 decreased to S\$1.1 million from S\$1.2 million in FY2012 due to faster working capital turnaround which was in line with improved cash position.

Net Profit

Profit After Tax	Group		Group	
	3 months ended 31 Dec		12 months ended 31 Dec	
S\$ million	2013	2012	2013	2012
Corrosion Prevention	0.8	0.5	4.7	3.0
Distribution of refined petroleum products	1.4	0.1	5.5	2.6
Others	0.1	0.2	0.5	0.4
Head office expenses	(0.1)	(0.2)	(0.6)	(0.7)
Corporate activities expenses	(1.5)	-	(2.1)	(0.1)
Total	0.7	0.6	8.0	5.2

**Others consist of contributions from ETS and equity accounting of Serangoon EC Pte Ltd.*

Both CP and RP businesses recorded improved profit after tax in 4Q13, marking the fourth straight quarter of profit growth during FY2013. CP's net profit gained 52% to S\$0.8 million while RP segment's net profit soared to S\$1.4 million from S\$0.1 million in 4Q12. The robust performances of both businesses counterbalanced the expenses of S\$1.5 million incurred for corporate activities. As a result, the Group's net profit in 4Q13 increased 2% to S\$0.7 million.

For FY2013, the Group recorded a rise in net profit from both CP and RP businesses which contributed profit after tax of S\$10.2 million in total. RP's net operating profit in FY2013 more than doubled to S\$5.5 million on the back of higher revenue and gross profit, as well as full-year contribution from its new subsidiary Axxmo International. CP's net operating profit also jumped 61% to S\$4.7 million on higher volume of business.

However, the improvement in business operations was partially undermined by corporate activities expenses of S\$2.1 million, resulting in a Group net profit of S\$8.0 million for FY2013. This was nevertheless 52% higher than S\$5.2 million in FY2012. Excluding the non-recurring expenses in relation to corporate activities, the Group would have reported a full year net profit of S\$10.1 million, an increase of 91% from FY2012.

Balance Sheet and Cash Flow Analysis

As at 31 December 2013, the Group had cash and bank balances, and fixed deposits totaling S\$51.5 million. Net gearing¹ stood at 0.3 times at the end of December 2013.

Non-current assets increased to S\$68.4 million from S\$67.9 million as at 31 December 2012, due mainly to an increase in investment in financial assets which was offset partially by a reduction in loan to related party. The increase in investment in financial assets is in relation to the second tranche payment for the Group's investment in Energy Drilling Pte Ltd, which will construct and operate tender rigs, and investment into a fund. The loan to related party is a shareholder loan to an associated company to finance its property development activities.

Current assets increased to S\$139.3 million as at 31 December 2013 from S\$112.1 million as at 31 December 2012, due primarily to an increase in trade receivables in tandem with higher business volume, and higher cash and cash equivalents.

Current liabilities as at 31 December 2013 increased to S\$111.8 million from S\$91.1 million as at 31 December 2012. This was due mainly to an increase in trade and other payables and accruals, term loans, other amounts due to bankers (trust receipts to finance purchase of inventory as part of the ordinary course of RP's business), and increase in provision for taxation.

Long-term liabilities as at 31 December 2013 increased slightly to S\$2.5 million from S\$1.7 million as at 31 December 2012 due to higher deferred taxation.

Shareholders' equity increased to S\$91.8 million as at 31 December 2013 from S\$85.6 million as at 31 December 2012. This was due mainly to higher revenue reserve arising from profit attributable to equity holders of S\$8.0 million for FY2013 and offset partially by a dividend payment of S\$2.1 million in respect of FY2012.

¹Net gearing is computed based on (Total Borrowings including trust receipts less Cash and Cash Equivalents) / (Total Equity)

During FY2013, the Group generated net cash of S\$7.6 million from operating activities, after deducting S\$3.9 million for working capital used for inventory, trade receivables and payables, and S\$2.4 million for interest and income tax payments.

Net cash used in investing activities amounted to S\$3.5 million, due to purchase of plant and equipment, and investments in a fund and Energy Drilling Pte Ltd, offset partially by a reduction in loan to associated company.

Net cash generated from financing activities in FY2013 was S\$12.3 million, due mainly to funds from trust receipts and term loan, which were partially offset by dividend payment. After taking into account net foreign currency translation adjustments, the Group recorded a net increase in cash equivalents of S\$16.6 million in FY2013.

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 30 September 2013.

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 Group is cautiously optimistic of its business outlook and will continue to focus on its core businesses to deliver a profitable performance in FY2014, barring any unforeseen circumstances. The Group shall continue to execute appropriate measures to cope with prevailing business challenges stemming from increasing labour costs and inflationary cost pressures.

Following the acquisition of steel engineering group Hetat in January 2014, the Group believes the addition of a third core business will provide incremental contribution in the current financial year. The Group expects to realise potential synergies between Hetat and CP segment.

Under the leadership of the current management, the RP segment has improved its performance in FY2013 and also continued to maintain sound relationships with its customers, suppliers and principal banks. Leveraging on its vast industry experience and knowledge, the current management has also initiated a new business in petrochemical blending and trading that will help to increase RP's range of value-add services to customers.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

To be discussed at Board Meeting.

Name of Dividend	:	Proposed Final
Dividend Type	:	Cash
Dividend Amount per Ordinary Share	:	0.93 cents
Tax Rate	:	Tax exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	:	Proposed Final
Dividend Type	:	Cash
Dividend Amount per Ordinary Share	:	0.5 cents
Tax Rate	:	Tax exempt one-tier

(c) Date payable

Subject to shareholders' approval at Annual General Meeting of the Company to be held on 29 April 2014, the final dividend will be paid on 20 May 2014.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 8 May 2014. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, up to 5 p.m. on 7 May 2014 will be registered to determine entitlements to the final dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the final dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlement to shareholders.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect,

No IPT mandate has been obtained from shareholders.

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

Products and services from which reportable segments derive their revenues

Segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is also focussed on the two principal reportable segments of the Group. The Group's reportable segments under FRS 108 are therefore as follows:

Corrosion Prevention
Distribution
Others

The corrosion prevention segment provides coating services to marine, oil and gas, construction and infrastructure industries.

The distribution segment distributes refined petroleum products.

Others comprise of Eastern Tankstore (S) Pte Ltd (ETS) and Serangoon EC Pte Ltd ("SEPC"), which has become a 51%-owned subsidiary and a 30%-owned associate respectively of See Hup Seng in April 2012. The acquisition of stakes in ETS and SEPC are for the purpose of forming a joint venture for the development of an integrated chemical hub and Heron Bay Executive Condominium respectively in Singapore.

Information regarding the Group's reportable segments is presented below.

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Corrosion prevention		Distribution		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue	42,062	35,322	247,123	217,762	1,169	3,832	290,354	256,916
Segment result	6,862	6,178	17,692	13,295	62	152	24,616	19,625
Impairment of goodwill	-	-	-	(454)	-	-	-	(454)
Finance cost	-	-	(1,093)	(1,212)	(8)	(2)	(1,101)	(1,214)
Share of loss of associates, net of tax							5	(20)
Central administration costs and directors' salaries							(15,363)	(12,274)
Other income							2,186	1,060
Profit before tax							10,343	6,723

Revenue reported above represents revenue generated from external customers. Inter-segment sales for the year 2013 is S\$14,545,000 (2012: S\$6,620,000).

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, other income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

	Group	
	<u>2013</u>	<u>2012</u>
	S\$'000	S\$'000
Segment assets		
Corrosion prevention	73,262	61,321
Distribution	113,916	94,297
Others	20,349	24,402
Total segment assets	<u>207,527</u>	<u>180,020</u>
Consolidated assets	<u>207,527</u>	<u>180,020</u>
Segment liabilities		
Corrosion prevention	8,903	8,139
Distribution	98,870	78,844
Others	1,384	1,906.00
Total segment liabilities	<u>109,157</u>	<u>88,889</u>
Unallocated liabilities		
- Provision for taxation	2,934	2,728
- Deferred income tax	2,101	1,259
Consolidated liabilities	<u>114,192</u>	<u>92,876</u>

(c) Other segment information

	Group			
	Depreciation and amortisation		Additions to non-current assets	
	Year ended	Year ended	Year ended	Year ended
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Corrosion prevention	1,698	1,784	203	563
Distribution	1,437	1,396	1,010	2,332
Others	261	143	9	660
	<u>3,396</u>	<u>3,323</u>	<u>1,222</u>	<u>3,555</u>

(d) Geographical information

The Group operates in five principal geographical areas – Singapore (country of domicile), rest of South East Asia, North East Asia and South Asia and Others.

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below:

	Group's revenue from external customers		Group's non-current assets	
	Year ended	Year ended	As at	As at
	<u>2013</u>	<u>2012</u>	<u>31/12/13</u>	<u>31/12/12</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	171,800	155,857	40,422	42,784
Rest of South East Asia	57,486	51,869	59	9
North East Asia	44,974	36,513	216	272
South Asia	9,680	8,352	-	-
Others	6,414	4,326	-	-
	<u>290,354</u>	<u>256,917</u>	<u>40,698</u>	<u>43,065</u>

Non-current assets excluding financial assets classified as available-for-sale and prepayment.

(e) Any single individual customer contributed significantly to the Group's revenue

No.

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

No material changes.

15. A breakdown of sales

	Full Year 2013 S\$'000	Full Year 2012 S\$'000	Change %
Revenue reported for 1st quarter	69,238	59,886	16%
Net profit reported for 1st quarter	2,091	1,365	53%
Revenue reported for 2nd quarter	75,029	63,310	19%
Net profit reported for 2nd quarter	2,754	1,535	79%
Revenue reported for 3rd quarter	73,337	64,532	14%
Net profit reported for 3rd quarter	2,465	1,708	44%
Revenue reported for 4th quarter	72,750	69,189	5%
Net profit reported for 4th quarter	650	637	2%
Total revenue reported	290,354	256,917	13%
Total net profit reported	7,960	5,245	52%

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

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	5,659	2,107
Preference	0	0
Total	5,659	2,107

The final dividend for FY2013 is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

17. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Goh Sia Teck	54	Nephew of Thomas Lim Siok Kwee	Manager (Operations) - Assisting Executive Chairman and Executive Director in marine projects (since May 2006)	Nil
Lim Peng Cheng	45	Nephew of Thomas Lim Siok Kwee	Assistant Production Manager - Assisting Executive Chairman, Executive Director and Production Manager in plant operation (since April 2010)	Nil

BY ORDER OF THE BOARD

Thomas Lim Siok Kwee
Executive Chairman
27 February 2014