

SEE HUP SENG LIMITED

(Company Registration No. 197502208Z)

Unaudited Financial Statement Announcement for the Third Quarter 2011

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			Group		
	3 months ended 30 Sep			9 months ended 30 Sep		
	2011	2010	Change	2011	2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	60,782	47,027	29%	181,814	144,935	25%
Cost of sales and services	(52,580)	(39,343)	34%	(154,582)	(121,237)	28%
Gross profit	<u>8,202</u>	<u>7,684</u>	7%	<u>27,232</u>	<u>23,698</u>	15%
Other income	867	350	148%	1,213	608	100%
Selling and distribution expenses	(1,705)	(1,560)	9%	(5,272)	(3,993)	32%
Administrative expenses	(2,957)	(2,536)	17%	(8,810)	(8,286)	6%
Other operating expenses	(2,353)	(1,755)	34%	(5,987)	(5,219)	15%
Profit from operations	<u>2,054</u>	<u>2,183</u>	(6%)	<u>8,376</u>	<u>6,808</u>	23%
Finance costs	(268)	(299)	(10%)	(789)	(907)	(13%)
Profit before income tax	<u>1,786</u>	<u>1,884</u>	(5%)	<u>7,587</u>	<u>5,901</u>	29%
Income tax	(477)	(434)	10%	(1,488)	(1,132)	31%
Profit after income tax	<u>1,309</u>	<u>1,450</u>	(10%)	<u>6,099</u>	<u>4,769</u>	28%
Attributable to:						
Equity holders of the Company	1,319	1,040	27%	6,070	2,796	117%
Non-controlling interests, net of income tax	(10)	410	N/M	29	1,973	(99%)
	<u>1,309</u>	<u>1,450</u>	(10%)	<u>6,099</u>	<u>4,769</u>	28%

Statement of Comprehensive Income

	Group			Group		
	3 months ended 30 Sep			9 months ended 30 Sep		
	2011	2010	Change	2010	2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit after income tax	1,309	1,450	(10%)	6,099	4,769	28%
<u>Other comprehensive income/(expense)</u>						
Foreign currency translation	410	(324)	N/M	(156)	(313)	(50%)
	<u>410</u>	<u>(324)</u>	N/M	<u>(156)</u>	<u>(313)</u>	(50%)
Total comprehensive income	<u>1,719</u>	<u>1,126</u>	53%	<u>5,943</u>	<u>4,456</u>	33%
Attributable to:						
Equity holders of the Company	1,725	755	128%	5,918	2,521	135%
Non-controlling interests, net of income tax	(6)	371	N/M	25	1,935	(99%)
	<u>1,719</u>	<u>1,126</u>	53%	<u>5,943</u>	<u>4,456</u>	33%

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 30 Sep			9 months ended 30 Sep		
		2011	2010	Change	2011	2010	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other Income	1	65	51	27%	265	169	57%
Interest Income	2	7	13	(44%)	39	49	(20%)
Interest on borrowings	3	(268)	(299)	(10%)	(789)	(907)	(13%)
Depreciation	4	(682)	(746)	(9%)	(2,168)	(2,357)	(8%)
Fixed assets written off		(2)	(2)	0%	(7)	(5)	40%
Gain/(loss) on disposal of fixed assets	5	795	(4)	N/M	909	30	N/M
Bad debts expense		-	-	N/M	(12)	(5)	140%
Write-back/(allowance) for doubtful debts	6	43	(1)	N/M	(73)	(1)	N/M
Write-back/(allowance) for stock obsolescence	7	155	(32)	N/M	128	(91)	N/M
Stock written off	8	(38)	(23)	65%	(78)	(50)	56%
Foreign exchange (loss)/gain	9	(444)	290	N/M	(414)	360	N/M

- 1) The increase was due largely to higher marketing assistance plan.
- 2) The decrease was in line with lower interest rate
- 3) The decrease was in line with lower interest rate and lower term loan balance
- 4) The decrease was mainly due to certain fixed assets had been fully depreciated.
- 5) The increase was mainly due to the disposal of one of the Plant Operations facilities
- 6) The decrease was mainly due write-back on allowance for doubtful debts which is no longer required
- 7) The decrease was mainly due write-back on allowance for stock obsolescence which is no longer required
- 8) The increase was mainly due to higher stocks were required to be written off
- 9) The increase was mainly due to unfavourable movements of foreign currencies against the Singapore dollar

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	
	30 Sep 2011 S\$'000	31 Dec 2010 S\$'000	30 Sep 2011 S\$'000	31 Dec 2010 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	27,530	26,679	14,450	12,595
Subsidiary companies	-	-	45,591	45,591
Associated company	-	-	-	-
Financial asset, available-for-sale	317	290	290	290
Membership rights	195	195	-	-
Goodwill	9,463	9,462	-	-
Other receivables	752	594	-	-
	<u>38,257</u>	<u>37,220</u>	<u>60,331</u>	<u>58,476</u>
Current Assets				
Assets held for sale	-	3,609	-	3,609
Stock and work-in-progress	21,711	20,254	3,127	-
Trade receivables	52,346	42,959	4,646	7,193
Amount due from related parties	-	-	6,895	7,195
Other receivables	3,879	3,228	566	908
Fixed deposits	10,341	9,127	7,340	6,335
Cash and bank balances	26,517	19,502	2,174	1,524
	<u>114,794</u>	<u>98,679</u>	<u>24,748</u>	<u>26,764</u>
Total Assets	<u>153,051</u>	<u>135,899</u>	<u>85,079</u>	<u>85,240</u>
LIABILITIES				
Current Liabilities				
Trade payables and accruals	21,178	16,795	1,996	1,525
Other payables	1,187	1,882	724	925
Amount due to related parties	-	-	6,709	4,883
Term loans	1,656	4,137	-	2,155
Other amounts due to bankers	48,080	34,195	-	-
Hire purchase creditors	247	290	-	-
Provision for taxation	2,446	1,740	57	57
	<u>74,794</u>	<u>59,039</u>	<u>9,486</u>	<u>9,545</u>
Non-current Liabilities				
Term loans	1,702	2,984	-	-
Hire purchase creditors	366	547	-	-
Deferred taxation	1,248	1,248	545	545
	<u>3,316</u>	<u>4,779</u>	<u>545</u>	<u>545</u>
Total Liabilities	<u>78,110</u>	<u>63,818</u>	<u>10,031</u>	<u>10,090</u>
EQUITY				
Share capital	89,388	89,388	89,388	89,388
Treasury shares	(751)	(751)	(751)	(751)
Asset revaluation reserve	1,396	1,621	2,874	2,874
Foreign currency translation reserve	1,039	1,191	-	-
Capital reserve	1,589	1,589	1,589	1,589
Other reserve	(18,040)	(18,040)	-	-
Accumulated losses	58	(3,154)	(18,052)	(17,950)
	<u>74,679</u>	<u>71,844</u>	<u>75,048</u>	<u>75,150</u>
Non-controlling interests	262	237	-	-
Total Equity	<u>74,941</u>	<u>72,081</u>	<u>75,048</u>	<u>75,150</u>
Total Liabilities and Equity	<u>153,051</u>	<u>135,899</u>	<u>85,079</u>	<u>85,240</u>

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

	30-Sep-11	31-Dec-10
	S\$'000	S\$'000
Amount Repayable in one year or less, or on demand		
Secured	49,983	38,622
Unsecured	-	-
	<u>49,983</u>	<u>38,622</u>
Amount Repayable after one year, or on demand		
Secured	2,068	3,531
Unsecured	-	-
	<u>2,068</u>	<u>3,531</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 and 9 Jalan Pesawat;
- (ii) Corporate guarantee of S\$1,530,000 and fixed deposit of S\$3,300,000 by the Company for its subsidiary's (TAT Petroleum Pte Ltd) banking facility;
- (iii) TAT Petroleum's fixed deposits of S\$2,800,000 for its own banking facilities with its bank;
- (iv) Fixed and floating charge over all present and future undertakings, property assets, revenues and right of TAT Petroleum Pte Ltd;
- (v) Joint and several personal guarantee of certain directors of its subsidiary (TAT Petroleum Pte Ltd); and
- (vi) 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 30 Sep		9 months ended 30 Sep	
	2011	2010	2011	2010
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities				
Profit before income tax	1,786	1,884	7,587	5,901
Adjustments for:				
Depreciation	682	746	2,168	2,357
Fixed assets written off	2	2	7	5
(Gain)/loss on disposal of fixed assets	(793)	4	(909)	(30)
Finance costs	268	299	789	907
Interest income	(7)	(13)	(39)	(49)
Loss from sales of other investment	-	-	23	-
Gain on available-for-sale assets	-	-	(26)	-
(write-back)/allowance for stock obsolescence	(155)	32	(128)	91
Bad debts expense	-	-	12	5
Stock written off	38	23	78	50
Net foreign currency translation adjustments	1,534	-	1,148	-
Operating cash flow before working capital changes	3,355	2,977	10,710	9,237
Changes in working capital				
Inventories and work-in-progress	(1,441)	(4,279)	(1,408)	(3,302)
Receivables	(1,482)	(620)	(9,694)	(3,115)
Payables	(3,959)	4,075	3,462	(1,419)
Cash generated (used in)/generated from operations	(3,527)	2,153	3,070	1,401
Interest paid	(268)	(299)	(788)	(907)
Interest received	8	13	39	49
Dividend income	-	-	-	-
Income tax refund	(461)	(184)	(781)	(411)
Net cash (used in)/generated from operating activities	(4,248)	1,683	1,540	132
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(2,014)	(43)	(3,189)	(848)
Proceeds from disposal of property, plant and equipment	4,512	(4)	4,680	30
Acquisition of remaining interest in a subsidiary	-	(13,300)	-	(13,300)
Proceeds from disposal of other investment	-	-	45	-
Net cash generated from/(used in) investing activities	2,498	(13,347)	1,536	(14,118)
Cash Flows from Financing Activities				
Net proceeds from issue of shares	-	-	-	99
Share issue expense	-	(97)	-	(97)
Dividends paid	(1,028)	-	(3,083)	(1,071)
Dividends paid to minority shareholders	-	-	-	(490)
Fixed deposit pledges with bank	-	34	-	(511)
Repayment to hire purchase	(70)	(277)	(224)	(579)
Repayment to term loan	(675)	(606)	(3,764)	(2,346)
Increase in funds from trusts receipts	8,635	(2,490)	11,783	2,578
Net cash generated from/(used in) financing activities	6,862	(3,436)	4,712	(2,417)
Net foreign currency translation adjustments	498	(297)	231	(281)
Net decrease in cash and cash equivalents	5,610	(15,397)	8,019	(16,684)
Cash and cash equivalents at the beginning of the year	24,946	33,417	22,537	34,704
Cash and cash equivalents at the end of the year	30,556	18,020	30,556	18,020

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 2011	89,388	(751)	1,621	1,589	(18,040)	1,191	(3,154)	71,844	237	72,081
Comprehensive income	-	-	-	-	-	(152)	6,070	5,918	25	5,943
Disposal of property, plant and equipment	-	-	(225)	-	-	-	225	-	-	-
Dividends paid	-	-	-	-	-	-	(3,083)	(3,083)	-	(3,083)
Balance at 30 September 2011	89,388	(751)	1,396	1,589	(18,040)	1,039	58	74,679	262	74,941
Balance at 01 January 2010	74,230	(751)	1,621	1,627	-	1,657	(7,352)	71,032	9,142	80,174
Comprehensive income	-	-	-	-	-	(274)	2,795	2,521	1,935	4,456
Exercise of warrants	126	-	-	(26)	-	-	-	100	-	100
Acquisition of additional interest in a subsidiary	15,120	-	-	-	(18,040)	-	-	(2,920)	(10,380)	(13,300)
Share issue expense	(97)	-	-	-	-	-	-	(97)	-	(97)
Dividends paid	-	-	-	-	-	-	(1,071)	(1,071)	(490)	(1,561)
Balance at 30 September 2010	89,379	(751)	1,621	1,601	(18,040)	1,383	(5,628)	69,565	207	69,772
Company										
Balance at 01 January 2011	89,388	(751)	2,874	1,589	-	-	(17,950)	75,150	-	75,150
Comprehensive income	-	-	-	-	-	-	2,981	2,981	-	2,981
Dividends paid	-	-	-	-	-	-	(3,083)	(3,083)	-	(3,083)
Balance at 30 September 2011	89,388	(751)	2,874	1,589	-	-	(18,052)	75,048	-	75,048
Balance at 01 January 2010	74,230	(751)	2,874	1,627	-	-	(17,096)	60,884	-	60,884
Comprehensive income	-	-	-	-	-	-	(1,658)	(1,658)	-	(1,658)
Exercise of warrants	126	-	-	(26)	-	-	-	100	-	100
Acquisition of additional interest in a subsidiary	15,120	-	-	-	-	-	-	15,120	-	15,120
Share issue expense	(97)	-	-	-	-	-	-	(97)	-	(97)
Dividends paid	-	-	-	-	-	-	(1,071)	(1,071)	-	(1,071)
Balance at 30 September 2010	89,379	(751)	2,874	1,601	-	-	(19,825)	73,278	-	73,278

- 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.**

Pursuant to announcements made on 13 October 2009, 178,128,050 Warrants were issued on 16 October 2009, and listed and quoted on the Mainboard of SGX-ST with effect from 21 October 2009 at an exercise price of SGD0.23. The Warrants have a 3-year exercise period from the date of issue and it will expire on 15 October 2012.

From the date of issue to 30 September 2011, there were 785,500 shares issued in pursuant to the exercise of warrants.

Details of the changes in the issued and paid-up capital of the Company since 30 Sep 2010 to 30 Sep 2011 are as follows:-		
<u>Ordinary shares</u>	<u>Number of shares</u>	<u>\$</u>
Issued and fully paid ordinary shares at 30 Sep 2010	415,351,600	89,387,668
Allotment and issue of new ordinary shares for exercise of warrants	-	-
Issued and fully paid ordinary shares at 30 Sep 2011	<u>415,351,600</u>	<u>89,387,668</u>

- 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 30 Sep 2011</u>	<u>As at 31 Dec 2010</u>
Total number of shares (including treasury shares)	415,351,600	415,351,600
Less treasury shares	(4,310,000)	(4,310,000)
Total number of shares (excluding treasury shares)	<u>411,041,600</u>	<u>411,041,600</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 period 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 2010.

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 30 Sep		9 months ended 30 Sep	
	2011	2010	2011	2010
Profit per ordinary share for the financial year based on consolidated profit attributable to members of the Company (Basic and diluted)				
- Basic	0.33 cents	0.29 cents	1.48 cents	0.77 cents
- Diluted	0.33 cents	0.26 cents	1.48 cents	0.69 cents
Based on the weighted average number of shares (Basic)	411,041,600	362,969,896	411,041,600	362,969,896
Based on the weighted average number of shares (Diluted)	411,041,600	407,679,142	411,041,600	407,679,142

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	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
Net asset backing per ordinary share	18.18 cents	19.07 cents	18.26 cents	19.95 cents
Based on the weighted average number of shares	411,041,600	376,713,058	411,041,600	376,713,058

Note: As the warrants issued on 16 October 2009 were "in the money" on 30 Sep 2010, the weighted average number of shares (Diluted) as at 30 Sep 2010 were higher than 31 December 2010 even though 54,000,000 shares were issued in August 2010 to acquire the balance 49% interest in TAT Petroleum.

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.

Revenue

The Group's revenue increased 34% to S\$60.8 million for the three months ended 30 September 2011 ("3Q11"), from S\$47.0 million in the same period a year ago period ("2Q10"), driven mainly by double-digit revenue growth registered by the Refined Petroleum Distribution ("TAT Petroleum") business segment.

On a sequential basis, Group revenue in 3Q11 eased 4% from S\$63.1 million in 2Q11. TAT Petroleum maintained its revenue in 3Q11 quarter-on-quarter ("q-o-q") while revenue of the Corrosion Prevention ("CP") business segment dipped marginally from 2Q11.

For the first nine months ended 30 September 2011 ("9M11"), Group revenue increased 25% to S\$181.8 million, compared to S\$144.9 million in 9M10, driven primarily by strong sales growth of TAT Petroleum.

Revenue breakdown by business segments:

Business Segments	Group		Group		
	3 months ended 30 Sep		9 months ended 30 Sep		
	2011	2010	2011	2010	Inc/(Dec)
	S\$'000	S\$'000	S\$'000	S\$'000	
Corrosion prevention	8,631	8,623	27,233	28,816	(5%)
Distribution of refined petroleum products	52,151	38,404	154,581	116,119	33%
Total Sales	60,782	47,027	181,814	144,935	25%

TAT Petroleum

Revenue in 3Q11 improved 36% year-on-year ("y-o-y") to S\$52.2 million, from S\$38.4 million in 3Q10, due to an increase in sales volume coupled with the relatively higher average selling price of petroleum-derived products during the quarter under review. With end-users of petroleum-derived products adopting a more cautious stance during 3Q11 due to increased uncertainties in the global economy, TAT Petroleum employed an aggressive pricing strategy during the quarter to counter intensifying competitive conditions.

Sales of petroleum-intermediates products in 3Q11 increased 41% y-o-y and accounted for close to 62% of TAT Petroleum's revenue. Industrial and wholesale products also registered a healthy sales increase of 28% and accounted for the remaining 38% revenue contribution.

On a q-o-q basis, TAT Petroleum's revenue of S\$52.2 million eased marginally from S\$53.9 million in 2Q11, due mainly to lower average selling price between the two periods as a result of a sudden and sharp fall in crude oil prices in 3Q11.

TAT Petroleum accounted for 85% of Group revenue in 3Q11.

CP segment

Revenue of S\$8.7 million in 3Q11 was comparable to the year ago period as higher sales generated from the Plant Operations was offset by lower sales from the Grit Blasting – Site business unit.

In 3Q11, the Plant Operations and Tank Coating & Module Blasting units contributed approximately 70% of CP revenue, compared to 63% in 3Q10. The Grit Blasting – Site and Trading units made up the remaining 30% of CP revenue in 3Q11.

On a sequential basis, CP’s revenue in 3Q11 decreased 6% from S\$9.3 million in 2Q11 due mainly to the sales decline of the Grit Blasting – Site business unit.

GROSS PROFIT (GP)

The Group’s GP in 3Q11 increased 6% to S\$8.2 million from S\$7.7 million in 3Q10. This was attributable to CP which saw GP increase to S\$2.5 million from S\$2.0 million in 3Q10. Although TAT Petroleum recorded higher sales volume and revenue in 3Q11, its GP of S\$5.7 million was flat compared to the same period a year ago and a decrease of 24% q-o-q from S\$7.5 million in 2Q11. This was due to the sudden decline in crude oil prices in 3Q11 and the aggressive pricing strategy employed by TAT Petroleum to counter intensifying competitive conditions.

Gross profit margin (GPM) by business segments:-

	Group		Group	
	3 months ended 30 Sep		9 months ended 30 Sep	
	2011	2010	2011	2010
Corrosion prevention	28.5%	22.7%	27.1%	22.0%
Distribution of refined petroleum products	11.0%	14.9%	12.8%	15.0%
Average composite gross margin	13.5%	16.3%	15.0%	16.4%

The Group’s GPM in 3Q11 was pared to 13.5% from 16.3%, as the decrease in GPM of TAT Petroleum more than offset the higher GPM of CP segment.

TAT Petroleum

GPM in 3Q11 was reduced to 11.0% compared to 14.9% in 3Q10 and 14.0% in 2Q11. As cost of inventory rose at a slightly faster pace than selling prices during the first half of FY2011, the sudden decline in crude oil prices in 3Q11 had an adverse impact on Tat Petroleum’s GPM. In addition, the adoption of a more aggressive pricing strategy to counter the intensifying competitive condition added further to the contraction in margins.

CP segment

GPM in 3Q11 expanded to 28.5% compared to 22.7% in 3Q10 and 24.6% in 2Q11. This was mainly attributable to higher GPM of the Plant Operations unit in 3Q11 as a result of improved sales mix and better plant utilisation. The Trading unit also recorded a higher GPM in 3Q11. Together, these two business units more than offset the declines in the GPMs of the Grit Blasting – Site and Tank Coating and Module Blasting units, which were affected by price pressure from customers and competition.

OTHER INCOME

Other income in 3Q11 increased 148% to S\$867,000 due largely to gain on disposal of fixed assets.

SELLING, DISTRIBUTION, ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Total operating expenses amounted to S\$7.0 million in 3Q11, up 20% from S\$5.9 million in 3Q10. This was attributed primarily to higher selling and distribution expenses of TAT Petroleum in tandem with its sales growth, an increase in administrative expenses from its business expansion into Vietnam and Korea, as well as higher charges for electricity, maintenance and delivery at CP segment in line with increased sales of its Plant Operations. When compared to 2Q11, the Group’s total operating expenses were up a lesser 8%.

NET PROFIT

The Group's profit from operations in 3Q11 declined 6% to S\$2.1 million, from S\$2.2 million in the same period a year ago. CP's operating profit of S\$1.3 million in 3Q11 was a significant increase from S\$0.3 million in 3Q10 and S\$0.6 million in 2Q11, contributed largely by improvement in operating efficiency and gain on disposal of one of its Plant Operations facilities. Operating profit of TAT Petroleum decreased 59% to S\$0.8 million from S\$1.9 million in 3Q10 due to the more challenging operating environment.

After deducting income tax of S\$0.5 million, the Group's net profit in 3Q11 declined 10% to S\$1.3 million from S\$1.5 million in 3Q10.

For 9M11, net profit increased 28% to S\$6.1 million compared to S\$4.8 million in 9M10, attributable mainly to the Group's strong performance in 2Q11.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

Profit attributable to equity holders in 3Q11 increased 27% to S\$1.3 million, from S\$1.0 million in 3Q10, as a result of the Group's increased equity interests in TAT Petroleum from 51% to 100% in August 2010.

As a result, profit attributable to equity holders for 9M11 increased 117% to S\$6.1 million, compared to S\$2.8 million in 9M10.

BALANCE SHEET AND CASH FLOW ANALYSIS

As at 30 September 2011, the Group had cash and bank balances, and fixed deposits totaling S\$36.9 million. The Group's financial position remains sound with net gearing¹ of around 0.19 times at the end of September 2011.

Non-current assets increased to S\$38.3 million as at 30 September 2011 from S\$37.2 million as at 31 December 2010, due mainly to a net increase in property, plant and equipment after accounting for depreciation.

Current assets increased to S\$114.7 million as at 30 September 2011 from S\$95.1 million at the end of December 2010, due primarily to higher trade receivables in tandem with revenue growth, as well as an increase in cash and cash equivalents.

As at 30 September 2011, the Group had higher cash and bank balances, and fixed deposits of S\$36.9 million, compared to S\$28.6 million at the end of 31 December 2010. This was due to net cash generated from operations of S\$1.5 million, proceeds of S\$4.7 million from disposal of property, plant and equipment and an increase in trust receipts of S\$11.8 million which is used in the ordinary course of the Group's refined petroleum distribution business.

The cash inflow during 9M11 was partially offset by a final dividend payment of S\$2.0 million with respect to FY2010, interim dividend of S\$1.1 million with respect to FY2011, purchase of property, plant and equipment of S\$3.2 million for CP's Plant Operations and TAT Petroleum, and repayment of term loan of S\$3.8 million. In 3Q11, the net cash used in operations was S\$4.2 million, due mainly to a conversion of TAT Petroleum's trade payables to trust receipts ahead of schedule. As such, the decrease in trade payables in 3Q11 contributed partially to the increase in trust receipts during the quarter.

Current liabilities at the end of 3Q11 increased to S\$74.8 million from S\$59.0 million as at 31 December 2010. This was due mainly to higher trade payables in line with the increase in business volumes, and an increase in amounts due to bankers. While the Group increased its outstanding balance of trust receipts to S\$48.1 million from S\$34.2 million, its term loans have been reduced to S\$1.7 million at the end of 3Q11 from S\$4.1 million at the end of FY2010.

Long-term liabilities of S\$339 million at the end of September 2011 were lower compared to S\$4.8 million as at 31 December 2010 due to lower term loan and repayments of hire purchase.

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

Shareholders' equity increased to S\$74.7 million as at 30 September 2011 from S\$71.8 million as at 31 December 2010. The increase was mainly attributable to the profit attributable to equity holders of S\$6.1 million for 9M11, partially offset by dividend payments of S\$3.1 million.

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 June 2011.

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.

During 3Q11, the Group's two core business segments witnessed slower revenue compared to the first two quarters of FY2011. Increased uncertainties about the direction of the global economy have resulted in more cautious demand conditions for the Group's refined petroleum products and CP services.

As such, the Group intends to maintain a prudent approach in the management of its finances and inventories. This shall ensure the Group remains financially sound and in a good competitive position to capitalise on potential business opportunities and pick-up of business activities in the region.

CP SEGMENT

The operating environment for CP remains challenging, particularly for the Tank Coating and Module Blasting, and Grit Blasting – site business units, due to pricing pressure amid an oversupply situation, potential delays or cancellations of customers' projects and increasing competition from alternative corrosion prevention services such as hydroblasting.

Given the challenging backdrop, the Group will endeavour to maintain an efficient and competitive cost structure. At the same time, the Group will continue working to broaden the customer base of CP across a wider range of industries.

TAT PETROLEUM SEGMENT

Due to ongoing uncertainties in the global economy, industrial customers in the region have adopted a more cautious stance in recent months which has resulted in more intense competitive conditions. Continued volatility in the price of crude oil and unfavourable movements of foreign currencies against the Singapore dollar could also have an impact on TAT Petroleum's GPM in the short term.

To attain long-term growth and become a leading distributor of petroleum-derived products in the region, TAT Petroleum will continue to pursue its strategies of expanding market reach and moving up the supply chain.

TAT Petroleum continues to explore the development of new potential markets in Asia Pacific such as the emerging markets in South Asia and Southeast Asia. It is also seeking viable partnerships that add value to its current business including, but not limited to, expanding supply chain, widening of product range and strengthening of customer base.

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/recommendeded, a statement to that effect

No dividend has been recommended for the quarter ended 30 September 2011.

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.

14. Negative Confirmation by The Board Pursuant to Rule 705(5)

We, Thomas Lim Siok Kwee and Goh Koon Seng, being two directors of See Hup Seng Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the 3Q11 financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Thomas Lim Siok Kwee
Executive Chairman & CEO
14 November 2011