

SEE HUP SENG LIMITED

(Company Registration No. 197502208Z)

Unaudited Financial Statement Announcement for the First Quarter 2012

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 Mar		
	2012	2011	Change
	S\$'000	S\$'000	%
Revenue	59,886	57,911	3%
Cost of sales and services	(50,942)	(48,699)	5%
Gross profit	<u>8,944</u>	<u>9,212</u>	(3%)
Other income	119	112	6%
Selling and distribution expenses	(1,784)	(1,837)	(3%)
Administrative expenses	(3,170)	(2,920)	9%
Other operating expenses	(2,057)	(1,778)	16%
Profit from operations	<u>2,052</u>	<u>2,789</u>	(26%)
Finance costs	(316)	(266)	19%
Profit before income tax	<u>1,736</u>	<u>2,523</u>	(31%)
Income tax	(371)	(372)	(0%)
Profit after income tax	<u>1,365</u>	<u>2,151</u>	(37%)
Attributable to:			
Equity holders of the Company	1,360	2,152	(37%)
Non-controlling interests, net of income tax	5	(1)	N/M
	<u>1,365</u>	<u>2,151</u>	(37%)

Statement of Comprehensive Income

	Group		
	3 months ended 31 Mar		
	2012	2011	Change
	S\$'000	S\$'000	%
Profit after income tax	1,365	2,151	(37%)
<u>Other comprehensive income/(expense)</u>			
Foreign currency translation	(340)	(465)	(27%)
	<u>(340)</u>	<u>(465)</u>	(27%)
Total comprehensive income	<u>1,025</u>	<u>1,686</u>	(39%)
Attributable to:			
Equity holders of the Company	1,022	1,695	(40%)
Non-controlling interests, net of income tax	3	(9)	N/M
	<u>1,025</u>	<u>1,686</u>	(39%)

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

	Note	Group		
		3 months ended 31 Mar		
		2012	2011	Change
		S\$'000	S\$'000	%
Other Income	1	45	64	(29.0%)
Interest Income		8	9	(8.1%)
Interest on borrowings	2	(316)	(266)	18.8%
Depreciation		(754)	(744)	1.3%
Fixed assets written off		(5)	(3)	66.7%
Loss on disposal of fixed assets		(2)	(3)	(33.3%)
Bad debts expense		(5)	(12)	(58.3%)
Allowance for doubtful debts	3	(81)	(24)	237.5%
(Allowance)/write-back on allowance for stock obsolescence	4	(67)	3	N/M
Stock written off		(17)	(11)	54.5%
Foreign exchange gain	5	67	42	59.5%

- 1) The decrease was largely due to a net fair value gain of financial asset in Q111 as compared to none this period.
- 2) The increase was in line with higher trust receipts balance
- 3) The increase was due to higher allowance for doubtful debts is required
- 4) The increase was in line with stronger S\$ against US\$ y-o-y

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 Mar 2012 S\$'000	31 Dec 2011 S\$'000	31 Mar 2012 S\$'000	31 Dec 2011 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	29,030	28,416	14,296	14,591
Subsidiary companies	-	-	45,593	45,593
Associated company	-	-	-	-
Financial asset, available-for-sale	317	317	290	290
Membership rights	195	195	-	-
Goodwill	9,450	9,465	-	-
Other receivables	1,020	1,147	-	-
	<u>40,012</u>	<u>39,540</u>	<u>60,179</u>	<u>60,474</u>
Current Assets				
Stock and work-in-progress	26,948	24,850	-	-
Trade receivables	51,402	51,019	7,914	8,158
Amount due from related parties	-	-	7,158	8,950
Other receivables	3,301	3,281	681	513
Fixed deposits	10,775	10,795	7,341	7,340
Cash and bank balances	36,941	31,594	5,983	1,455
	<u>129,367</u>	<u>121,539</u>	<u>29,077</u>	<u>26,416</u>
Total Assets	<u>169,379</u>	<u>161,079</u>	<u>89,256</u>	<u>86,890</u>
LIABILITIES				
Current Liabilities				
Trade payables and accruals	19,529	17,479	1,556	1,556
Other payables	1,905	1,072	592	557
Amount due to related parties	-	-	6,813	7,530
Term loans	1,018	1,652	-	-
Other amounts due to bankers	59,782	57,812	-	-
Hire purchase creditors	348	244	-	-
Provision for taxation	2,834	2,466	132	57
	<u>85,416</u>	<u>80,725</u>	<u>9,093</u>	<u>9,700</u>
Non-current Liabilities				
Term loans	561	829	-	-
Hire purchase creditors	492	312	-	-
Deferred taxation	1,248	1,248	545	545
	<u>2,301</u>	<u>2,389</u>	<u>545</u>	<u>545</u>
Total Liabilities	<u>87,717</u>	<u>83,114</u>	<u>9,638</u>	<u>10,245</u>
EQUITY				
Share capital	92,176	89,388	92,176	89,388
Treasury shares	(751)	(751)	(751)	(751)
Asset revaluation reserve	2,461	2,461	2,874	2,874
Foreign currency translation reserve	757	1,095	-	-
Capital reserve	1,473	1,589	1,473	1,589
Other reserve	(18,040)	(18,040)	-	-
Revenue reserve/(accumulated losses)	3,318	1,958	(16,154)	(16,455)
	<u>81,394</u>	<u>77,700</u>	<u>79,618</u>	<u>76,645</u>
Non-controlling interests	268	265	-	-
Total Equity	<u>81,662</u>	<u>77,965</u>	<u>79,618</u>	<u>76,645</u>
Total Liabilities and Equity	<u>169,379</u>	<u>161,079</u>	<u>89,256</u>	<u>86,890</u>

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

	31-Mar-12 S\$'000	31-Dec-11 S\$'000
Amount Repayable in one year or less, or on demand		
Secured	61,148	59,708
Unsecured	-	-
	<u>61,148</u>	<u>59,708</u>
Amount Repayable after one year, or on demand		
Secured	1,053	1,141
Unsecured	-	-
	<u>1,053</u>	<u>1,141</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\$11.0 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\$1.4 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\$2.4 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\$2.4 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	
	3 months ended 31 Mar	
	2012	2011
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit before income tax	1,736	2,523
Adjustments for:		
Depreciation	754	744
Fixed assets written off	5	3
Loss on disposal of fixed assets	2	3
Interest on borrowings	316	266
Interest income	(8)	(9)
Gain on available-for-sale assets	-	(34)
Allowance/(write-back on allowance) for stock obsolescence	67	(3)
Bad debts expense	5	12
Stock written off	17	11
Net foreign currency translation adjustments	362	(544)
	<u>3,256</u>	<u>2,972</u>
Operating cash flow before working capital changes	3,256	2,972
Changes in working capital		
Inventories and work-in-progress	(2,184)	3,576
Receivables	(483)	(4,075)
Payables	2,910	(64)
Cash generated (used in)/generated from operations	<u>3,499</u>	<u>2,409</u>
Interest paid	(315)	(266)
Interest received	8	9
Income tax payment	(2)	176
Net cash generated from operating activities	<u>3,190</u>	<u>2,328</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,010)	(226)
Proceeds from disposal of property, plant and equipment	-	50
Net cash used in investing activities	<u>(1,010)</u>	<u>(176)</u>
Cash Flows from Financing Activities		
Proceeds from issue of warrants	2,672	-
Fixed deposit pledges with bank	-	13
Repayment to hire purchase	(78)	(79)
Repayment to term loan	(901)	(2,620)
Increase in funds from trusts receipts	4,226	(149)
Net cash generated from/(used in) financing activities	<u>5,919</u>	<u>(2,835)</u>
Net foreign currency translation adjustments	(429)	(16)
Net increase/(decrease) in cash and cash equivalents	7,670	(699)
Cash and cash equivalents at the beginning of the year	<u>36,284</u>	<u>22,537</u>
Cash and cash equivalents at the end of the year	<u>43,954</u>	<u>21,838</u>

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 2012	89,388	(751)	2,461	1,589	(18,040)	1,095	1,958	77,700	265	77,965
Comprehensive income	-	-	-	-	-	(338)	1,360	1,022	3	1,025
Exercise of warrants	2,788	-	-	(116)	-	-	-	2,672	-	2,672
Balance at 31 March 2012	92,176	(751)	2,461	1,473	(18,040)	757	3,318	81,394	268	81,662
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	-	-	-	-	-	(457)	2,152	1,695	(9)	1,686
Disposal of property, plant and equipment	-	-	(63)	-	-	-	63	-	-	-
Balance at 31 March 2011	89,388	(751)	1,558	1,589	(18,040)	734	(939)	73,539	228	73,767
Company										
Balance at 01 January 2012	89,388	(751)	2,874	1,589	-	-	(16,455)	76,645	-	76,645
Comprehensive income	-	-	-	-	-	-	301	301	-	301
Exercise of warrants	2,788	-	-	(116)	-	-	-	2,672	-	2,672
Balance at 31 March 2012	92,176	(751)	2,874	1,473	-	-	(16,154)	79,618	-	79,618
Balance at 01 January 2011	89,388	(751)	2,874	1,589	-	-	(17,950)	75,150	-	75,150
Comprehensive income	-	-	-	-	-	-	534	534	-	534
Balance at 31 March 2011	89,388	(751)	2,874	1,589	-	-	(17,416)	75,684	-	75,684

- 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 31 March 2012, there were 12,403,000 shares issued in pursuant to the exercise of warrants.

Details of the changes in the issued and paid-up capital of the Company since 31 Mar 2011 to 31 Mar 2012 are as follows:-		
<u>Ordinary shares</u>	<u>Number of shares</u>	<u>\$</u>
Issued and fully paid ordinary shares at 31 Dec 2011	415,351,600	89,387,668
Exercise of warrants	11,617,500	2,788,200
Issued and fully paid ordinary shares at 31 Mar 2012	<u>426,969,100</u>	<u>92,175,868</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 31 Mar 2012</u>	<u>As at 31 Dec 2011</u>
Total number of shares (including treasury shares)	426,969,100	415,351,600
Less treasury shares	<u>(4,310,000)</u>	<u>(4,310,000)</u>
Total number of shares (excluding treasury shares)	<u>422,659,100</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 2011.

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	
	3 months ended 31 Mar	
	2012	2011
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	0.52 cents
- Diluted	0.32 cents	0.52 cents
Based on the weighted average number of shares (Basic)	412,752,392	411,041,600
Based on the weighted average number of shares (Diluted)	419,896,487	411,041,600

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 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
Net asset backing per ordinary share	19.72 cents	18.91 cents	19.29 cents	18.65 cents
Based on the weighted average number of shares	412,752,392	411,041,600	412,752,392	411,041,600

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.**

For the three months ended 31 March 2012 ("1Q12"), the Group sustained its revenue in spite of slower market conditions. The Group's core business segments recorded single-digit growth in revenue in 1Q12 compared to the same period last year ("1Q11"). Group net profit for 1Q12 however was lower than 1Q11 due mainly to lower overall gross profit margin and higher operating expenses.

The corrosion prevention ("CP") business segment posted an increase in operating profit during 1Q12 despite higher operating expenses. This was attributed mainly to improved revenue and gross profit margin. The refined petroleum ("RP") business however, registered lower operating profit in 1Q12 due to lower gross profit margin and higher operating expenses. RP's gross profit margin was affected by intensified competition while operating expenses increased due to the commencement of its asphalt business and other factors.

Revenue

Group revenue in 1Q12 was up 3% year-on-year to S\$59.9 million from S\$57.9 million in 1Q11, supported by higher sales from the Group's CP and RP businesses. On a sequential basis, Group revenue was 6% lower than S\$63.6 million in the preceding quarter of 4Q11, due mainly to weaker sales from the RP business. As a percentage of revenue, RP accounted for 83% of Group revenue while CP made up the remaining 17% of total revenue in 1Q12.

Revenue breakdown by business segments:

Business Segments	Group		
	3 months ended 31 Mar		
	2012	2011	Inc/(Dec)
	S\$'000	S\$'000	
Corrosion prevention	9,949	9,343	6%
Distribution of refined petroleum products	49,937	48,568	3%
Total Sales	59,886	57,911	3%

RP segment

During 1Q12, market demand for petroleum-derived products was anemic in tandem with the level of industrial activities. The demand for petroleum intermediates used as feedstock in manufacturing processes was depressed as manufacturers in Asia experienced weaker export volumes due to the Eurozone crisis and slow recovery in the USA. Notwithstanding this, sales generated in 1Q12 were up slightly by 3% to S\$49.9 million primarily on the back of higher sales volume as average selling prices continued to come under competitive pressure. In 1Q12, RP also recorded modest revenue contribution from the sale of asphalt which commenced only towards the end of March 2012.

The growth of RP's revenue was led by sales from distribution of industrial and wholesale products, which increased 19% during 1Q12 compared to 1Q11. This offset slower demand for petroleum-intermediates which saw a 23% year-on-year decrease in sales during 1Q12. Petroleum-intermediates accounted for 54% of RP's revenue in 1Q12 while industrial and wholesale products made up the remaining 46%.

On a quarter-on-quarter basis, RP's revenue in 1Q12 was around 8% lower compared to S\$54.3 million in 4Q11 due mainly to slower demand for petroleum-intermediates in key

geographical markets. The impact of lower sales volume in 1Q12 was partially mitigated by higher average selling prices compared to 4Q11.

CP segment

Revenue in 1Q12 gained 6% to S\$9.9 million compared to S\$9.3 million in 1Q11 and 4Q11 respectively. The improvement from a year ago was driven mainly by higher sales from the Plant Operations and Tank Coating & Module Blasting units which counterbalanced slower orders from the Grit Blasting-Site segment.

On a sequential basis, Plant Operations and Trading unit performed better in 1Q12 compared to 4Q11 and compensated for lower orders of the Tank Coating & Module Blasting and Grit Blasting-Site units during the quarter under review.

In 1Q12, Plant Operations and Tank Coating & Module Blasting units collectively contributed to 73% of CP's revenue while Trading and Grit Blasting-Site accounted for the remaining 27%.

Gross Profit (GP)

The Group's GP in 1Q12 dipped 3% to S\$8.9 million, compared to S\$9.2 million in 1Q11. CP improved its GP to S\$2.9 million in 1Q12, from S\$2.6 million previously, which partially cushioned RP's lower GP of S\$6.0 million in 1Q12, compared to S\$6.6 million in 1Q11.

Notwithstanding lower total revenue, Group GP in 1Q12 was unchanged from S\$8.9 million in 4Q11. This can be attributed to the CP business which recorded an increase in GP to S\$2.9 million in 1Q12 from S\$2.4 million, and offset the lower GP contribution from RP.

Gross profit margin (GPM) by business segments:-

	Group	
	3 months ended 31 Dec	
	2012	2011
Corrosion prevention	29.2%	28.3%
Distribution of refined petroleum products	12.1%	13.5%
Average composite gross margin	<u>14.9%</u>	<u>15.9%</u>

The Group's GPM in 1Q12 was pared marginally to 14.9% compared to 15.9% in 1Q11, due mainly to lower GPM of the RP business. However, GPM in 1Q12 was higher than 13.9% in 4Q11 because of higher GPM of both CP and RP businesses.

RP business

While revenue was higher in 1Q12, RP recorded lower GP compared to 1Q11 as it had to continue with an aggressive pricing strategy to counter intensifying competition due to slower market demand. As such, the GPM for RP in 1Q12 narrowed to 12.1% as compared to 13.5% in 1Q11. However, this was a slight improvement from 11.9% in 4Q11 due to moderate selling price adjustments for certain products.

CP segment

CP recorded higher GP in 1Q12 compared to 1Q11 and 4Q11 on the back of higher revenue and improved GPM of certain business units. The GPM in 1Q12 was 29.2%, higher than 28.3% in 1Q11 and 25.7% in 4Q11.

The year-on-year improvement was driven mainly by better GPM of the Plant Operations, Tank Coating & Module Blasting and Trading units. Plant Operations registered higher GPM in 1Q12 due to better sales mix, higher capacity utilisation and cost control.

Tank Coating & Module Blasting unit also benefited from higher-margin projects and higher capacity utilisation. Trading unit's GPM increased as a result of difference in sales mix. These business units offset lower GPM of the Grit Blasting-Site unit which experienced underabsorption of fixed costs in tandem with lower revenue.

CP's GPM in 1Q12 was also higher than the preceding quarter, lifted mainly by higher GPM of the Plant Operations unit.

Other Income

Other income in 1Q12 increased to S\$119,000 from S\$112,000 in 1Q11 due mainly to higher foreign exchange gain partly offset by net fair value gain of financial asset.

Selling, Distribution, Administrative and Other Operating Expenses

Total operating expenses amounted to S\$7.0 million in 1Q12, an increase of 7% from S\$6.5 million in 1Q11.

Selling and distribution expenses were largely unchanged while administrative and other operating expenses were higher in 1Q12. The increase was due mainly to higher depreciation and salary expenses as a result of RP's expansion into the asphalt business and other new businesses, increase in rental cost, higher repair and maintenance costs, as well as provision for legal and professional expenses arising from the Group's corporate activities and business expansion initiatives. There was also a write-back of stocks obsolescence in 1Q11 which did not recur in 1Q12.

Net Profit

The Group's profit from operations in 1Q12 decreased 26% to S\$2.1 million from S\$2.8 million in 1Q11 due mainly to lower GPM and higher operating expenses. After deducting finance costs of S\$0.3 million and income tax of S\$0.4 million, the Group recorded a profit after tax of S\$1.4 million, down 37% from S\$2.2 million in 1Q11. Net profit in 1Q12 was also sequentially lower than S\$1.9 million in 4Q11 due mainly to a reduction in other income and higher operating expenses.

In 1Q12, CP registered higher operating profit of S\$0.8 million compared to S\$0.7 million in 1Q11 in spite of higher other operating expenses. This improved performance can be attributed to higher revenue and GPM during 1Q12. CP's net profit in 1Q12 was however flat at S\$0.6 million due to higher provision for tax.

On a sequential basis, CP's net profit was higher than S\$0.5 million in 4Q11 which included a gain on disposal of fixed assets of S\$0.2 million. This increase was lifted primarily by higher GP which was partially negated by higher other operating expenses.

On the other hand, RP's operating profit in 1Q12 decreased to S\$1.3 million from S\$2.1 million previously. The decrease in operating profit was due mainly to lower GPM and higher operating expenses. Net profit consequently declined to S\$0.8 million in 1Q12, compared to S\$1.5 million in 1Q11 and S\$1.4 million in 4Q11.

Balance Sheet and Cash Flow Analysis

As at 31 March 2012, the Group had cash and bank balances, and fixed deposits totaling S\$47.7 million. The Group's financial position remains healthy with net gearing¹ of around 0.2 times at the end of the period under review.

Non-current assets increased to S\$40.0 million as at 31 March 2012 from S\$39.5 million as at 31 December 2011, as there was a net increase in property, plant and equipment after accounting for depreciation. This increase arose primarily from the investment in equipment for RP's asphalt business.

Current assets increased to S\$129.4 million from S\$121.7 million as at 31 December 2011, due primarily to higher stock and work-in-progress and an increase in cash and cash equivalents of S\$5.3 million.

As at 31 March 2012, the Group had higher cash and bank balances, and fixed deposits of S\$47.7 million, compared to S\$42.4 million at the end of 31 December 2011.

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

Current liabilities at the end of March 2012 increased to S\$85.4 million from S\$80.7 million as at 31 December 2011. This was due mainly to higher trade and other payables, increases in amounts due to bankers (trust receipts) and provision for taxation, which were partially offset by a reduction in term loans.

Long-term liabilities decreased to S\$2.3 million from S\$2.4 million at the end of December 2011 due mainly to repayments of term loan.

Shareholders' equity increased to S\$81.4 million as at 31 March 2012 from S\$77.7 million as at 31 December 2011. The increase was mainly attributable to an increase in share capital of S\$2.8 million from exercise of warrants and profit attributable to equity holders of S\$1.4 million, partially reduced by a decrease in foreign currency translation reserve of S\$0.3 million.

During 1Q12, net cash generated from operations amounted to S\$3.2 million compared to S\$2.3 million in 1Q11. Net cash used for investing activities was S\$1.0 million, due mainly to purchase of property, plant and equipment. Net cash from financing activities amounted to S\$5.9 million, owing mainly to proceeds from exercise of warrants and an increase in trust receipts which are used in the ordinary course of RP's business.

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 31 December 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.

Rising uncertainty over Europe's sovereign debt situation and the direction of the global economy are expected to continue weighing on business sentiment and the level of industrial activities in the region.

As the Group continues to pursue its long-term business plans, it will maintain a cautious stance in the management of its finances and business operations. This is to ensure it remains financially sound to withstand difficult periods and positioned to capitalise on potential business opportunities.

Barring any unforeseen circumstances, the Group expects to remain profitable in FY2012.

New business ventures to build earnings streams for future

In March 2012, the Group announced plans to form a joint-venture to build an Integrated Chemical Hub to enable RP segment to capture a larger share of business opportunities in the region's refined petroleum industry and build a new source of earnings for the Group's future. Construction of the Integrated Chemical Hub is currently anticipated to start in FY2013.

In March 2012, the Group proposed to invest in a minority stake in Energy Drilling Pte Ltd. The Group believes this is an opportunity to participate in a modest way in the high value adding and attractive offshore drilling market for the oil and gas industry.

In April 2012, the Group proposed to take 30% equity interests in a joint-venture that will be developing an executive condominium. The proposed joint-venture was approved by shareholders at an Extraordinary General Meeting on 15 May 2012.

None of the above business ventures are expected to have any significant impact to the Group's financial results in FY2012 and FY2013.

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

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,

There had been no interested person transactions during the three months ended 31 March 2012. The Group does not have a general mandate pursuant to Rule 920(1)(a)(ii).

14. Confirmation Pursuant to Rule 705(5) of the Listing Manual

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 1Q12 financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Thomas Lim Siok Kwee
Executive Chairman
15 May 2012