

SEE HUP SENG LIMITED
(Company Registration No. 197502208Z)

Unaudited Financial Statement Announcement for Third 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			Group		
	3 months ended 30Sep			9 months ended 30 Sep		
	2012	2011	Change	2012	2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	64,532	60,782	6%	187,728	181,814	3%
Cost of sales and services	(55,045)	(52,580)	5%	(159,803)	(154,582)	3%
Gross profit	<u>9,487</u>	<u>8,202</u>	16%	<u>27,924</u>	<u>27,232</u>	3%
Other income	404	867	(53%)	611	1,213	(50%)
Selling and distribution expenses	(1,986)	(1,705)	16%	(5,826)	(5,272)	11%
Administrative expenses	(3,158)	(2,957)	7%	(9,469)	(8,810)	7%
Other operating expenses	(2,390)	(2,353)	2%	(6,510)	(5,987)	9%
Profit from operations	<u>2,357</u>	<u>2,054</u>	15%	<u>6,730</u>	<u>8,376</u>	(20%)
Finance costs	(249)	(268)	(7%)	(920)	(789)	17%
Share of profit/(loss) of associated company	(7)	-	N/M	(10)	-	N/M
Profit before income tax	<u>2,101</u>	<u>1,786</u>	18%	<u>5,800</u>	<u>7,587</u>	(24%)
Income tax	(393)	(477)	(18%)	(1,192)	(1,488)	(20%)
Profit after income tax	<u>1,708</u>	<u>1,309</u>	31%	<u>4,608</u>	<u>6,099</u>	(24%)
Attributable to:						
Equity holders of the Company	1,671	1,319	27%	4,576	6,070	(25%)
Non-controlling interests, net of income tax	37	(10)	N/M	32	29	10%
	<u>1,708</u>	<u>1,309</u>	31%	<u>4,608</u>	<u>6,099</u>	(24%)

Statement of Comprehensive Income

	Group			Group		
	3 months ended 30Sep			9 months ended 30 Sep		
	2012	2011	Change	2012	2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit after income tax	1,708	1,309	31%	4,608	6,099	(24%)
<u>Other comprehensive income/(expense)</u>						
Foreign currency translation	(268)	410	N/M	(433)	(156)	178%
	<u>(268)</u>	<u>410</u>	N/M	<u>(433)</u>	<u>(156)</u>	178%
Total comprehensive income	<u>1,440</u>	<u>1,719</u>	(16%)	<u>4,175</u>	<u>5,943</u>	(30%)
Attributable to:						
Equity holders of the Company	1,404	1,725	(19%)	4,098	5,918	(31%)
Non-controlling interests, net of income tax	36	(6)	N/M	77	25	208%
	<u>1,440</u>	<u>1,719</u>	(16%)	<u>4,175</u>	<u>5,943</u>	(30%)

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		
		2012	2011	Change	2012	2011	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other Income	1	181	67	170%	283	265	7%
Interest Income	2	177	7	2430%	257	39	559%
Interest on borrowings	3	(249)	(268)	(7%)	(920)	(789)	17%
Depreciation	4	(818)	(682)	20%	(2,374)	(2,168)	10%
Fixed assets written off		(2)	(2)	0%	(9)	(7)	29%
Gain on disposal of fixed assets	5	46	793	(94%)	71	909	(92%)
Bad debts expense		-	-	N/M	(47)	(12)	292%
(Allowance)/write-back on allowance for doubtful debts		(53)	43	N/M	(77)	(73)	5%
(Allowance)/write-back on allowance for stock obsolescence		(11)	155	N/M	3	128	(98%)
Stock written off	6	(82)	(38)	116%	(133)	(78)	71%
Foreign exchange loss	7	(170)	(444)	(62%)	(228)	(414)	(45%)

- 1) The increase was largely due to higher rebate obtained.
- 2) The increase was mainly due to interest income generated from the loan extended to an associated company for property development project.
- 3) The increase was in line with lower amount due to bankers.
- 4) The increase was mainly due to additions especially for new business.
- 5) The decrease was due to lower gain on disposal accounted.
- 6) The increase was due to more stocks required to be written off.
- 7) The decrease was mainly due to sudden surge in US\$ against S\$ in Q311.

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 2012 S\$'000	31 Dec 2011 S\$'000	30 Sep 2012 S\$'000	31 Dec 2011 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	30,551	28,416	14,077	14,591
Subsidiary companies	-	-	48,319	45,593
Associated company	1,489	-	-	-
Financial asset, available-for-sale	7,639	317	7,612	290
Membership rights	195	195	-	-
Goodwill	10,990	9,465	-	-
Loan to related party	15,000	-	-	-
Other receivables	810	1,147	-	-
	<u>66,674</u>	<u>39,540</u>	<u>70,008</u>	<u>60,474</u>
Current Assets				
Stock and work-in-progress	26,438	24,850	-	-
Trade receivables	50,309	51,019	8,683	8,158
Amount due from related parties	-	-	21,938	8,950
Other receivables	5,842	3,281	1,960	513
Fixed deposits	4,289	10,795	1,511	7,340
Cash and bank balances	26,824	31,594	4,075	1,455
	<u>113,702</u>	<u>121,539</u>	<u>38,167</u>	<u>26,416</u>
Total Assets	<u>180,376</u>	<u>161,079</u>	<u>108,175</u>	<u>86,890</u>
LIABILITIES				
Current Liabilities				
Trade payables and accruals	27,117	17,479	1,516	1,556
Other payables	3,199	1,072	699	557
Amount due to related parties	-	-	22,960	7,530
Term loans	921	1,652	-	-
Other amounts due to bankers	57,455	57,812	-	-
Hire purchase creditors	356	244	-	-
Provision for taxation	2,498	2,466	313	57
	<u>91,546</u>	<u>80,725</u>	<u>25,488</u>	<u>9,700</u>
Non-current Liabilities				
Term loans	-	829	-	-
Hire purchase creditors	541	312	-	-
Deferred taxation	1,248	1,248	545	545
	<u>1,789</u>	<u>2,389</u>	<u>545</u>	<u>545</u>
Total Liabilities	<u>93,335</u>	<u>83,114</u>	<u>26,033</u>	<u>10,245</u>
EQUITY				
Share capital	94,952	89,388	94,952	89,388
Treasury shares	(1,450)	(751)	(1,450)	(751)
Asset revaluation reserve	2,335	2,461	2,874	2,874
Foreign currency translation reserve	617	1,095	-	-
Capital reserve	1,357	1,589	1,357	1,589
Other reserve	(16,687)	(18,040)	-	-
Revenue reserve/(accumulated losses)	5,575	1,958	(15,591)	(16,455)
	<u>86,699</u>	<u>77,700</u>	<u>82,142</u>	<u>76,645</u>
Non-controlling interests	342	265	-	-
Total Equity	<u>87,041</u>	<u>77,965</u>	<u>82,142</u>	<u>76,645</u>
Total Liabilities and Equity	<u>180,376</u>	<u>161,079</u>	<u>108,175</u>	<u>86,890</u>

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

	30-Sep-12 S\$'000	31-Dec-11 S\$'000
Amount Repayable in one year or less, or on demand		
Secured	58,732	59,708
Unsecured	-	-
	<u>58,732</u>	<u>59,708</u>
Amount Repayable after one year, or on demand		
Secured	541	1,141
Unsecured	-	-
	<u>541</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		Group	
	3 months ended 30 Sep		9 months ended 30 Sep	
	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities				
Profit before income tax	2,101	1,786	5,800	7,587
Adjustments for:				
Depreciation	818	682	2,374	2,168
Fixed assets written off	2	2	9	7
Loss on disposal of fixed assets	(46)	(793)	(71)	(909)
Interest on borrowings	249	268	920	789
Interest income	(177)	(7)	(257)	(39)
Loss from sales of other investment	-	-	-	23
Share of loss of associated companies	7	-	10	-
Gain on available-for-sale assets	-	-	-	(26)
Allowance/(write-back on allowance) for stock obsolescence	11	(155)	(3)	(128)
Bad debts expense	-	-	47	12
Stock written off	82	38	133	78
Net foreign currency translation adjustments	(451)	1,534	(1,727)	1,148
Operating cash flow before working capital changes	2,596	3,355	7,235	10,710
Changes in working capital				
Inventories and work-in-progress	(1,192)	(1,441)	(1,718)	(1,408)
Receivables	(3,225)	(1,482)	(252)	(9,694)
Payables	10,683	(3,959)	11,708	3,462
Cash generated generated from/(used in) operations	8,862	(3,527)	16,973	3,070
Interest paid	(249)	(268)	(919)	(788)
Interest received	6	8	25	39
Income tax payment	(603)	(461)	(1,159)	(781)
Net cash generated from/(used in) operating activities	8,016	(4,248)	14,920	1,540
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(352)	(2,014)	(1,456)	(3,189)
Proceeds from disposal of property, plant and equipment	148	4,512	172	4,680
Acquisition of a subsidiary	-	-	(4,080)	-
Acquisition of associated company	-	-	(1,500)	-
Loan to associated company	-	-	(15,000)	-
Acquisition of other investment	-	-	(7,322)	-
Proceeds from disposal of other investment	-	-	-	45
Cashflow on acquisition of subsidiary (net of cash)	-	-	120	-
Net cash (used in)/generated from investing activities	(204)	2,498	(29,066)	1,536
Cash Flows from Financing Activities				
Proceeds from issue of warrants	5	-	5,333	-
Purchase of treasury shares	(534)	-	(700)	-
Dividends paid	-	(1,028)	(1,086)	(3,083)
Fixed deposit pledges with bank	21	-	2,950	-
Repayment to hire purchase	(64)	(70)	(224)	(224)
Repayment to term loan	(332)	(675)	(1,560)	(3,764)
(Repayment to)/increase in funds from trusts receipts	(4,941)	8,635	2,137	11,783
Net cash (used in)/generated from financing activities	(5,845)	6,862	6,850	4,712
Net foreign currency translation adjustments	(728)	498	(1,033)	231
Net increase/(decrease) in cash and cash equivalents	1,239	5,610	(8,329)	8,019
Cash and cash equivalents at the beginning of the year	26,716	24,946	36,284	22,537
Cash and cash equivalents at the end of the year	27,955	30,556	27,955	30,556

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	-	-	-	-	-	(478)	4,576	4,098	77	4,175
Exercise of warrants	5,564	-	-	(232)	-	-	-	5,332	-	5,332
Disposal of property, plant and equipment	-	-	(126)	-	-	-	126	-	-	-
Dividends paid	-	-	-	-	-	-	(1,086)	(1,086)	-	(1,086)
Profit warranty shortfall	-	-	-	-	1,353	-	-	1,353	-	1,353
Share buyback	-	(699)	-	-	-	-	-	(699)	-	(699)
Balance at 30 September 2012	94,952	(1,450)	2,335	1,357	(16,687)	617	5,575	86,699	342	87,041
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 2012	89,388	(751)	1,396	1,589	(18,040)	1,039	58	74,679	262	74,941
Company										
Balance at 01 January 2012	89,388	(751)	2,874	1,589	-	-	(16,455)	76,645	-	76,645
Comprehensive income	-	-	-	-	-	-	1,952	1,952	-	1,952
Dividends paid	-	-	-	-	-	-	(1,088)	(1,088)	-	(1,088)
Share buyback	-	(699)	-	-	-	-	-	(699)	-	(699)
Exercise of warrants	5,564	-	-	(232)	-	-	-	5,332	-	5,332
Balance at 30 September 2012	94,952	(1,450)	2,874	1,357	-	-	(15,591)	82,142	-	82,142
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 2012	89,388	(751)	2,874	1,589	-	-	(18,052)	75,048	-	75,048

- 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 2012, there were 23,970,525 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 2011 to 30 Sep 2012 are as follows:-		
<u>Ordinary shares</u>	<u>Number of shares</u>	<u>\$</u>
Issued and fully paid ordinary shares at 30 Sep 2011	415,351,600	89,387,668
Exercise of warrants	23,185,025	5,564,406
Issued and fully paid ordinary shares at 30 Sep 2012	<u>438,536,625</u>	<u>94,952,074</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 2012</u>	<u>As at 31 Dec 2011</u>
Total number of shares (including treasury shares)	438,536,625	415,351,600
Less treasury shares	(7,833,000)	(4,310,000)
Total number of shares (excluding treasury shares)	<u>430,703,625</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		Group	
	3 months ended 30 Sep		9 months ended 30 Sep	
	2012	2011	2012	2011
Profit per ordinary share for the financial year based on consolidated profit attributable to members of the Company (Basic and diluted)				
- Basic	0.39 cents	0.33 cents	1.08 cents	1.48 cents
- Diluted	0.39 cents	0.33 cents	1.08 cents	1.48 cents
Based on the weighted average number of shares (Basic)	423,546,934	411,041,600	423,546,934	411,041,600
Based on the weighted average number of shares (Diluted)	423,546,934	411,041,600	423,546,934	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	
	30 Sep 2012	31 Dec 2011	30 Sep 2012	31 Dec 2011
Net asset backing per ordinary share	20.47 cents	18.91 cents	19.39 cents	18.65 cents
Based on the weighted average number of shares	423,546,934	411,041,600	423,546,934	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.

Notwithstanding that the general business sentiment remained subdued, the Group attained higher revenue and net profit for the three months ended 30 September 2012 ("3Q12") as compared to the same period a year ago.

The Group's refined petroleum ("RP") business posted higher operating profit, supported by increased sales and improved gross profit margin. While the operating profit from the corrosion prevention ("CP") business in 3Q12 was lower, this was due mainly to a reduction in other income which was boosted in 3Q11 by a gain on disposal of fixed assets. Excluding this gain, CP's operating profit had in fact improved, thanks mainly to an expansion in its gross profit margin.

Revenue

Group revenue in 3Q12 of S\$64.5 million was 6% higher than S\$60.8 million in the same period a year ago. Revenue from CP dipped marginally while revenue from RP increased from the previous corresponding quarter. On a q-o-q basis, Group revenue remained relatively steady over the second and third quarters of FY2012.

For the nine months ended 30 September 2012 ("9M12"), Group revenue was S\$187.7 million, up 3% from S\$181.8 million in 9M11. As a percentage of revenue, RP accounted for 85% while CP made up around 15% of total revenue in 9M12.

Revenue breakdown by business segments:

Business Segments	Group			Group		
	3 months ended 30 Sep			9 months ended 30 Sep		
	2012	2011	Inc/(Dec)	2012	2011	Inc/(Dec)
	S\$'000	S\$'000		S\$'000	S\$'000	
Corrosion prevention	8,461	8,631	(2%)	27,130	27,233	(0%)
Distribution of refined petroleum products	55,805	52,151	7%	160,153	154,581	4%
Others *	266	-	n/m	445	-	n/m
Total Sales	64,532	60,782	6%	187,728	181,814	3%

*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

Year-on-year analysis (y-o-y)

Revenue derived from the distribution of RP products in the region increased 7% to S\$55.8 million, driven primarily by higher sales volume of industrial and wholesale products.

Sales of industrial and wholesale products in 3Q12 increased 35% compared to 3Q11. This was driven by higher level of industrial and construction activities in Singapore market, as well as maiden contribution from asphalt product which commenced sales in 2012.

Petroleum-intermediates witnessed a year-on-year decline in sales of around 11% in 3Q12 due to slower demand in the manufacturing activities in the region and lower average selling prices.

For 3Q12, industrial and wholesale products contributed to 49% of RP revenue as compared to 38% in the previous year. Petroleum-intermediates accounted for the remaining 51% of RP revenue in 3Q12.

Revenue in 9M12 totaled S\$160.2 million, up 4% from S\$154.6 million in 9M11, led mainly by increased sales of industrial and wholesale products which grew its revenue contribution to around 48% from 40% previously.

Quarter-on-quarter analysis (q-o-q)

Revenue in 3Q12 edged up 3% from S\$54.4 million in 2Q12, due mainly to higher sales contribution from asphalt product. RP segment recorded only slightly more than one month of sales of asphalt in 2Q12 as compared to three months in 3Q12. Although overall sales volume was higher in 3Q12, RP's revenue growth was undermined by weaker average selling prices.

CP segment

Year-on-year analysis (y-o-y)

Revenue in 3Q12 eased 2% to S\$8.5 million from S\$8.6 million previously, due mainly to the decline in revenue from the Tank Coating & Module Blasting, and Trading units. This was partially offset by increased revenue from the Plant Operations and Grit-Blasting units.

During 3Q12, Plant Operations registered a 48% increase in revenue. This helped to sustain the combined revenue contribution of Plant Operations and Tank Coating & Module Blasting units at 70% of CP revenue. The Trading and Grit Blasting-Site units accounted for 30% of CP revenue during 3Q12.

CP's revenue for 9M12 remained steady at S\$27.1 million, buoyed primarily by a 29% increase in sales derived from Plant Operations. The stronger performance of the Plant Operations offset weaker revenue generated from the other business units.

Quarter-on-quarter analysis (q-o-q)

Revenue in 3Q12 was around 3% lower than S\$8.7 million in 2Q12, attributed mainly to lower volume of projects and orders of the Tank Coating & Module Blasting unit. This was partially compensated by higher revenue of the Plant Operations.

Gross Profit (GP)

The Group's GP in 3Q12 increased 16% y-o-y to S\$9.5 million from S\$8.2 million previously. Both core business segments recorded increases in their respective contributions to Group GP.

CP contributed S\$2.9 million to Group GP in 3Q12, up 19% from 3Q11. RP also increased its GP by 12% y-o-y to S\$6.5 million during 3Q12. With higher GP margin from both business segments, the Group's composite GP margin expanded to 14.7% in 3Q12, compared to 13.5% in 3Q11.

For 9M12, the Group's GP increased 3% to S\$27.9 million, bolstered primarily by the CP segment which raised its GP by 17% to S\$8.6 million. RP recorded GP of S\$19.2 million in 9M12, down marginally by 4% as a result of lower GP margin. Overall, the composite GP margin remained steady at around 15% in 9M12.

Gross profit margin (GP margin) by business segments:-

	Group		Group	
	3 months ended 30 Sep		9 months ended 30 Sep	
	2012	2011	2012	2011
Corrosion prevention	34.6%	28.5%	31.7%	27.1%
Distribution of refined petroleum products	11.6%	11.0%	12.0%	12.8%
Others	39.5%	-	40.0%	-
Average composite gross margin	14.7%	13.5%	14.9%	15.0%

**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 segment

GP margin increased to 11.6% in 3Q12 compared to 11.0% 3Q11. This was due mainly to the recovery in GP margin for certain products which had experienced a marked contraction in profit margin in 3Q11 caused by the sudden decline in crude oil prices.

On a sequential basis, RP's GP margin in 3Q12 was slightly lower than 12.2% in 2Q12 due to lower average selling prices and higher cost of inventory for industrial and wholesale products.

For 9M12, GP margin narrowed to 12.0% compared to 12.8% in 9M11. The decrease was attributed to a difference in sales mix (higher revenue contribution from industrial and wholesale products during 9M12), as well as RP's aggressive pricing strategy to counter intensifying competition.

CP segment

Notwithstanding lower revenue, CP generated higher GP in 3Q12 on the back of higher GP margin. GP margin increased significantly to 34.5% compared to 28.5% in 3Q11, and 31.7% in 2Q12. This was attributed to the Plant Operations which continued to display improvement in GP margin as a result of higher capacity utilisation, better sales mix and cost control initiatives.

For 9M12, CP also notched up higher GP margin of 31.7% as compared to 27.1% in 9M11. Besides higher GP margin of Plant Operations, the segment also benefited from an improved GP margin of its Trading unit.

Other Income

Other income in 3Q12 decreased to S\$0.4 million, from S\$0.9 million in 3Q11, due mainly to the absence of a gain on disposal of fixed assets.

Selling, Distribution, Administrative and Other Operating Expenses

Total operating expenses amounted to S\$7.5 million in 3Q12, up 7% from S\$7.0 million in 3Q11.

Selling and distribution expenses increased 16% year-on-year to S\$2.0 million, while administrative expenses rose 7% to S\$3.2 million. Other operating expenses also increased 2% to S\$2.4 million. In total, these expenses were however relatively stable when compared to 2Q12.

The increases are attributed primarily to higher distribution costs in tandem with the increase in RP's sales volume and higher transportation costs; increases in headcount, staff salaries and workers' levy; higher repair and maintenance as well as rental costs.

The provision for legal and professional expenses arising from the Group's corporate activities and business expansion initiatives was a factor for the increase in other operating expenses.

Net Profit

Profit After Tax	Group		Group	
	3 months ended 30 Sep		9 months ended 30 Sep	
S\$ million	2012	2011	2012	2011
Corrosion Prevention	0.6	1.0	1.8	2.1
Distribution of refined petroleum products	1.0	0.3	2.7	4.0
Others	0.1	-	0.1	-
Total	1.7	1.3	4.6	6.1

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

The Group recorded profit from operations of S\$2.4 million in 3Q12, an increase of 15% from S\$2.1 million in 3Q11, driven primarily by higher operating profit from the RP segment. CP recorded lower operating profit in 3Q12 due mainly to the absence of a gain on disposal of fixed assets.

RP's operating profit in 3Q12 amounted to S\$1.4 million, up from S\$0.8 million previously, while CP registered operating profit of around S\$0.8 million, a decrease from S\$1.3 million in 3Q11.

After deducting finance costs, share of loss of associated company and income tax, the Group recorded a profit after tax of S\$1.7 million, an increase of 31% from S\$1.3 million in 3Q11.

For 9M12, the Group generated profit from operations of S\$6.7 million, a decrease of 20% from S\$8.4 million in 9M11. This was attributed to lower operating profits from CP and RP segments.

RP's operating profit for 9M11 was S\$4.3 million, down from S\$5.9 million previously due to lower gross profit and higher operating expenses. The operating profit from CP in 9M12 was also lower at S\$2.2 million, compared to S\$2.5 million in the same period last year. This was due mainly to the absence of a gain on disposal of fixed assets, which was partly buffered by stronger gross profit in 9M12.

As a result of lower operating profit, Group profit after tax was reduced by 24% to S\$4.6 million in 9M12 from S\$6.1 million in 9M2011.

Balance Sheet and Cash Flow Analysis

As at 30 September 2012, the Group had cash and bank balances, and fixed deposits totaling S\$31.1 million. Net gearing¹ stood at 0.3 times at the end of the period under review.

Non-current assets increased to S\$66.7 million as at 30 September 2012 from S\$39.5 million as at 31 December 2011, due mainly to an increase in property, plant and equipment; investment in associated company; increase in investment in financial asset; higher goodwill and a loan to related party.

The increase in property, plant and equipment arose primarily from the investment in equipment for RP's asphalt business. The investment in associated company of S\$1.5 million is in relation to the Group's acquisition of a 30% stake in Serangoon EC Pte Ltd (Serangoon EC) for S\$1.5 million. Serangoon EC is developing an executive condominium project in Singapore. The Group has extended a loan of S\$15 million to Serangoon EC to finance the development cost of the project. The increase in financial asset of S\$7.3 million arose from the Group's investment in Energy Drilling Pte Ltd which will construct and operate tender rigs. The increase in goodwill of S\$1.5 million was due mainly to the acquisition of ETS.

Current assets decreased to S\$113.7 million from S\$121.6 million as at 31 December 2011, due primarily to a reduction in cash and cash equivalents. This was partially offset by higher other receivables and stock and work in-progress. Cash and cash equivalents decreased to S\$31.1 million compared to S\$42.4 million at the end of December 2011.

Current liabilities at the end of September 2012 increased to S\$91.5 million from S\$80.7 million as at 31 December 2011. This was due mainly to higher trade and other payables and accruals, which was partially offset by a reduction in term loans.

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

Long-term liabilities decreased to S\$1.8 million from S\$2.4 million at the end of December 2011 due mainly to repayment of term loan.

Shareholders' equity increased to S\$86.7 million as at 30 September 2012 from S\$77.7 million as at 31 December 2011. The increase was mainly attributable to an increase in share capital of S\$5.6 million from exercise of warrants, profit attributable to equity holders of S\$4.6 million for 9M12 and a profit warranty shortfall of S\$1.4 million. This was partially reduced by a decrease in foreign currency translation reserve of S\$0.5 million, increase in treasury shares through share buyback of S\$0.7 million and payment of dividends of S\$1.1 million in respect of FY2011.

During 3Q12, net cash generated from operations amounted to S\$8.0 million. Net cash used in investing activities amounted to S\$0.2 million, primarily for the purchase of plant and equipment. Net cash used in financing activities was S\$5.8 million, due mainly to repayment of term loan and trust receipts, as well as the purchase of treasury shares under the Company's share buyback scheme.

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 2012.

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.

Lingering global economic uncertainties are expected to continue dampening business sentiment and the industrial activities in the region. Hence, competitive conditions are likely to prevail for both the CP and RP businesses. Nonetheless, the Group expects to remain profitable in FY2012 barring any unforeseen circumstances.

While the Group pursues its business initiatives, it is cognisant of the need to maintain prudent management of its finances and current business operations. This is to ensure the Group remains in a financially sound position to withstand difficult business periods.

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 30 September 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 3Q12 financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Thomas Lim Siok Kwee
Executive Chairman
14 November 2012