

SEE HUP SENG LIMITED

(Company Registration No. 197502208Z)

Unaudited Financial Statement Announcement for the Fourth Quarter and Full Year 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 31 Dec			12 months ended 31 Dec		
	2012	2011	Change	2012	2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	69,189	63,619	9%	256,917	245,433	5%
Cost of sales and services	(59,292)	(54,749)	8%	(219,096)	(209,331)	5%
Gross profit	<u>9,897</u>	<u>8,870</u>	12%	<u>37,821</u>	<u>36,102</u>	5%
Other income	449	252	78%	1,060	1,465	(28%)
Selling and distribution expenses	(2,123)	(1,738)	22%	(7,949)	(7,010)	13%
Administrative expenses	(3,259)	(2,856)	14%	(12,728)	(11,666)	9%
Other operating expenses	(3,737)	(1,924)	94%	(10,247)	(7,911)	30%
Profit from operations	<u>1,227</u>	<u>2,604</u>	(53%)	<u>7,957</u>	<u>10,980</u>	(28%)
Finance costs	(294)	(336)	(13%)	(1,214)	(1,125)	8%
Share of loss of associated company	(10)	-	N/M	(20)	-	N/M
Profit before income tax	<u>923</u>	<u>2,268</u>	(59%)	<u>6,723</u>	<u>9,855</u>	(32%)
Income tax	(286)	(364)	(21%)	(1,478)	(1,852)	(20%)
Profit after income tax	<u>637</u>	<u>1,904</u>	(67%)	<u>5,245</u>	<u>8,003</u>	(34%)
Attributable to:						
Equity holders of the Company	630	1,900	(67%)	5,206	7,970	(35%)
Non-controlling interests, net of income tax	7	4	82%	39	33	18%
	<u>637</u>	<u>1,904</u>	(67%)	<u>5,245</u>	<u>8,003</u>	(34%)

Statement of Comprehensive Income

	Group			Group		
	3 months ended 31 Dec			12 months ended 31 Dec		
	2012	2011	Change	2012	2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit after income tax	637	1,904	(67%)	5,245	8,003	(34%)
<u>Other comprehensive income/(expense)</u>						
Foreign currency translation	(33)	55	N/M	(466)	(101)	361%
Revaluation of property		1,065	N/M		1,065	N/M
	<u>(33)</u>	<u>1,120</u>	<u>N/M</u>	<u>(466)</u>	<u>964</u>	<u>N/M</u>
Total comprehensive income	<u>604</u>	<u>3,024</u>	<u>(80%)</u>	<u>4,779</u>	<u>8,967</u>	<u>(47%)</u>
Attributable to:						
Equity holders of the Company	644	3,021	(79%)	4,742	8,939	(47%)
Non-controlling interests, net of income tax	(40)	3	N/M	37	28	32%
	<u>604</u>	<u>3,024</u>	<u>(80%)</u>	<u>4,779</u>	<u>8,967</u>	<u>(47%)</u>

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

	Note	Group			Group		
		3 months ended 31 Dec			12 months ended 31 Dec		
		2012	2011	Change	2012	2011	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other Income	1	213	48	343%	496	314	58%
Dividend income	2	-	69	(100%)	-	69	(100%)
Interest Income	3	177	9	1871%	434	47	823%
Interest on borrowings	4	(294)	(336)	(13%)	(1,214)	(1,125)	8%
Depreciation	5	(946)	(662)	43%	(3,321)	(2,829)	17%
Fixed assets written off	6	(361)	(2)	17950%	(370)	(9)	4011%
Gain on disposal of fixed assets	7	59	116	(49%)	130	1,025	(87%)
Impairment in goodwill	8	(454)	-	N/M	(454)	-	N/M
Write off negative goodwill		18		N/M	18		N/M
Impairment of investment		15	26	(42%)	15	-	N/M
Loss from sale of other investment		-	-	N/M	-	(23)	N/M
Gain on available for sale asset		-	-	N/M	-	26	N/M
Bad debts expense		(1)	-	N/M	-	(12)	(100%)
Allowance for doubtful debts	9	(124)	(95)	31%	(202)	(168)	N/M
(Allowance)/write-back on allowance for stock obsolescence	10	(476)	33	N/M	(473)	(95)	398%
Stock written off	11	(55)	(49)	12%	(188)	(127)	48%
Foreign exchange loss	12	(58)	(60)	(3%)	(286)	(473)	(40%)

- 1) The increase was largely to higher marketing assistance received
- 2) No dividend income was declared by the financial asset, available for sale
- 3) The increase was mainly due to shareholder loan extended to an associated company for property development business
- 4) The increase was mainly due to higher short term borrowings which was in line with higher volume
- 5) The increase was mainly due to capital expenditure and fixed assets consolidated from newly acquired subsidiaries
- 6) The increase was mainly due to lesser fixed assets are required to be written off
- 7) The decrease was mainly due to the one-time gain recognized on disposal of one of the Plant Operations facilities in FY11
- 8) Impairment was made on a goodwill of a subsidiary due to its lower fair value
- 9) The increase was mainly due to higher allowance for doubtful debts was required
- 10) The increase was mainly due to higher allowance for stocks obsolescence was required
- 11) The increase was mainly due to higher stocks were required to be written off
- 12) The decrease was mainly due to stronger S\$ against US\$ and KRW.

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

	Group		Company	
	31 Dec 2012 S\$'000	31 Dec 2011 S\$'000	31 Dec 2012 S\$'000	31 Dec 2011 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	30,854	28,416	13,800	14,591
Subsidiary companies	-	-	49,628	45,593
Associated companies	1,480	-	-	-
Financial assets, available-for-sale	7,624	317	7,612	290
Membership rights	195	195	-	-
Intangible assets	281	-	-	-
Goodwill	11,735	9,465	-	-
Loan to related party	15,000	-	-	-
Other receivables	713	1,147	-	-
	<u>67,882</u>	<u>39,540</u>	<u>71,040</u>	<u>60,474</u>
Current Assets				
Stock and work-in-progress	25,191	24,850	-	-
Trade receivables	48,882	51,019	7,951	8,158
Amount due from related parties	-	-	21,400	8,950
Other receivables	3,450	3,281	599	513
Fixed deposits	3,164	10,795	1,512	7,340
Cash and bank balances	31,451	31,594	7,470	1,455
	<u>112,138</u>	<u>121,539</u>	<u>38,932</u>	<u>26,416</u>
Total Assets	180,020	161,079	109,972	86,890
LIABILITIES				
Current Liabilities				
Trade payables and accruals	21,185	17,479	1,431	1,556
Other payables	3,731	1,072	1,406	557
Amount due to related parties	-	-	23,837	7,530
Term loans	586	1,652	-	-
Other amounts due to bankers	62,555	57,812	-	-
Hire purchase creditors	378	244	-	-
Provision for taxation	2,728	2,466	423	57
	<u>91,163</u>	<u>80,725</u>	<u>27,097</u>	<u>9,700</u>
Non-current Liabilities				
Term loans	-	829	-	-
Hire purchase creditors	454	312	-	-
Deferred taxation	1,259	1,248	545	545
	<u>1,713</u>	<u>2,389</u>	<u>545</u>	<u>545</u>
Total Liabilities	92,876	83,114	27,642	10,245
EQUITY				
Share capital	94,953	89,388	94,953	89,388
Treasury shares	(3,226)	(751)	(3,226)	(751)
Asset revaluation reserve	2,461	2,461	2,874	2,874
Foreign currency translation reserve	631	1,095	-	-
Capital reserve	-	1,589	-	1,589
Other reserve	(16,687)	(18,040)	-	-
Revenue reserve/(accumulated losses)	7,435	1,958	(12,271)	(16,455)
	<u>85,567</u>	<u>77,700</u>	<u>82,330</u>	<u>76,645</u>
Non-controlling interests	1,577	265	-	-
Total Equity	87,144	77,965	82,330	76,645
Total Liabilities and Equity	180,020	161,079	109,972	86,890

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

	31-Dec-12 S\$'000	31-Dec-11 S\$'000
Amount Repayable in one year or less, or on demand		
Secured	63,519	59,708
Unsecured	-	-
	<u>63,519</u>	<u>59,708</u>
Amount Repayable after one year, or on demand		
Secured	454	1,141
Unsecured	-	-
	<u>454</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\$21.0 million.
- (ii) A mortgage in-escrow and deed of assignment over 9 Jalan Pesawat, fixed and floating charge over all present and future undertakings, property assets, revenues and right of TAT Petroleum Pte Ltd ("TAT Petroleum"), corporate guarantee of S\$120.0 million and fixed deposit of S\$1.5 million and S\$1.1 million by the Company and TAT Petroleum respectively for banking facility (including foreign exchange spot and forward) extended to TAT Petroleum of approximately S\$151.6 mil;
- (iii) TAT Petroleum's corporate guarantee of approximately S\$3.4 million and fixed deposits of S\$0.5 million by TAT Petroleum (HK) Pte Limited ("TAT HK") for banking facilities extended to TAT HK of approximately S\$3.4 million; and
- (iv) Fixed assets under hire purchase arrangements.

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

	Group		Group	
	3 months ended 31 Dec		12 months ended 31 Dec	
	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities				
Profit before income tax	923	2,268	6,723	9,855
		-		-
Adjustments for:				
Depreciation	947	662	3,321	2,829
Fixed assets written off	361	2	370	9
Gain on disposal of fixed assets	(59)	(116)	(130)	(1,025)
Interest on borrowings	294	336	1,214	1,125
Interest income	(177)	(9)	(434)	(47)
Loss from sales of other investment	-	(23)	-	-
Share of loss of associated company	9	-	19	-
Impairment of goodwill	454	-	454	-
Write off negative goodwill	(18)	-	(18)	-
Loss on available-for-sale assets	15	26	15	-
Allowance/(write-back on allowance) for stock obsolescence	476	33	473	(95)
Dividend income	-	(69)	-	(69)
Stock written off	55	49	188	127
Net foreign currency translation adjustments	439	359	(1,288)	1,507
	<u>3,719</u>	<u>3,518</u>	<u>10,907</u>	<u>14,216</u>
Operating cash flow before working capital changes				
Changes in working capital				
Inventories and work-in-progress	1,155	(3,220)	(563)	(4,628)
Receivables	3,940	1,382	3,735	(8,300)
Payables	(6,728)	(3,704)	4,980	(242)
Cash generated generated from/(used in) operations	<u>2,086</u>	<u>(2,024)</u>	<u>19,059</u>	<u>1,046</u>
Interest paid	(295)	(337)	(1,214)	(1,125)
Interest received	7	8	32	47
Dividend income	-	69	-	69
Income tax payment	(50)	(345)	(1,209)	(1,126)
Net cash generated from/(used in) operating activities	<u>1,748</u>	<u>(2,629)</u>	<u>16,668</u>	<u>(1,089)</u>
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(1,479)	(543)	(2,935)	(3,732)
Proceeds from disposal of property, plant and equipment	60	(3,418)	232	1,262
Proceeds from disposal of asset held for sale	-	3,609	-	3,609
Proceeds from profit warranty shotfall	1,353	-	1,353	-
Acquisition of a subsidiary	(655)	-	(4,735)	-
Acquisition of associated company	-	-	(1,500)	-
Loan to associated company	-	-	(15,000)	-
Acquisition of other investment	-	(27)	(7,322)	(27)
Proceeds from disposal of other investment	-	(45)	-	-
Cashflow on acquisition of subsidiary (net of cash)	782	-	902	-
Net cash (used in)/generated from investing activities	<u>61</u>	<u>(424)</u>	<u>(29,005)</u>	<u>1,112</u>
Cash Flows from Financing Activities				
Proceeds from issue of warrants	1	-	5,334	-
Purchase of treasury shares	(1,775)	-	(2,475)	-
Dividends paid	-	-	(1,086)	(3,083)
Fixed deposit pledges with bank	2	(44)	2,952	(44)
Repayment to hire purchase	(108)	(57)	(332)	(281)
Repayment to term loan	(335)	(876)	(1,895)	(4,640)
(Repayment to)/increase in funds from trusts receipts	3,825	9,815	5,962	21,598
Net cash generated from financing activities	<u>1,610</u>	<u>8,838</u>	<u>8,460</u>	<u>13,550</u>
Net foreign currency translation adjustments	86	(88)	(947)	143
Net increase/(decrease) in cash and cash equivalents	<u>3,505</u>	<u>5,697</u>	<u>(4,824)</u>	<u>13,716</u>
Cash and cash equivalents at the beginning of the year	<u>27,955</u>	<u>30,556</u>	<u>36,284</u>	<u>22,537</u>
Cash and cash equivalents at the end of the year	<u>31,460</u>	<u>36,253</u>	<u>31,460</u>	<u>36,253</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	Revenue Reserve S\$'000	Total S\$'000	Minority Interests S\$'000	Total Equity S\$'000
						Currency Translation Reserve 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	-	-	-	-	-	(464)	5,206	4,742	37	4,779
Exercise of warrants	5,565	-	-	(232)	-	-	-	5,333	-	5,333
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,275	1,275
Expiry of warrants	-	-	-	(1,357)	-	-	1,357	-	-	-
Dividends paid	-	-	-	-	-	-	(1,086)	(1,086)	-	(1,086)
Profit warranty shortfall	-	-	-	-	1,353	-	-	1,353	-	1,353
Share buyback	-	(2,475)	-	-	-	-	-	(2,475)	-	(2,475)
Balance at 31 December 2012	94,953	(3,226)	2,461	-	(16,687)	631	7,435	85,567	1,577	87,144
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	-	-	1,065	-	-	(96)	7,970	8,939	28	8,967
Disposal of property, plant and equipment	-	-	(225)	-	-	-	225	-	-	-
Dividends paid	-	-	-	-	-	-	(3,083)	(3,083)	-	(3,083)
Balance at 31 December 2012	89,388	(751)	2,461	1,589	(18,040)	1,095	1,958	77,700	265	77,965
Company										
Balance at 01 January 2012	89,388	(751)	2,874	1,589	-	-	(16,455)	76,645	-	76,645
Comprehensive income	-	-	-	-	-	-	3,915	3,915	-	3,915
Dividends paid	-	-	-	-	-	-	(1,088)	(1,088)	-	(1,088)
Expiry of warrants	-	-	-	(1,357)	-	-	1,357	-	-	-
Share buyback	-	(2,475)	-	-	-	-	-	(2,475)	-	(2,475)
Exercise of warrants	5,565	-	-	(232)	-	-	-	5,333	-	5,333
Balance at 31 December 2012	94,953	(3,226)	2,874	-	-	-	(12,271)	82,330	-	82,330
Balance at 01 January 2011	89,388	(751)	2,874	1,589	-	-	(17,950)	75,150	-	75,150
Comprehensive income	-	-	-	-	-	-	4,578	4,578	-	4,578
Dividends paid	-	-	-	-	-	-	(3,083)	(3,083)	-	(3,083)
Balance at 31 December 2012	89,388	(751)	2,874	1,589	-	-	(16,455)	76,645	-	76,645

- 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 had expired on 15 October 2012.

From the date of issue to date of expiry, there were 23,190,525 shares issued in pursuant to the exercise of warrants. As at 31 December 2012, around S\$5,400 of the proceeds raised from the exercise of warrants has not been utilised. The Company will make an announcement when the proceeds are disbursed.

Details of the changes in the issued and paid-up capital of the Company since 31 Dec 2011 to 31 Dec 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	23,190,525	5,565,726
Issued and fully paid ordinary shares at 31 Dec 2012	<u>438,542,125</u>	<u>94,953,394</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 Dec 2012</u>	<u>As at 31 Dec 2011</u>
Total number of shares (including treasury shares)	438,542,125	415,351,600
Less treasury shares	(17,100,000)	(4,310,000)
Total number of shares (excluding treasury shares)	<u>421,442,125</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 year reported on.

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

These figures have not been reviewed nor audited by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report including any qualifications or emphasis of matter**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the financial year ended 31 December 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 31 Dec		12 months ended 31 Dec	
	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	0.15 cents	0.46 cents	1.22 cents	1.94 cents
- Diluted	0.15 cents	0.33 cents	1.22 cents	1.48 cents
Based on the weighted average number of shares (Basic)	427,197,229	411,041,600	427,197,229	411,041,600
Based on the weighted average number of shares (Diluted)	427,197,229	411,041,600	427,197,229	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 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Net asset backing per ordinary share	20.03 cents	18.91 cents	19.27 cents	18.65 cents
Based on the weighted average number of shares	427,197,229	411,041,600	427,197,229	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 financial year ended 31 December 2012 ("FY2012"), the Group recorded marginal increases in its revenue and gross profit in spite of the difficult business environment and cautious sentiment. Group net profit however declined from FY2011 as a result of lower profits from the refined petroleum ("RP") and corrosion prevention ("CP") businesses.

Notwithstanding intense competition, the RP business chalked up higher sales volume during FY2012. However, softer average selling prices reduced the growth of its revenue. RP's gross profit was flat compared to last year due to lower profit margin. As a result, the increases in selling expenses (which rose in tandem with sales volume) and other operational costs caused a decline in RP's profit during FY2012.

CP business delivered a double-digit increase in its gross profit despite weaker revenue. Its net profit in FY2012 was however lower than in FY2011 due mainly to an absence of a gain on disposal of fixed assets. Excluding this gain, CP's profit would have improved on the back of higher gross profit margin.

For FY2012, the Group has recommended a final dividend of 0.5 cents per share.

Revenue

Group revenue for the financial quarter ended 31 December 2012 ("4Q12") improved 9% to S\$69.2 million from S\$63.6 million in 4Q11, driven primarily by the RP business.

For FY2012, Group revenue gained 5% to S\$256.9 million, compared to S\$245.4 million previously. Group revenue improved steadily quarter-on-quarter during the year under review, from S\$59.9 million in 1Q12 to S\$69.2 million in 4Q12. As a percentage of total revenue, RP accounted for 85% while CP made up around 14% of Group revenue in FY2012.

Revenue breakdown by business segments:

Business Segments	Group			Group		
	3 months ended 31 Dec			12 months ended 31 Dec		
	2012	2011	Inc/(Dec)	2012	2011	Inc/(Dec)
	S\$'000	S\$'000		S\$'000	S\$'000	
Corrosion prevention	8,192	9,298	(12%)	35,322	36,531	(3%)
Distribution of refined petroleum products	57,609	54,321	6%	217,762	208,902	4%
Others *	3,388	-	n/m	3,833	-	n/m
Total Sales	69,189	63,619	9%	256,917	245,433	5%

*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 6% to S\$57.6 million in 4Q12, driven primarily by higher sales of industrial and wholesale products. Sales of these products increased 24%, fuelled by the higher level of industrial and construction activities in Singapore market, as well as maiden contribution from the asphalt product which commenced sales in 2012.

RP's revenue in 4Q12 also included around one month of sales from its new subsidiary Axxmo International Pte Ltd, which was acquired by the Group in December 2012. The revenue contribution from Axxmo is not material in 4Q12 and FY2012.

For FY2012, RP's revenue edged up 4% to S\$217.8 million from S\$208.9 million, lifted primarily by growth in sales volume of the industrial and wholesale products. Sales in terms of total volume grew 12% but were undermined by lower average selling prices.

Revenue derived from the distribution of industrial and wholesale products grew 23% and offset a 10% decline in sales of petroleum-intermediates in FY2012.

Petroleum-intermediates are generally used as feedstock in manufacturing processes. The market demand for these products slowed during FY2012 in tandem with the lower industrial activities in the region as manufacturers' export volumes were affected by the Eurozone crisis and slow recovery in the USA economy.

As a percentage of RP revenue, industrial and wholesale products contributed 48% in FY2012, higher than 40% in FY2011. Correspondingly, petroleum-intermediates accounted for the remaining 52% of RP revenue in FY2012, down from 60% in the previous year.

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

Revenue in 4Q12 increased 3% from S\$56.0 million in 3Q12, due mainly to higher sales of industrial and wholesale products which offset a marginal decrease in the sales of petroleum-intermediate products.

CP segment

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

Revenue in 4Q12 was S\$8.2 million, down 12% from S\$9.3 million in 4Q11, due mainly to lower revenue from the Tank Coating & Module Blasting unit. This was partially offset by the Plant Operations unit which recorded a revenue increase of 58%, boosted primarily by the marine, industrial and construction activities in Singapore.

For FY2012, CP's revenue dipped 3% to S\$35.3 million from S\$36.5 million previously, owing primarily to lesser volume of projects and orders at the Tank Coating & Module Blasting unit as a result of reduction in manpower of foreign workers. Plant Operations on the other hand recorded strong sales growth of 36% during FY2012 as the Group continued with its efforts to capitalise on the sustained marine, industrial and construction activities in Singapore.

As a percentage of CP revenue, Plant Operations and Tank Coating & Module Blasting units accounted for 71%, up from 67% previously. The Trading and Grit Blasting-Site units contributed to the remaining 29% of CP revenue in FY2012.

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

Revenue in 4Q12 eased 3% from S\$8.5 million in 3Q12, attributed mainly to lower revenue from the Plant Operations.

Gross Profit (GP)

The Group's GP in 4Q12 increased 12% to S\$9.9 million from S\$8.9 million in 4Q11, attributed to higher GP from both core business segments. The Group's composite GP margin expanded to 14.3% from 13.9% previously.

For FY2012, Group GP increased 5% to S\$37.8 million from S\$36.1 million previously, lifted primarily by the CP segment which increased its GP by 15% to S\$11.2 million. While RP posted a 4% increase in revenue, its GP decreased slightly by 1% to S\$26.1 million compared to S\$26.3 million in FY2011. The composite GP margin in FY2012 remained unchanged at 14.7%.

Gross profit margin (GPM) by business segments:-

	Group		Group	
	3 months ended 31 Dec		12 months ended 31 Dec	
	2012	2011	2012	2011
Corrosion prevention	32.3%	25.7%	31.8%	26.7%
Distribution of refined petroleum products	12.1%	11.9%	12.0%	12.6%
Others	8.8%	-	12.4%	-
Average composite gross margin	14.3%	13.9%	14.7%	14.7%

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

RP segment

GP margin in 4Q12 was 12.1%, slightly above 11.9% in 4Q11. This was attributed to a recovery in GP margin for certain products which experienced a marked contraction in profit margin in 4Q11 caused by the sudden decline in crude oil prices.

For FY2012, GP margin decreased to 12.0% compared to 12.6% in FY2011, due mainly to lower average selling prices and a difference in sales mix as a larger proportion of RP revenue in FY2012 was derived from sales of industrial and wholesale products which command lesser profit margins compared to petroleum-intermediates.

CP segment

Although revenue was lower in 4Q12, CP posted higher GP compared to 4Q11 on the back of larger GP margin. GP margin expanded to 32.3% in 4Q12 from 25.7% previously, owing to the Plant Operations which continued to show improvement in profit margin as a result of higher capacity utilisation, better sales mix and cost control initiatives.

For FY2012, CP posted a higher GP margin of 31.8% compared to 26.7% in FY2011. This was attributed to the increased GP margins of Plant Operations and Trading units which compensated for weaker GP margins of the Tank Coating & Module Blasting, as well as the Grit Blasting-Site units in FY2012.

Other Income

Other income in 4Q12 increased to S\$0.4 million from S\$0.3 million in 4Q11 due mainly to interest income from shareholders loan extended to the associated company for property development business and marketing assistance recognized. Other income for FY2012 decreased to S\$1.1 million from S\$1.5 million previously due primarily to the absence of a gain on disposal of fixed assets.

Selling, Distribution, Administrative and Other Operating Expenses

Total operating expenses amounted to S\$9.1 million in 4Q12, up 40% from S\$6.5 million in 4Q11. For FY2012, total operating expenses were up 16% to S\$30.9 million compared to S\$26.6 million in FY2011.

Selling and distribution expenses in 4Q12 increased 22% year-on-year to S\$2.1 million, while administrative expenses rose 14% to S\$3.3 million. Similarly, selling and distribution expenses, and administrative expenses for FY2012 also increased 13% and 9% to S\$7.9 million and S\$12.7 million respectively. The increases were 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 depreciation costs; higher repair and maintenance as well as rental costs for land, office and storage tank.

Other operating expenses in 4Q12 increased 94% year-on-year to S\$3.7 million from S\$1.9 million previously. For FY2012, other operating expenses totalled S\$10.2 million, up 30% from FY2011.

The increase in other operating expenses by S\$2.3 million was attributed mainly to legal and professional expenses in relation to the Group's corporate activities and business expansion initiatives; increase in provisions for stock obsolescence; and impairment of goodwill for a subsidiary and write-off of fixed assets.

Net Profit

Profit After Tax	Group		Group	
	3 months ended 31 Dec		12 months ended 31 Dec	
S\$ million	2012	2011	2012	2011
Corrosion Prevention	0.3	0.5	2.0	2.6
Distribution of refined petroleum products	0.1	1.4	2.8	5.4
Others	0.2	-	0.4	-
Total	0.6	1.9	5.2	8.0

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

The Group's net profit in 4Q12 decreased to S\$0.6 million compared to S\$1.9 million previously. Both RP and CP segments posted lower profits due to higher operating expenses that were largely due to one-time impairment of goodwill of S\$0.5 million in relation to an overseas subsidiary and write-off of fixed assets of S\$0.4 million.

For FY2012, the Group posted a net profit of S\$5.2 million, down 34% from S\$8.0 million in FY2011. This was due to lower profits from the RP and CP segments which were affected by higher operational costs. The Group's net profit was also affected by higher provisions for stock obsolescence, impairment of goodwill, write-off of fixed assets, as well as professional and legal expenses associated with the Group's corporate and expansion activities.

The Group's finance costs in FY2012 increased to S\$1.2 million from S\$1.1 million previously due to higher utilisation of trust receipts by the RP business.

RP's net profit for FY2012 was S\$2.8 million, a decrease of 48% from S\$5.4 million in FY2011. CP recorded a net profit of S\$2.0 million in FY2012 as compared to S\$2.6 million previously, due mainly to write-off of fixed assets and the absence of a gain on disposal of gain on disposal of one of the Plant Operations' facilities. Excluding write-off of fixed assets, and the gain of disposal of plant of S\$1.0 million in FY2011, CP would have recorded an increase in net profit on the back of higher gross profit margin in FY2012.

Balance Sheet and Cash Flow Analysis

As at 31 December 2012, the Group had cash and bank balances, and fixed deposits totaling S\$34.6 million. Net gearing¹ stood at 0.3 times at the end of the period under review.

Non-current assets increased to S\$67.9 million as at 31 December 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, and consolidation of assets of ETS and Axxmo International.

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). 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 net increase in goodwill of S\$2.3 million was due mainly to the acquisition of ETS.

Current assets decreased to S\$112.1 million from S\$121.6 million as at 31 December 2011, due primarily to a reduction in cash and cash equivalents and trade receivables. Cash and cash

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

equivalents decreased to S\$34.6 million compared to S\$42.4 million at the end of December 2011.

Current liabilities at the end of December 2012 increased to S\$91.2 million from S\$80.7 million as at 31 December 2011. This was due mainly to higher trade and other payables and accruals, and other amounts due to bankers, which was partially offset by a reduction in term loans. The increase in other amounts due to bankers was in tandem with higher utilisation of trust receipts to finance the purchase of inventory as part of the ordinary course of RP's business.

Long-term liabilities decreased to S\$1.7 million from S\$2.4 million at the end of December 2011 due mainly to repayment of term loans.

Shareholders' equity increased to S\$85.6 million as at 31 December 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\$5.2 million for FY2012 and a profit warranty shortfall of S\$1.4 million. These were partially reduced by a decrease in foreign currency translation reserve of S\$0.5 million, increase in treasury shares through share buyback of S\$2.5 million and payment of dividends of S\$1.1 million in respect of FY2011.

During FY2012, net cash generated from operations amounted to S\$17.0 million, arising mainly from operating profit (before interest, depreciation and tax) of around S\$11.3 million. Net cash used in investing activities amounted to S\$29.0 million. Of this amount, around S\$4.0 million and S\$1.3 million was used for the acquisition of 51% stake in ETS and 100% stake in Axxmo International respectively, while S\$1.5 million was used to purchase a 30% stake in Serangoon EC. The Group also provided S\$15.0 million to Serangoon EC as a shareholder loan. Around S\$7.3 million was also used for the investment in Energy Drilling Pte Ltd.

Net cash generated from financing activities was S\$8.5 million, due mainly to proceeds from issue of warrants, the redemption of fixed deposits pledges with bank, and increase in funds from trust receipts. These were partially offset by the repayment of term loan, dividend payment with respect to FY2011 and 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 September 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.

The Group witnessed revenue growth of 5% in FY2012 despite weaker end-user demand and heightened competitive pressures in the region. However, Group net profit decreased 34% in FY2012 due to rising business costs and competition.

Going forward, business conditions are expected to remain challenging due to continued global economic headwinds, cautious business sentiment and the intense competitive environment for both the CP and RP businesses.

Nonetheless, the Group will continue working on its business initiatives to deliver a profitable performance in FY2013, barring any unforeseen circumstances. At the same time, the Group will continue to adhere to prudent financial management practices to ensure it remains in a strong position to weather periods of difficult business conditions.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	:	Proposed Final
Dividend Type	:	Cash
Dividend Amount per Ordinary Share	:	0.25 cents
Tax Rate	:	Tax exempt one-tier

(c) Date payable

Subject to shareholders' approval at Annual General Meeting of the Company to be held on 29 April 2013, the final dividend will be paid on 23 May 2013.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 9 May 2013. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, up to 5 p.m. on 8 May 2013 will be registered to determine entitlements to the final dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the final dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlement to shareholders.

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

Not applicable.

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

No IPT mandate has been obtained from shareholders.

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

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

Products and services from which reportable segments derive their revenues

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

Corrosion Prevention
Distribution
Others

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

The distribution segment distributes refined petroleum products.

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

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

(a) Segment revenues and results

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

	Corrosion prevention		Distribution		Others		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue	35,322	36,531	217,763	208,902	3,832	-	256,917	245,433
Segment result	6,178	6,055	13,295	15,126	152	-	19,625	21,181
Finance cost	-	(7)	(1,212)	(1,118)	(2)	-	(1,214)	(1,125)
Share of loss of associates, net of tax							(20)	-
Central administration costs and directors' salaries							(12,728)	(11,666)
Other income							1,060	1,465
Profit before tax							6,723	9,855

Revenue reported above represents revenue generated from external customers. Inter-segment sales for the year 2012 is S\$6,620,000 (2011: S\$6,995,000).

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

(b) Segment assets and liabilities

	Group	
	<u>2012</u> S\$'000	<u>2011</u> S\$'000
Segment assets		
Corrosion prevention	61,321	57,707
Distribution	94,297	103,372
Others	24,403	-
Total segment assets	<u>180,021</u>	<u>161,079</u>
Consolidated assets	<u>180,021</u>	<u>161,079</u>
Segment liabilities		
Corrosion prevention	8,139	5,432
Distribution	78,844	73,968
Others	1,906	-
Total segment liabilities	<u>88,889</u>	<u>79,400</u>
Unallocated liabilities		
- Provision for taxation	2,728	2,466
- Deferred income tax	1,259	1,248
Consolidated liabilities	<u>92,877</u>	<u>83,114</u>

(c) Other segment information

	Group			
	Depreciation and amortisation		Additions to non-current assets	
	Year ended	Year ended	Year ended	Year ended
	<u>2012</u> S\$'000	<u>2011</u> S\$'000	<u>2012</u> S\$'000	<u>2011</u> S\$'000
Corrosion prevention	1,784	1,657	556,004	3,240
Distribution	1,396	1,172	2,332,401	492
Others	146	-	619,075	-
	<u>3,326</u>	<u>2,829</u>	<u>3,507,480</u>	<u>3,732</u>

(d) Geographical information

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

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

	Group's revenue from external customers		Group's non-current assets	
	Year ended	Year ended	As at	As at
	<u>2012</u> S\$'000	<u>2011</u> S\$'000	<u>31/12/12</u> S\$'000	<u>31/12/11</u> S\$'000
Singapore	155,857	148,245	42,503	37,249
Rest of South East Asia	51,869	43,367	9	14
North East Asia	36,513	38,230	272	813
South Asia	8,352	12,280	-	-
Others	4,326	3,311	-	-
	<u>256,917</u>	<u>245,433</u>	<u>42,784</u>	<u>38,076</u>

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

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

No.

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

No material changes.

15. A breakdown of sales

	Full Year 2012 S\$'000	Full Year 2011 S\$'000	Change %
Revenue reported for 1st quarter	59,886	57,911	3%
Net profit reported for 1st quarter	1,365	2,151	(37%)
Revenue reported for 2nd quarter	63,310	63,121	0%
Net profit reported for 2nd quarter	1,535	2,639	(42%)
Revenue reported for 3rd quarter	64,532	60,782	6%
Net profit reported for 3rd quarter	1,708	1,309	30%
Revenue reported for 4th quarter	69,189	63,619	9%
Net profit reported for 4th quarter	637	1,904	(67%)
Total revenue reported	256,917	245,433	5%
Total net profit reported	5,245	8,003	(34%)

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

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	2,107	2,113
Preference	0	0
Total	2,107	2,113

The final dividend for FY2012 is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Goh Sia Teck	53	Nephew of Thomas Lim Siok Kwee	Manager (Operations) - Assisting Executive Chairman and Executive Director in marine projects (since May 2006)	Nil
Lim Peng Cheng	44	Nephew of Thomas Lim Siok Kwee	Assistant Production Manager - Assisting Executive Chairman, Executive Director and Production Manager in plant operation (since April 2010)	Nil
Winson Tan Thoo Huat	55	Brother of Jimmy Tan Thoo Chye	Regional Director (Intermediates Business Unit) - Overall in-charge of intermediates sales and support (since April 2007)	Nil
Gina Tan Shuhua	27	Daughter of Jimmy Tan Thoo Chye	Legal Advisor (TAT Petroleum Pte Ltd) - Managing all legal matters of TAT Petroleum Pte Ltd (since September 2010)	Nil
Tan Toh Meng	62	Brother of Jimmy Tan Thoo Chye	Business Director (Axxmo International Pte Ltd) - Overall in-charge of sales and operation (since December 2012)	Nil
Lee Ah Nak	62	Sister in law of Jimmy Tan Thoo Chye	Business Director (Axxmo International Pte Ltd) - Overall in-charge of administrative support (since December 2012)	Nil

BY ORDER OF THE BOARD

Thomas Lim Siok Kwee
Executive Chairman
26 February 2013