SEE HUP SENG LIMITED

NEWS RELEASE

See Hup Seng 3Q13 Net Profit Gains 44% to S$2.5 Million

- Group revenue increased 14% to S$73.3 million
- Group recorded three straight quarters of profit growth over 9M13
- Net profit for 9M13 soared 59% to S$7.3 million on a 16% increase in revenue to S$217.6 million

Singapore, 12 November 2013 – **See Hup Seng Limited (四合成有限公司)** ("**See Hup Seng**" or the "**Group**"), a leading provider of corrosion prevention services in Singapore and strategic value-added distributor of petroleum-derived products in Asia Pacific, today reported that its earnings for the third quarter ended 30 September 2013 ("3Q13") grew 44% to S$2.5 million from S$1.7 million in 3Q12.

In 3Q13, the Group's revenue gained 14% to S$73.3 million from S$64.5 million in 3Q12 on the back of increased sales from its core businesses – Refined Petroleum ("RP") and Corrosion Prevention ("CP"). Thanks to an expansion in Group gross profit margin to 15.1%, gross profit increased at a faster pace of 17% to S$11.1 million in 3Q13. Net profits of both RP and CP businesses also increased significantly by 64% and 100% respectively in 3Q13.

With this set of results in 3Q13, the Group has achieved year-on-year growth in net profit for three consecutive quarters. Accordingly, net profit for the nine months ended 30 September 2013 ("9M13") soared 59% to S$7.3 million compared to S$4.6 million in the same period a year ago.

For 9M13, Group revenue rose 16% to S$217.6 million from S$187.7 million in 9M12. This was driven by both RP and CP businesses which also notched up stellar profit growth of 60% and 81% respectively in 9M13. RP accounted for 85% of Group revenue in 9M13 while CP made up 14%.

Executive Chairman of See Hup Seng, Mr Thomas Lim said, "In spite of the continuing challenges in the macro business environment, both our RP and CP divisions maintained their momentum and demonstrated a commendable recovery in 9M13. Barring any unforeseen circumstances, the Group expects to deliver a profitable performance in FY2013.

The macro-economy remains fragile; while increasing competition and rising business costs are also concerns that we will continue to monitor and manage closely. The Group has a sound financial position which we believe will better position us to cope with difficult market situations and capitalise on opportunities that can enhance the Group's long term value.

To this end, See Hup Seng has proposed to acquire Hetat Holdings Pte. Ltd., a structural steel fabricator with over 10 years of track record in the construction industry. We believe this presents an opportunity for the Group to diversify and expand its earnings base while creating potential synergies with our CP business."

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At the end of September 2013, the Group maintained a sound financial position with cash and cash equivalents of S$33.4 million. Its net gearing stood at 0.42 times.

Segment Review

S$ million	Segments (3Q13)				Group			Group		
	CP	RP	Others*	Group corporate activities#	3Q13	3Q12	*change*	9M13	9M12	*change*
Revenue	10.9	62.2	0.2	-	**72.3**	64.5	14%	**217.6**	187.7	16%
Gross profit	3.2	7.8	0.1	-	**11.1**	9.5	17%	**33.5**	27.9	20%
GP margin	29.1%	34.6%	44.8%	-	**15.1%**	14.7%	-	**15.4%**	14.9%	-
Profit after tax	**1.2**	**1.6**	**0.2**	**(0.5)**	**2.5**	1.7	44%	**7.3**	4.6	59%
EBITA	1.3	2.5	0.2	-	**4.0**	3.2	25%	**12.5**	9.1	37%

**Others comprise the consolidated revenue and profit of Eastern Tankstore (S) Pte Ltd (ETS) which has become a 51%-owned subsidiary of See Hup Seng in April 2012, and equity accounting of Serangoon EC Pte Ltd.*

#Comprise extraordinary corporate expenses unrelated to core business operations

Refined Petroleum (RP)

Revenue generated from the distribution of RP products in the region improved 11% year-on-year to S$62.2 million in 3Q13. This was driven by higher sales volume which gained 22% from 3Q12.

With an expansion of its fleet of trucks, RP business capitalised on the firm demand for industrial and wholesale petroleum-derived products which was buoyed by industrial and construction activities in Singapore. Sales of its industrial and wholesale products were also lifted by incremental revenue from a new product (asphalt) which commenced sales in FY2012 and contribution from a new subsidiary (Axxmo International) that was acquired by the Group in December 2012. As a result, the industrial and wholesale product segment posted a 23% year-on-year increase in sales during 3Q13.

Sales of petroleum intermediates, which are generally used as feedstock in manufacturing processes, picked up slightly by 5% in 3Q13 in tandem with the recovery in demand from end-users and resellers in the region.

The RP business notched up higher gross profit margin of 12.5% in 3Q13 compared to 11.6% in 3Q12, thanks to a marginal increase in average selling prices for certain product categories combined with a lower cost of inventory replenishment during the quarter under review.

Net profit of the RP business increased by a stellar 64% to S$1.6 million in 3Q13, boosted by stronger revenue and gross profit from existing operations as well as profit contribution from Axxmo International.

The Group believes Asia shall remain as a key long-term growth market for petroleum-derived products which are used in a wide range of industrial, construction and vehicular applications, and manufacturing processes of electronics, consumer products, and pharmaceuticals among others.

Besides maintaining and improving its relationships with suppliers and customers, RP business will focus on strengthening its marketing efforts to increase sales penetration and widen geographical reach in the region. The Group will also seek opportunities to move up the supply chain and widen product lines to strengthen RP business' revenue base.

Corrosion Prevention (CP)

Revenue of the CP business in 3Q13 increased 31% to S$10.9 million, lifted by higher sales from the Trading, and Site Blasting and Tank Coating units. Sales of the Trading unit was driven primarily by the revenue recognition of a turnkey project while the Site Blasting and Tank Coating unit benefited from a recovery in orders. The Plant Operations unit, which remained as the largest revenue driver of the CP business, posted steady sales in 3Q13 when compared to 3Q12.

The gross profit margin of CP business in 3Q13 eased to 29.1% from 34.6% in 3Q12 due to the turnkey project under the Trading unit. This impact was partially buffered by the Plant Operations unit which delivered higher gross profit margin on increased capacity utilisation, better product mix and improved cost efficiencies.

As a result of stronger revenue and its consistent execution of cost control initiatives, the CP business' net profit doubled to S$1.2 million in 3Q13.

The CP business will work towards maintaining efficient operations to stay competitive in the market while seeking a wider customer base in Singapore.

This news release is to be read in conjunction with the Group's announcement posted on the SGX website on 12 November 2013.

About See Hup Seng Limited

See Hup Seng operates two primary businesses -- corrosion prevention services ("CP") and refined petroleum products and services ("RP").

Established in 1971, the CP business has successfully moved up the value chain to become a leading provider to the marine, oil and gas, construction and infrastructure industries in Singapore. See Hup Seng has a strong niche in specialised tank coating services, and large-scale plant operations that are supported by a fully-equipped facility in Singapore. Its proven capability in corrosion prevention services is underlined by its status as a resident contractor for premier shipyards in Singapore.

The RP business distributes a wide range of refined petroleum products to customers in Asia Pacific. This business is operated by the Group's wholly-owned subsidiary, TAT Petroleum Pte Ltd. Headquartered in Singapore with offices in Hong Kong, China (Guangzhou), South Korea, Vietnam and Indonesia, TAT Petroleum is a strategic value-added distributor that offers comprehensive services including blending and packaging of refined petroleum products. Its customers hail from diverse sectors including vehicular, agriculture, coating, pharmaceutical, plastic and electronics industries. To expand its RP business, the Group has acquired a company which is the master distributor in Singapore of a petroleum-based waterproofing product, and is planning to build an Integrated Chemical Hub in Singapore through a 51%-owned joint venture.

To build new earnings streams for the future, See Hup Seng has also made strategic investments in an executive condominium development project in Singapore, as well as an offshore drilling company that will own and operate tender rigs.

See Hup Seng is listed on the Mainboard of SGX-ST. For further information, please visit the Group's website at www.seehupseng.com.sg