

SEE HUP SENG LIMITED

(Company Registration No. 197502208Z)

Unaudited Financial Statement Announcement for the First Quarter 2013

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 | | |
| | 2013 | 2012 | Change |
| | S\$'000 | S\$'000 | % |
| Revenue | 70,210 | 59,886 | 17% |
| Cost of sales and services | (59,465) | (50,942) | 17% |
| Gross profit | <u>10,745</u> | <u>8,944</u> | 20% |
| Other income | 347 | 119 | 192% |
| Selling and distribution expenses | (2,034) | (1,784) | 14% |
| Administrative expenses | (3,565) | (3,170) | 12% |
| Other operating expenses | (2,598) | (2,057) | 26% |
| Profit from operations | <u>2,895</u> | <u>2,052</u> | 41% |
| Finance costs | (215) | (316) | (32%) |
| Share of profit of associated company | 5 | - | N/M |
| Profit before income tax | <u>2,685</u> | <u>1,736</u> | 55% |
| Income tax | (594) | (371) | 60% |
| Profit after income tax | <u>2,091</u> | <u>1,365</u> | 53% |
| Attributable to: | | | |
| Equity holders of the Company | 2,095 | 1,360 | 54% |
| Non-controlling interests, net of income tax | (4) | 5 | N/M |
| | <u>2,091</u> | <u>1,365</u> | 53% |

Statement of Comprehensive Income

| | Group | | |
|--|-----------------------|--------------|--------|
| | 3 months ended 31 Mar | | |
| | 2012 | 2011 | Change |
| | S\$'000 | S\$'000 | % |
| Profit after income tax | 2,091 | 1,365 | 53% |
| <u>Other comprehensive income/(expense)</u> | | | |
| Foreign currency translation | 74 | (340) | N/M |
| | <u>74</u> | <u>(340)</u> | N/M |
| Total comprehensive income | <u>2,165</u> | <u>1,025</u> | 111% |
| Attributable to: | | | |
| Equity holders of the Company | 2,169 | 1,022 | 112% |
| Non-controlling interests, net of income tax | (4) | 3 | N/M |
| | <u>2,165</u> | <u>1,025</u> | 111% |

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

| | Note | Group | | Change % |
|---|------|-----------------------|---------|-------------|
| | | 3 months ended 31 Mar | | |
| | | 2013 | 2012 | |
| | | S\$'000 | S\$'000 | |
| Other Income | 1 | 169 | 45 | 277% |
| Interest Income | 2 | 172 | 8 | 2046% |
| Interest on borrowings | 3 | (215) | (316) | (32%) |
| Depreciation | 4 | (853) | (754) | 13% |
| Fixed assets written off | 5 | (10) | (5) | 100% |
| Gain/(loss) on disposal of fixed assets | | 6 | (2) | N/M |
| Amortisation of intangible assets | | (5) | - | N/M |
| Allowance for doubtful debts | 6 | (64) | (81) | (21%) |
| Allowance for stock obsolescence | 7 | (101) | (67) | 51% |
| Stock written off | 8 | (38) | (17) | 124% |
| Foreign exchange (loss)/gain | 9 | (178) | 67 | (366%) |

- 1) The increase was largely due to higher sales rebate received.
- 2) The increase was mainly due to interest income from a shareholder loan that was extended to the Group's associated company to finance its property development business activities.
- 3) The increase was mainly due shorter trust receipts cycle placed and lower term loan balance.
- 4) The increase was mainly due to additions from Q212 onwards.
- 5) The increase was due to higher fixed assets had to be written-off.
- 6) The decrease was due to lower doubtful debts required to be provided.
- 7) The increase was due to higher stock obsolescence had to be provided.
- 8) The increase was due to higher stocks had to be written-off.
- 9) The increase was mainly due to stronger US\$ against KRW 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 2013 S\$'000 | 31 Dec 2012 S\$'000 | 31 Mar 2013 S\$'000 | 31 Dec 2012 S\$'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 30,286 | 30,854 | 13,475 | 13,800 |
| Subsidiary companies | - | - | 49,628 | 49,628 |
| Associated companies | 1,485 | 1,480 | - | - |
| Financial assets, available-for-sale | 12,856 | 7,624 | 12,845 | 7,612 |
| Membership rights | 195 | 195 | - | - |
| Intangible assets | 267 | 281 | - | - |
| Goodwill | 11,735 | 11,735 | - | - |
| Loan to related party | 15,000 | 15,000 | - | - |
| Other receivables | 718 | 713 | - | - |
| | <u>72,542</u> | <u>67,882</u> | <u>75,948</u> | <u>71,040</u> |
| Current Assets | | | | |
| Stock and work-in-progress | 32,208 | 25,191 | - | - |
| Trade receivables | 55,814 | 48,882 | 8,726 | 7,951 |
| Amount due from related parties | - | - | 22,292 | 21,400 |
| Other receivables | 4,096 | 3,450 | 554 | 599 |
| Fixed deposits | 3,172 | 3,164 | 1,512 | 1,512 |
| Cash and bank balances | 26,832 | 31,451 | 1,794 | 7,470 |
| | <u>122,122</u> | <u>112,138</u> | <u>34,878</u> | <u>38,932</u> |
| Total Assets | <u>194,664</u> | <u>180,020</u> | <u>110,826</u> | <u>109,972</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Trade payables and accruals | 25,644 | 21,157 | 1,734 | 1,431 |
| Other payables | 5,751 | 3,759 | 1,675 | 1,406 |
| Amount due to related parties | - | - | 14,953 | 23,837 |
| Term loans | 937 | 586 | - | - |
| Other amounts due to bankers | 67,311 | 62,555 | - | - |
| Hire purchase creditors | 472 | 349 | - | - |
| Provision for taxation | 3,322 | 2,728 | 538 | 423 |
| | <u>103,437</u> | <u>91,134</u> | <u>18,900</u> | <u>27,097</u> |
| Non-current Liabilities | | | | |
| Amount due to related parties | - | - | 8,337 | - |
| Hire purchase creditors | 659 | 483 | - | - |
| Deferred taxation | 1,259 | 1,259 | 545 | 545 |
| | <u>1,918</u> | <u>1,742</u> | <u>8,882</u> | <u>545</u> |
| Total Liabilities | <u>105,355</u> | <u>92,876</u> | <u>27,782</u> | <u>27,642</u> |
| EQUITY | | | | |
| Share capital | 94,953 | 94,953 | 94,953 | 94,953 |
| Treasury shares | (3,226) | (3,226) | (3,226) | (3,226) |
| Asset revaluation reserve | 2,461 | 2,461 | 2,874 | 2,874 |
| Foreign currency translation reserve | 705 | 631 | - | - |
| Other reserve | (16,687) | (16,687) | - | - |
| Revenue reserve/(accumulated losses) | 9,530 | 7,435 | (11,557) | (12,271) |
| | <u>87,736</u> | <u>85,567</u> | <u>83,044</u> | <u>82,330</u> |
| Non-controlling interests | 1,573 | 1,577 | - | - |
| Total Equity | <u>89,309</u> | <u>87,144</u> | <u>83,044</u> | <u>82,330</u> |
| Total Liabilities and Equity | <u>194,664</u> | <u>180,020</u> | <u>110,826</u> | <u>109,972</u> |

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

| | 31-Mar-13 S\$'000 | 31-Dec-12 S\$'000 |
|---|----------------------|----------------------|
| Amount Repayable in one year or less, or on demand | | |
| Secured | 68,720 | 63,490 |
| Unsecured | - | - |
| | <u>68,720</u> | <u>63,490</u> |
| Amount Repayable after one year, or on demand | | |
| Secured | 659 | 483 |
| Unsecured | - | - |
| | <u>659</u> | <u>483</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") (wholly owned subsidiary), 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 million;
- (iii) Corporate guarantee of S\$1.5 million by the Company for banking facility of S\$3.0 million extended to Eastern Tankstore Pte Ltd (51% owned subsidiary);
- (iv) Corporate guarantee of S\$2.5 million by the Company for banking facility of S\$3.7 million facility (including foreign exchange spot and forward) extended to Axxmo International Pte Ltd (wholly owned subsidiary);
- (v) 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") (wholly owned subsidiary) for banking facilities extended to TAT HK of approximately S\$3.4 million; and
- (vi) Fixed assets under hire purchase arrangements.

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

| | Group | |
|---|------------------------------|----------------|
| | 3 months ended 31 Mar | |
| | 2013 | 2012 |
| | S\$'000 | S\$'000 |
| Cash Flows from Operating Activities | | |
| Profit before income tax | 2,685 | 1,736 |
| Adjustments for: | | - |
| Depreciation | 853 | 754 |
| Fixed assets written off | 10 | 5 |
| Amortisation of intangible assets | 5 | - |
| (Gain)/loss on disposal of fixed assets | (6) | 2 |
| Interest on borrowings | 215 | 316 |
| Interest income | (172) | (8) |
| Share of loss of associated company | (5) | - |
| Allowance for doubtful debts | 64 | 81 |
| Allowance for stock obsolescence | 102 | 67 |
| Bad debts expense | - | 5 |
| Stock written off | 38 | 17 |
| Net foreign currency translation adjustments | 407 | 362 |
| | <hr/> | <hr/> |
| Operating cash flow before working capital changes | 4,196 | 3,337 |
| Changes in working capital | | |
| Inventories and work-in-progress | (7,158) | (2,184) |
| Receivables | (7,475) | (564) |
| Payables | 6,538 | 2,910 |
| Cash (used in)/generated from operations | <hr/> | <hr/> |
| | (3,899) | 3,499 |
| Interest paid | (215) | (315) |
| Interest received | 5 | 8 |
| Income tax payment | - | (2) |
| Net cash (used in)/generated from operating activities | <hr/> | <hr/> |
| | (4,109) | 3,190 |
| Cash Flows from Investing Activities | | |
| Purchase of property, plant and equipment | (295) | (1,010) |
| Proceeds from disposal of property, plant and equipment | 6 | - |
| Acquisition of other investment | (5,233) | - |
| Net cash used in investing activities | <hr/> | <hr/> |
| | (5,522) | (1,010) |
| Cash Flows from Financing Activities | | |
| Proceeds from issue of warrants | - | 2,672 |
| Fixed deposit pledges with bank | (8) | - |
| Increase in/(repayment to) hire purchase | 299 | (78) |
| Increase in/(repayment to) term loan | 352 | (901) |
| Increase in funds from trusts receipts | 4,178 | 4,226 |
| Net cash generated from financing activities | <hr/> | <hr/> |
| | 4,821 | 5,919 |
| Net foreign currency translation adjustments | 190 | (429) |
| Net increase/(decrease) in cash and cash equivalents | (4,620) | 7,670 |
| Cash and cash equivalents at the beginning of the year | <hr/> | <hr/> |
| | 31,464 | 36,284 |
| Cash and cash equivalents at the end of the year | <hr/> | <hr/> |
| | 26,844 | 43,954 |

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 2013 | 94,953 | (3,226) | 2,461 | - | (16,687) | 631 | 7,435 | 85,567 | 1,577 | 87,144 |
| Comprehensive income | - | - | - | - | - | 74 | 2,095 | 2,169 | (4) | 2,165 |
| Balance at 31 March 2013 | 94,953 | (3,226) | 2,461 | - | (16,687) | 705 | 9,530 | 87,736 | 1,573 | 89,309 |
| Balance at 01 January 2012 | | | | | | | | | | |
| 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 |
| Company | | | | | | | | | | |
| Balance at 01 January 2013 | 94,953 | (3,226) | 2,874 | - | - | - | (12,271) | 82,330 | - | 82,330 |
| Comprehensive income | - | - | - | - | - | - | 714 | 714 | - | 714 |
| Balance at 31 March 2013 | 94,953 | (3,226) | 2,874 | - | - | - | (11,557) | 83,044 | - | 83,044 |
| Balance at 01 January 2012 | | | | | | | | | | |
| 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 |

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 had a 3-year exercise period from the date of issue and it had expired on 15 October 2012.

From the date of issue to expiry date of 15 October 2012, there were 23,976,025 shares issued in pursuant to the exercise of warrants. As at 31 March 2013, 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 1 April 2012 to 31 March 2013 are as follows:-

| <u>Ordinary shares</u> | <u>Number of shares</u> | <u>\$</u> |
|---|-------------------------|-------------------|
| Issued and fully paid ordinary shares at 1 April 2012 | 426,969,100 | 92,175,868 |
| Exercise of warrants | 11,573,025 | 2,777,526 |
| Issued and fully paid ordinary shares at 31 Mar 2013 | <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 Mar 2013</u> | <u>As at 31 Dec 2012</u> |
|--|--------------------------|--------------------------|
| Total number of shares (including treasury shares) | 438,542,125 | 438,542,125 |
| Less treasury shares | <u>(17,100,000)</u> | <u>(17,100,000)</u> |
| Total number of shares (excluding treasury shares) | <u>421,442,125</u> | <u>421,442,125</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 2012.

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 | |
| | 2013 | 2012 |
| Profit per ordinary share for the financial year based on consolidated profit attributable to members of the Company (Basic and diluted) | | |
| - Basic | 0.50 cents | 0.33 cents |
| - Diluted | 0.50 cents | 0.32 cents |
| Based on the weighted average number of shares (Basic) | 421,442,125 | 412,752,392 |
| Based on the weighted average number of shares (Diluted) | 421,442,125 | 419,896,487 |

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 2013 | 31 Dec 2012 | 31 Mar 2013 | 31 Dec 2012 |
| Net asset backing per ordinary share | 20.82 cents | 20.03 cents | 19.70 cents | 19.27 cents |
| Based on the weighted average number of shares | 421,442,125 | 427,197,229 | 421,442,125 | 427,197,229 |

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 2013 ("1Q13"), the Group recorded higher revenue and profit notwithstanding that the operating environment remained competitive. In 1Q13, the Group's profit to equity holders increased 54% year-on-year to S\$2.1 million on the back of a 17% growth in total revenue to S\$70.2 million.

This performance was led by the Group's refined petroleum ("RP") business which displayed improved revenue and net profit. The RP business benefited from increased sales volume, higher gross profit margin as well as profit contribution from a new subsidiary in 1Q13. The corrosion prevention ("CP") business maintained its net profit in 1Q13 despite experiencing lower sales.

At the end of March 2013, the Group's balance sheet remained sound with cash and cash equivalents of S\$30.0 million. Its net gearing was around 0.4 times.

Revenue

Group revenue in 1Q13 increased 17% year-on-year to S\$70.2 million from S\$59.9 million in 1Q12, driven by higher sales contribution from the RP business. Sequentially, Group revenue in 1Q13 was slightly higher compared to S\$69.2 million in 4Q12. RP continued to dominate Group revenue with a contribution of 85% in 1Q13, while CP accounted for 13%.

Revenue breakdown by business segments:

| Business Segments | Group | | |
|--|-----------------------|---------|-----------|
| | 3 months ended 31 Mar | | |
| | 2013 | 2012 | Inc/(Dec) |
| | S\$'000 | S\$'000 | |
| Corrosion prevention | 8,788 | 9,949 | (12%) |
| Distribution of refined petroleum products | 59,903 | 49,937 | 20% |
| Others * | 1,519 | - | n/m |
| Total Sales | 70,210 | 59,886 | 17% |

*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

Revenue derived from the distribution of RP products in the region increased 20% to S\$59.9 million in 1Q13 on the back of a 34% growth in sales volume.

RP's revenue was largely driven by sales of industrial and wholesale products which grew 43% in 1Q13. This performance was fuelled by firm demand resulting from the industrial and construction activities in Singapore, increase in fleet of trucks, incremental revenue from asphalt product (which commenced sales during FY2012), as well as contribution from a new subsidiary (Axxmo International) that was acquired by the Group at the end of 2012.

Sales of petroleum-intermediates, which are generally used as feedstock in manufacturing processes, remained stable in 1Q13 compared to 1Q12 despite lower average selling prices.

As a result, the industrial and wholesale product segment accounted for 53% of RP revenue in 1Q13, up from 45% in 1Q12. Revenue contribution from petroleum-intermediates declined to 47% from 55% previously.

CP segment

CP recorded revenue of S\$8.8 million in 1Q13, a decrease of 12% from S\$9.9 million in 1Q12. This was attributed mainly to lower revenue from the Site Blasting and Coating unit, which was partially offset by increased sales from the Plant Operations unit. Sales generated from Plant Operations in 1Q13 were up 19% year-on-year on the back of the marine, industrial and construction activities in Singapore. As a result, Plant Operations accounted for 52% of Group revenue in 1Q13, up from 38% in 1Q12.

Gross Profit (GP)

The Group's GP in 1Q13 increased 20% to S\$10.7 million from S\$8.9 million in 1Q12, driven mainly by higher GP of the RP segment. RP's GP increased 28% to S\$7.7 million while CP maintained its GP at S\$2.9 million despite recording lower revenue. Correspondingly, the Group's composite GP margin expanded to 15.3% from 14.9% previously.

Gross profit margin (GPM) by business segments:-

| | Group | |
|--|-----------------------|-------|
| | 3 months ended 31 Mar | |
| | 2013 | 2012 |
| Corrosion prevention | 33.5% | 29.2% |
| Distribution of refined petroleum products | 12.9% | 12.1% |
| Others | 6.5% | - |
| Average composite gross margin | 15.3% | 14.9% |

*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 business

RP's GP margin improved to 12.9% in 1Q13 from 12.1% in 1Q12. While competitive conditions continued to exert pressure on average selling prices, RP business saw an improvement in the GP margin of its major product categories, owing to lower cost of inventory replenishment in the quarter under review.

CP segment

CP's GP margin expanded to 33.5% in 1Q13 from 29.2% in 1Q12, attributed largely to the Plant Operations unit. Plant Operations recorded higher GP margin in 1Q13 as a result of higher capacity utilisation and improved cost efficiencies.

Other Income

Other income in 1Q13 increased to S\$0.3 million from S\$0.1 million in 1Q12 due mainly to the recognition of interest income from a shareholder loan that was extended to the Group's associated company to finance its property development business activities.

Selling, Distribution, Administrative and Other Operating Expenses

Total operating expenses in 1Q13 were S\$8.2 million, up 17% from S\$7.0 million in 1Q12.

Selling and distribution expenses in 1Q13 increased 14% to S\$2.0 million in tandem with higher business volume.

Administrative expenses increased 12% to S\$3.6 million compared to S\$3.2 million in 1Q12 due to higher salaries resulting from increased headcount, staff salaries and workers' levy, as well as higher depreciation costs.

Other operating expenses in 1Q13 were S\$2.6 million, up from S\$2.1 million in 1Q12 due mainly to foreign exchange loss and the new subsidiary under the RP business.

Finance Costs

Finance costs in 1Q13 decreased to S\$0.2 million from S\$0.3 million previously in line with lower utilization of trust receipts and bank borrowings as compared to 1Q12.

Net Profit

| Profit After Tax | Group | |
|--|-----------------------|------------|
| | 3 months ended 31 Mar | |
| S\$ million | 2013 | 2012 |
| Corrosion Prevention | 0.7 | 0.6 |
| Distribution of refined petroleum products | 1.3 | 0.8 |
| Others | 0.1 | - |
| Total | 2.1 | 1.4 |

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

The Group's net profit in 1Q13 jumped 53% to S\$2.1 million from S\$1.4 million in 1Q12, driven mainly by increased profit contribution from the RP business.

RP's net profit surged 66% to S\$1.3 million compared to S\$0.8 million in 1Q12, attributed to stronger sales and gross profit as well as contribution from its new subsidiary. Despite lower revenue, CP business sustained its net profit at S\$0.7 million in 1Q13 which was attributed to higher gross profit margin.

Balance Sheet and Cash Flow Analysis

As at 31 March 2013, the Group had cash and bank balances, and fixed deposits totaling S\$30.0 million. Net gearing¹ stood at 0.4 times at the end of March 2013.

Non-current assets increased to S\$72.5 million as at 31 March 2013 from S\$67.9 million as at 31 December 2012, due mainly to an increase in investment in financial asset (2nd tranche for Energy Drilling).

Current assets increased to S\$122.1 million as at 31 March 2013 from S\$112.1 million as at 31 December 2012, due primarily to an increase in stock and work-in-progress and trade receivables. Cash and cash equivalents decreased to S\$30.0 million as compared to S\$34.6 million at the end of December 2012.

Current liabilities at the end of March 2013 increased to S\$103.4 million from S\$91.1 million as at 31 December 2012. This was due mainly to an increase in trade and other payables and accruals, other amounts due to bankers (trust receipts to finance purchase of inventory as part of the ordinary course of RP's business), and provision for taxation.

Long-term liabilities increased marginally to S\$1.9 million as compared to S\$1.7 million as at 31 December 2012.

Shareholders' equity increased to S\$87.7 million as at 31 March 2013 from S\$85.6 million as at 31 December 2012. The increase was mainly attributable to profit attributable to equity holders of S\$2.1 million for 1Q13.

During 1Q13, net cash used in operating activities amounted to S\$4.1 million, due to working capital used for inventories and trade receivables. Net cash used in investing activities amounted to S\$5.5 million, arising mainly from an investment in financial asset. Net cash generated from financing activities was S\$4.8 million, due mainly to an increase in funds from trust receipts in tandem with RP's business volume. After taking into account net foreign currency translation adjustments, the Group recorded a decrease in cash and cash equivalents of S\$4.6 million in 1Q13.

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 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.

Although the Group's financial performance in 1Q13 was an improvement from 1Q12, the Group remains cautious on the business outlook due to ongoing macroeconomic uncertainty, cautious business sentiment, intense competition and rising business costs.

The Group will continue working on its business initiatives to deliver a profitable performance in FY2013, barring any unforeseen circumstances. The RP business will focus on strengthening its marketing efforts while seeking opportunities to expand its range of petroleum-derived products and geographical market reach in Asia Pacific. Meanwhile, the CP business will seek to remain competitive by working towards maintaining efficient operations.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

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

(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 2013. 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, Tan Thoo Chye, Jimmy 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 1Q13 financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Tan Thoo Chye, Jimmy
Managing Director
14 May 2013