

SEE HUP SENG LIMITED

(Company Registration No. 197502208Z)

Unaudited Financial Statement Announcement for the Third Quarter 2013 (3Q13 & YTD Sep 13)

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 30 Sep			9 months ended 30 Sep		
	2013	2012	Change	2013	2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	73,337	64,532	14%	217,604	187,728	16%
Cost of sales and services	(62,268)	(55,045)	13%	(184,069)	(159,804)	15%
Gross profit	<u>11,069</u>	<u>9,487</u>	17%	<u>33,535</u>	<u>27,924</u>	20%
Other income	625	404	55%	1,678	611	175%
Selling and distribution expenses	(2,454)	(1,986)	24%	(6,876)	(5,826)	18%
Administrative expenses	(3,520)	(3,158)	11%	(10,798)	(9,469)	14%
Other operating expenses	(2,503)	(2,390)	5%	(7,550)	(6,510)	16%
Profit from operations	<u>3,217</u>	<u>2,357</u>	37%	<u>9,989</u>	<u>6,730</u>	48%
Finance costs	(319)	(249)	28%	(817)	(920)	(11%)
Share of profit/(loss) of associated company	3	(7)	N/M	11	(10)	N/M
Profit before income tax	<u>2,901</u>	<u>2,101</u>	38%	<u>9,183</u>	<u>5,800</u>	58%
Income tax	(436)	(393)	11%	(1,873)	(1,192)	57%
Profit after income tax	<u>2,465</u>	<u>1,708</u>	44%	<u>7,310</u>	<u>4,608</u>	59%
Attributable to:						
Equity holders of the Company	2,462	1,671	47%	7,381	4,576	61%
Non-controlling interests, net of income tax	3	37	92%	(71)	32	322%
	<u>2,465</u>	<u>1,708</u>	44%	<u>7,310</u>	<u>4,608</u>	59%

Statement of Comprehensive Income

	Group			Group		
	3 months ended 30 Sep			9 months ended 30 Sep		
	2013	2012	Change	2013	2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit after income tax	2,465	1,708	44%	7,310	4,608	59%
<u>Other comprehensive income/(expense)</u>						
Foreign currency translation	(53)	(268)	(80%)	215	(433)	N/M
	<u>(53)</u>	<u>(268)</u>	(80%)	<u>215</u>	<u>(433)</u>	N/M
Total comprehensive income	<u>2,412</u>	<u>1,440</u>	68%	<u>7,525</u>	<u>4,175</u>	80%
Attributable to:						
Equity holders of the Company	2,411	1,404	72%	7,597	4,098	85%
Non-controlling interests, net of income tax	1	36	(97%)	(72)	77	N/M
	<u>2,412</u>	<u>1,440</u>	68%	<u>7,525</u>	<u>4,175</u>	80%

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		
		2013	2012	Change	2013	2012	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other Income	1	326	181	80%	688	283	143%
Interest Income		175	177	(1%)	524	257	104%
Interest on borrowings	2	(319)	(249)	28%	(817)	(920)	(11%)
Depreciation		(854)	(818)	4%	(2,538)	(2,374)	7%
Fixed assets written off	3	(1)	(2)	(50%)	(14)	(9)	56%
Gain on disposal of fixed assets	4	124	46	170%	156	71	120%
Amortisation of intangible assets		(14)	-	N/M	(43)	-	N/M
Bad debts expense		19	-	N/M	19	47	(60%)
Allowance for doubtful debts	5	(33)	(53)	(38%)	(42)	(77)	(45%)
Write-back on allowance/(Allowance) for stock obsolescence	6	52	(11)	N/M	(293)	3	N/M
Stock written off	7	(72)	(82)	(12%)	(170)	(133)	28%
Foreign exchange gain/(loss)	8	68	(170)	N/M	(319)	(228)	40%
Gain on disposal of investment		-	-	N/M	310	-	N/M

- 1) The increase was largely to higher marketing assistance received.
- 2) The increase was mainly due to higher working capital facilities drawn down which was in line with higher sales.
- 3) The decrease was mainly due to lesser fixed assets were required to be written off
- 4) The increase was mainly due to a blasting machine was disposed.
- 5) The increase was mainly due to higher allowance was required to be made for trade debtors.
- 6) The increase was mainly due to higher allowance was required to be made for stocks
- 7) The increase was mainly due to lesser stocks were required to be written off
- 8) The increase was mainly due to weaker US\$ against S\$, KRW and VND

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 2013 S\$'000	31 Dec 2012 S\$'000	30 Sep 2013 S\$'000	31 Dec 2012 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	29,178	30,854	12,811	13,800
Subsidiary companies	-	-	49,628	49,628
Associated companies	1,492	1,480	-	-
Financial assets, available-for-sale	14,567	7,624	12,555	7,612
Membership rights	195	195	-	-
Intangible assets	238	281	-	-
Goodwill	11,735	11,735	-	-
Loan to related party	15,000	15,000	-	-
Other receivables	602	713	-	-
	<u>73,007</u>	<u>67,882</u>	<u>74,994</u>	<u>71,040</u>
Current Assets				
Stock and work-in-progress	25,825	25,191	-	-
Trade receivables	55,907	48,882	7,424	7,951
Amount due from related parties	-	-	24,865	21,400
Other receivables	4,704	3,450	627	599
Fixed deposits	3,492	3,164	1,516	1,512
Cash and bank balances	29,906	31,451	1,687	7,470
	<u>119,834</u>	<u>112,138</u>	<u>36,119</u>	<u>38,932</u>
Total Assets	<u>192,841</u>	<u>180,020</u>	<u>111,113</u>	<u>109,972</u>
LIABILITIES				
Current Liabilities				
Trade payables and accruals	22,304	21,157	2,011	1,431
Other payables	2,587	3,759	973	1,406
Amount due to related parties	-	-	23,473	23,837
Term loans	2,326	586	-	-
Other amounts due to bankers	67,341	62,555	-	-
Hire purchase creditors	423	349	-	-
Provision for taxation	3,554	2,728	501	423
	<u>98,535</u>	<u>91,134</u>	<u>26,958</u>	<u>27,097</u>
Non-current Liabilities				
Hire purchase creditors	485	483	-	-
Deferred taxation	1,259	1,259	545	545
	<u>1,744</u>	<u>1,742</u>	<u>545</u>	<u>545</u>
Total Liabilities	<u>100,279</u>	<u>92,876</u>	<u>27,503</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	2,377	2,461	2,874	2,874
Foreign currency translation reserve	847	631	-	-
Capital reserve	-	-	-	-
Other reserve	(16,687)	(16,687)	-	-
Revenue reserve/(accumulated losses)	12,793	7,435	(10,991)	(12,271)
	<u>91,057</u>	<u>85,567</u>	<u>83,610</u>	<u>82,330</u>
Non-controlling interests	1,505	1,577	-	-
Total Equity	<u>92,562</u>	<u>87,144</u>	<u>83,610</u>	<u>82,330</u>
Total Liabilities and Equity	<u>192,841</u>	<u>180,020</u>	<u>111,113</u>	<u>109,972</u>

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

	30-Sep-13	31-Dec-12
	S\$'000	S\$'000
Amount Repayable in one year or less, or on demand		
Secured	70,090	63,490
Unsecured	-	-
	<u>70,090</u>	<u>63,490</u>
Amount Repayable after one year, or on demand		
Secured	485	483
Unsecured	-	-
	<u>485</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"), 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 30 Sep		9 months ended 30 Sep	
	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities				
Profit before income tax	2,901	2,101	9,183	5,800
Adjustments for:				
Depreciation	854	818	2,538	2,374
Fixed assets written off	1	2	14	9
Amortisation of intangible assets	14	-	43	-
Gain on disposal of fixed assets	(124)	(46)	(156)	(71)
Interest on borrowings	319	249	817	920
Interest income	(175)	(177)	(524)	(257)
Gain from disposal of other investment	-	-	(310)	-
Share of (gain)/loss of associated companies	(3)	7	(11)	10
Allowance for doubtful debts	33	53	42	77
(Write-back on allowance)/allowance for stock obsolescence	(52)	11	293	(3)
Bad debts expense	19	-	19	47
Stock written off	72	82	170	133
Net foreign currency translation adjustments	(1,025)	(451)	372	(1,727)
Operating cash flow before working capital changes	2,834	2,649	12,490	7,312
Changes in working capital				
Inventories and work-in-progress	4,057	(1,192)	(1,096)	(1,718)
Receivables	2,172	(3,278)	(7,784)	(329)
Payables	(5,635)	10,683	(84)	11,708
Cash generated from operations	3,428	8,862	3,526	16,973
Interest paid	(319)	(249)	(817)	(919)
Interest received	5	6	19	25
Income tax payment	(476)	(603)	(1,047)	(1,159)
Net cash generated from operating activities	2,638	8,016	1,681	14,920
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(463)	(352)	(820)	(1,456)
Proceeds from disposal of property, plant and equipment	175	148	301	172
Acquisition of a subsidiary	-	-	-	(4,080)
Acquisition of associated company	-	-	-	(1,500)
Loan to associated company	-	-	-	(15,000)
Acquisition of other investment	-	-	(7,233)	(7,322)
Proceeds from disposal of other investment	-	-	600	-
Cashflow on acquisition of subsidiary (net of cash)	-	-	-	120
Net cash used in investing activities	(288)	(204)	(7,152)	(29,066)
Cash Flows from Financing Activities				
Proceeds from issue of warrants	-	5	-	5,333
Purchase of treasury shares	-	(534)	-	(700)
Dividends paid	-	-	(2,107)	(1,086)
Fixed deposit pledges with bank	5	21	(18)	2,950
Repayment to hire purchase	(115)	(64)	(125)	(224)
Increase in/(repayment to) term loan	1,526	(332)	1,740	(1,560)
(Repayment to)/Increase in funds from trusts receipts	(5,470)	(4,941)	4,672	2,137
Net cash (used in)/generated from financing activities	(4,054)	(5,845)	4,162	6,850
Net foreign currency translation adjustments	(183)	(728)	76	(1,033)
Net (decrease)/increase in cash and cash equivalents	(1,887)	1,239	(1,233)	(8,329)
Cash and cash equivalents at the beginning of the year	32,118	26,716	31,464	36,284
Cash and cash equivalents at the end of the year	30,231	27,955	30,231	27,955

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	-	-	-	-	-	216	7,381	7,597	(72)	7,525
Disposal of property, plant and equipment	-	-	(84)	-	-	-	84	-	-	-
Dividends paid	-	-	-	-	-	-	(2,107)	(2,107)	-	(2,107)
Balance at 30 September 2013	94,953	(3,226)	2,377	-	(16,687)	847	12,793	91,057	1,505	92,562
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
Company										
Balance at 01 January 2013	94,953	(3,226)	2,874	-	-	-	(12,271)	82,330	-	82,330
Comprehensive income	-	-	-	-	-	-	3,387	3,387	-	3,387
Dividends paid	-	-	-	-	-	-	(2,107)	(2,107)	-	(2,107)
Balance at 30 September 2013	94,953	(3,226)	2,874	-	-	-	(10,991)	83,610	-	83,610
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
Share buyback	-	(699)	-	-	-	-	-	(699)	-	(699)
Dividends paid	-	-	-	-	-	-	(1,088)	(1,088)	-	(1,088)
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

- 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 30 September 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 30 Sep 2012 to 30 Sep 2013 are as follows:-

<u>Ordinary shares</u>	<u>Number of shares</u>	<u>\$</u>
Issued and fully paid ordinary shares at 30 Sep 2012	438,536,625	94,952,074
Exercise of warrants	5,500	1,320
Issued and fully paid ordinary shares at 30 Sep 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 30 Sep 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 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 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		Group	
	3 months ended 30 Sep		9 months ended 30 Sep	
	2013	2012	2013	2012
Profit per ordinary share for the financial year based on consolidated profit attributable to members of the Company (Basic and diluted)				
- Basic	0.58 cents	0.39 cents	1.75 cents	1.08 cents
- Diluted	0.58 cents	0.39 cents	1.75 cents	1.08 cents
Based on the weighted average number of shares (Basic)	421,442,125	423,546,934	421,442,125	423,546,934
Based on the weighted average number of shares (Diluted)	421,442,125	423,546,934	421,442,125	423,546,934

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 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012
Net asset backing per ordinary share	21.61 cents	20.03 cents	19.84 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.

The Group posted a 47% increase in net profit to equity holders to S\$2.5 million for the three months ended 30 September 2013 ("3Q13"). This was achieved on a 14% increase in Group revenue to S\$73.3 million. As a result of the profit growth over three consecutive quarters, the Group's net profit to equity holders surged 61% to S\$7.4 million for the nine months ended 30 September 2013 ("9M13").

While the business environment remained cautious and competitive, the Group's corrosion prevention ("CP") and refined petroleum ("RP") businesses notched up higher revenues and net profits in 3Q13 and 9M13.

At the end of September 2013, the Group maintained a sound financial position with cash and fixed deposits of S\$33.4 million. Net gearing stood at around 0.42 times.

Revenue

Group revenue in 3Q13 improved 14% to S\$73.3 million from S\$64.5 million in 3Q12 on the back of higher sales from both CP and RP businesses.

For the first nine months ended 30 September 2013 ("9M13"), Group revenue increased 16% to S\$217.6 million from S\$187.7 million in 9M12. The Group's CP and RP businesses posted revenue growth of 15% and 16% respectively in 9M13. As a percentage of Group revenue, RP accounted for 85% while CP contributed 14% in 9M13.

Revenue breakdown by business segments:

Business Segments	Group		Group		
	3 months ended 30 Sep		9 months ended 30 Sep		
	2013	2012	2013	2012	Inc/(Dec)
	S\$'000	S\$'000	S\$'000	S\$'000	
Corrosion prevention	10,940	8,461	31,172	27,130	15%
Distribution of refined petroleum products	62,175	55,805	185,484	160,153	16%
Others *	222	266	948	445	113%
Total Sales	73,337	64,532	217,604	187,728	16%

*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

Revenue generated from the distribution of RP products in the region improved 11% year-on-year to S\$62.2 million in 3Q13. Sales volume increased 22% in 3Q13, partially offset by lower average selling prices which was due mainly to a variation in sales mix.

Sales of industrial and wholesale products in 3Q13 gained 23% year-on-year as a result of firm demand driven by industrial, marine, service, infrastructure and construction activities in Singapore, expansion of RP's fleet of trucks to capitalise on the demand. The increase was also driven by incremental revenue from the sale of asphalt (which commenced during FY2012), and contribution from a new subsidiary (Axxmo International) that was acquired by the Group at the end of FY2012.

Sales of petroleum-intermediates (which are generally used as feedstock in manufacturing processes) improved slightly by 5% in tandem with the recovery in demand from end-users and resellers in Asia Pacific.

For 9M13, RP segment posted revenue of S\$185.5 million, up 16% from S\$160.2 million in 9M12. This increase was attributed mainly to the industrial and wholesale product segment which registered a robust 30% increase in sales in 9M13. Petroleum-intermediates segment recorded a single-digit increase in sales during 9M13.

As a result, industrial and wholesale products made up 53% of RP revenue in 9M13, up from 48% previously. Correspondingly, revenue contribution from petroleum-intermediates dipped to 47% in 9M13 from 52% in 9M12.

CP segment

Revenue of the CP segment in 3Q13 increased 31% to S\$10.9 million from S\$8.5 million in 3Q12, boosted by higher sales from the Site Blasting and Tank Coating, and Trading units. Revenue generated from the Trading unit doubled in 3Q13 as a result of the revenue recognition of a turnkey project. Site Blasting and Tank Coating unit saw a recovery in orders which lifted its sales in 3Q13. Sales from the Plant Operations unit in 3Q13 were steady when compared to 3Q12.

For 9M13, CP segment posted revenue of S\$31.2 million, up 15% from S\$27.1 million in 9M12. This increase was attributed to improved sales performances of the Trading and Plant Operations units which more than offset weaker sales of the Site Blasting and Tank Coating unit.

During 9M13, the Plant Operations unit saw higher business volume from the marine, oil and gas, industrial/construction sectors in Singapore compared to 9M12. As a percentage of CP's revenue, Plant Operations unit continued to account for the largest share with a contribution of 45% in 9M13.

Gross Profit (GP)

Group GP in 3Q13 increased 17% to S\$11.1 million from S\$9.5 million in 3Q12, outpacing revenue growth of 14%. This was attributed to higher composite GPM of 15.1% compared to 14.7% previously. In terms of GP by business segments, RP's GP climbed 21% to S\$7.8 million in 3Q13 from S\$6.5 million in 3Q12, while CP's GP increased 9% to S\$3.2 million compared to S\$2.9 million previously.

For 9M13, Group GP improved 20% to S\$33.5 million from S\$27.9 million in 9M12 on the back of increased sales and expansion in composite GPM to 15.4% in 9M13.

Gross profit margin (GPM) by business segments:-

	Group		Group	
	3 months ended 30 Sep		9 months ended 30 Sep	
	2013	2012	2013	2012
Corrosion prevention	29.1%	34.6%	30.6%	31.7%
Distribution of refined petroleum products	12.5%	11.6%	12.8%	12.0%
Others	44.7%	39.7%	30.2%	40.2%
Average composite gross margin	15.1%	14.7%	15.4%	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 GPM expanded to 12.5% in 3Q13 from 11.6% in 3Q12, on the back of marginal pick up in average selling prices for certain product categories and lower cost of inventory replenishment in the quarter under review. During 9M13, GPM improved to 12.8% from 12.0% in 9M12 as a result of lower cost of inventory replenishment and improved business environment.

CP segment

CP's GPM in 3Q13 decreased to 29.1% from 34.6% in 3Q12 due to the Trading unit. Similarly, CP's GPM in 9M13 also eased slightly to 30.6% compared to 31.7% in 9M12. The decline in Trading unit's GPM was partially buffered by the Plant Operations unit which posted higher GPM on the back of increased capacity utilisation, better product mix and improved cost efficiencies.

Other Income

Other income in 3Q13 increased to S\$0.6 million from S\$0.4 million in 3Q12 due mainly to higher incentive rebates received, gain from disposal of fixed assets and a foreign exchange gain as compared to a loss in the same quarter a year ago.

Selling, Distribution, Administrative and Other Operating Expenses

Total operating expenses in 3Q13 increased 12.5% to S\$8.5 million from S\$7.5 million in 3Q12.

Selling and distribution expenses in 3Q13 increased 24% to S\$2.5 million in tandem with higher business volume.

Administrative expenses in 3Q13 increased 11% to S\$3.5 million from S\$3.2 million in 3Q12. This was due to annual salary increments, increases in workers' levy, legal and professional fees relating to corporate activities, and general business expenses, as well as the inclusion of administrative expenses from new subsidiary under the RP business.

Other operating expenses in 3Q13 increased 5% to S\$2.5 million from S\$2.4 million, due mainly to corporate expenses that were incurred in relation to the proposed acquisition of Hetat Holdings Pte. Ltd.

Finance Costs

Finance costs in 3Q13 increased to S\$0.3 million from S\$0.2 million in 3Q12 due to an increase in credit facilities which was in line with higher volume.

Net Profit

Profit After Tax	Group		Group	
	3 months ended 30 September		9 months ended 30 September	
S\$ million	2013	2012	2013	2012
Corrosion Prevention	1.2	0.6	3.3	1.8
Distribution of refined petroleum products	1.6	1.0	4.3	2.7
Others*	0.2	0.2	0.4	0.2
Group corporate activities [#]	(0.5)	(0.1)	(0.7)	(0.1)
Total	2.5	1.7	7.3	4.6

*Others consist primarily of contributions from ETS, equity accounting of Serangoon EC Pte Ltd

[#]Comprise extraordinary corporate expenses unrelated to core business operations

Group net profit in 3Q13 jumped 44% to S\$2.5 million from S\$1.7 million in 3Q12, driven primarily by increased profit contributions from CP and RP businesses. As a result of three straight quarters of profit growth, the Group registered a 59% increase in net profit to S\$7.3 million for 9M13, compared to S\$4.6 million in 9M12.

RP's net profit in 3Q13 increased 64% to S\$1.6 million on higher revenue and gross profit from existing operations as well as contribution from its new subsidiary Axxmo International. For 9M13, RP posted net profit of S\$4.3 million, up 60% from S\$2.7 million in 9M12.

CP's net profit doubled to S\$1.2 million in 3Q13 compared to S\$0.6 million in 3Q12, due mainly to stronger operational performance. For 9M13, CP's net profit soared 81% to S\$3.3 million, compared to S\$1.8 million in 9M12, spurred primarily by higher revenue and gross profit combined with reduced operating expenses.

Balance Sheet and Cash Flow Analysis

As at 30 September 2013, the Group had cash and bank balances, and fixed deposits totaling S\$33.4 million. Net gearing¹ stood at 0.42 times at the end of September 2013.

Non-current assets increased to S\$73.0 million as at 30 September 2013 from S\$67.9 million as at 31 December 2012, due mainly to an increase in investment in financial assets. This increase is in relation to the second tranche payment for the Group's investment in Energy Drilling Pte Ltd, which will construct and operate tender rigs and investment into a fund.

Current assets increased to S\$119.8 million as at 30 September 2013 from S\$112.1 million as at 31 December 2012, due primarily to an increase in trade receivables in tandem with higher business volume. Cash and cash equivalents was lower at S\$33.4 million compared to S\$34.6 million at the end of December 2012, due to the Group's investments as explained above.

Current liabilities as at 30 September 2013 increased to S\$98.5 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, term loans, other amounts due to bankers (trust receipts to finance purchase of inventory as part of the ordinary course of RP's business), increase in provision for taxation.

Long-term liabilities as at 30 September 2013 were stable at S\$1.7 million.

Shareholders' equity increased to S\$91.1 million as at 30 September 2013 from S\$85.6 million as at 31 December 2012. This was mainly due to higher revenue reserve arising from profit attributable to equity holders of S\$7.4 million for 9M13 and offset partially by a dividend payment of S\$2.1 million in respect of FY2012.

During 3Q13, the Group generated net cash of S\$2.6 million from operating activities, after deducting S\$0.6 million for working capital used for trade receivables and payables, and S\$0.8 million for interest and income tax payments. Net cash used in investing activities amounted to S\$0.3 million, due primarily to purchase of plant and equipment.

Net cash used in financing activities in 3Q13 was S\$4.1 million, due mainly to repayment of trust receipts and offset partially by an increase in term loan. After taking into account net foreign currency translation adjustments, the Group recorded a net decrease in cash and cash equivalents of S\$1.9 million in 3Q13.

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 2013.

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 believes the business outlook will remain challenging in light of the ongoing macroeconomic uncertainties, cautious business sentiment, intense competition and rising business costs.

The management of See Hup Seng will continue to focus on its core CP and RP businesses to deliver a profitable performance in FY2013 barring any unforeseen circumstances.

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 30 September 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, Lim Siok Kwee, Thomas 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 3Q13 financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Thomas Lim Siok Kwee
Executive Chairman
12 November 2013