

SEE HUP SENG LIMITED

(Company Registration No. 197502208Z)

Unaudited Financial Statement Announcement for the First Quarter of 2014 (“Q114”)

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 March		
	2014	2013	Change
	S\$'000	S\$'000	%
Revenue	85,281	69,238	23%
Cost of sales and services	(69,561)	(58,493)	19%
Gross profit	<u>15,720</u>	<u>10,745</u>	46%
Other income	549	347	58%
Selling and distribution expenses	(2,819)	(2,034)	39%
Administrative expenses	(5,276)	(3,565)	48%
Other operating expenses	(3,155)	(2,598)	21%
Profit from operations	<u>5,019</u>	<u>2,895</u>	73%
Finance costs	(366)	(215)	70%
Share of loss of associated companies	(3)	5	N/M
Profit before income tax	<u>4,650</u>	<u>2,685</u>	73%
Income tax	(814)	(594)	37%
Profit after income tax	<u>3,836</u>	<u>2,091</u>	83%
Attributable to:			
Equity holders of the Company	3,868	2,095	85%
Non-controlling interests, net of income tax	(32)	(4)	692%
	<u>3,836</u>	<u>2,091</u>	83%

Statement of Comprehensive Income

	Group		
	3 months ended 31 March		
	2014	2013	Change
	S\$'000	S\$'000	%
Profit after income tax	3,836	2,091	83%
<u>Other comprehensive income/(expense)</u>			
Foreign currency translation	(173)	74	N/M
Deferred taxation	-	-	100%
	<u>(173)</u>	<u>74</u>	N/M
Total comprehensive income	<u>3,663</u>	<u>2,165</u>	69%
Attributable to:			
Equity holders of the Company	3,697	2,169	70%
Non-controlling interests, net of income tax	(34)	(4)	750%
	<u>3,663</u>	<u>2,165</u>	69%

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		
		2014	2013	
		S\$'000	S\$'000	
Other Income	1	419	169	148%
Interest Income	2	99	172	(42%)
Interest on borrowings	3	(366)	(215)	70%
Depreciation	4	(1,298)	(853)	52%
Fixed assets written off		(9)	(10)	(10%)
Gain on disposal of fixed assets	5	31	6	417%
Amortisation of intangible assets	6	(842)	(5)	16746%
Allowance for doubtful debts	7	(8)	(64)	(88%)
Write-back on allowance/(Allowance) for stock obsolescence		110	(102)	N/M
Stock written off		(35)	(38)	(8%)
Foreign exchange loss	8	(65)	(178)	(63%)

- 1) The increase was largely due to consolidation of SSF segment's other income that was generated from service income and selling of scrapped items.
- 2) The decrease was mainly due to lower shareholder loan extended to an associated company for property development business following repayment was made.
- 3) The increase was mainly due to increased business volume secured by RP segment and consolidation of SSF segment's financing expenses.
- 4) The increase was mainly due to consolidation of SSF segment's depreciation and additional depreciation at Group level resulting from revaluation of SF segment's land and building at acquisition as required by FRS103.
- 5) The increase was mainly due to more items were required to be disposed.
- 6) The increase was mainly due to amortization at Group level resulting from the fair value of Hetat's order book at acquisition as required by FRS 103
- 7) The decrease was mainly due to lesser doubtful debts were noted.
- 8) 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 Mar 2014 S\$'000	31 Dec 2013 S\$'000	31 Mar 2014 S\$'000	31 Dec 2013 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	34,967	28,544	12,254	12,592
Subsidiary companies	-	-	94,928	49,628
Associated companies	1,482	1,485	-	-
Financial assets, available-for-sale	15,555	14,555	12,555	12,555
Membership rights	195	195	-	-
Intangible assets	1,735	224	-	-
Goodwill	42,820	11,735	-	-
Loan to related party	600	11,100	-	-
Other receivables	691	523	-	-
	<u>98,045</u>	<u>68,361</u>	<u>119,737</u>	<u>74,775</u>
Current Assets				
Stock and work-in-progress	24,247	25,839	-	-
Trade receivables	71,484	56,058	7,701	6,932
Amount due from related parties	-	-	17,063	29,826
Other receivables	7,065	5,875	669	397
Fixed deposits	3,494	3,498	1,517	1,517
Cash and bank balances	49,893	48,045	5,587	13,335
	<u>156,183</u>	<u>139,315</u>	<u>32,537</u>	<u>52,007</u>
Total Assets	<u>254,228</u>	<u>207,676</u>	<u>152,274</u>	<u>126,782</u>
LIABILITIES				
Current Liabilities				
Trade payables and accruals	27,371	23,387	1,773	4,050
Other payables	6,342	6,436	745	468
Amount due to related parties	-	-	10,037	29,936
Term loans	4,708	2,884	-	-
Other amounts due to bankers	61,162	75,804	5,819	8,555
Hire purchase creditors	455	419	-	-
Provision for taxation	4,974	2,934	798	490
	<u>105,012</u>	<u>111,864</u>	<u>19,172</u>	<u>43,499</u>
Non-current Liabilities				
Hire purchase creditors	311	377	-	-
Deferred taxation	2,762	2,100	1,165	1,165
	<u>3,546</u>	<u>2,477</u>	<u>1,165</u>	<u>1,165</u>
Total Liabilities	<u>108,558</u>	<u>114,341</u>	<u>20,337</u>	<u>44,664</u>
EQUITY				
Share capital	143,625	94,953	143,625	94,953
Treasury shares	(3,226)	(3,226)	(3,226)	(3,226)
Asset revaluation reserve	2,490	2,490	2,874	2,874
Foreign currency translation reserve	771	941	-	-
Other reserve	(16,687)	(16,687)	-	-
Revenue reserve/(accumulated losses)	17,214	13,347	(11,336)	(12,483)
	<u>144,187</u>	<u>91,818</u>	<u>131,937</u>	<u>82,118</u>
Non-controlling interests	1,483	1,517	-	-
Total Equity	<u>145,670</u>	<u>93,335</u>	<u>131,937</u>	<u>82,118</u>
Total Liabilities and Equity	<u>254,228</u>	<u>207,676</u>	<u>152,274</u>	<u>126,782</u>

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

	31-Mar-14 S\$'000	31-Dec-13 S\$'000
Amount Repayable in one year or less, or on demand		
Secured	66,325	79,107
Unsecured	-	-
	<u>66,325</u>	<u>79,107</u>
Amount Repayable after one year, or on demand		
Secured	784	377
Unsecured	-	-
	<u>784</u>	<u>377</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;
- (iv) A mortgage in-escrow and deed of assignment over 19 Tuas Avenue 20 and corporate guarantee of S\$11.5 million for banking facilities extended to Hetat Pte Ltd of approximately S\$10.3 million.
- (v) 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	
	2014	2013
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit before income tax	4,650	2,685
Adjustments for:		
Depreciation	1,298	853
Fixed assets written off	9	10
Amortisation of intangible assets	842	5
Gain on disposal of fixed assets	(31)	(6)
Interest on borrowings	366	215
Interest income	(99)	(172)
Share of loss/(gain) of associated companies	3	(5)
Allowance for doubtful debts	8	64
(Write-back on allowance)/allowance for stock obsolescence	(110)	102
Stock written off	35	38
Net foreign currency translation adjustments	(172)	407
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Operating cash flow before working capital changes	6,799	4,196
Changes in working capital		
Inventories and work-in-progress	3,472	(7,158)
Receivables	(5,512)	(7,475)
Payables	(1,918)	6,538
	<hr/>	<hr/>
Cash generated from operations	2,841	(3,899)
Interest paid	(366)	(215)
Interest received	8	5
Income tax payment	(23)	-
	<hr/>	<hr/>
Net cash generated from operating activities	2,460	(4,109)
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(147)	(295)
Proceeds from disposal of property, plant and equipment	457	6
Repayment of Loan from associated company	10,500	-
Acquisition of other investment	(1,000)	(5,233)
Acquisition of subsidiary (net of cash)	(27,194)	-
	<hr/>	<hr/>
Net cash generated used in investing activities	(17,384)	(5,522)
	<hr/>	<hr/>
Cash Flows from Financing Activities		
Net proceeds from issue of shares	35,171	-
Fixed deposit pledges with bank	4	(8)
Repayment to hire purchase	(216)	299
Increase in/(repayment to) term loan	(3,366)	352
(Repayment to)/Increase in funds from trusts receipts	(14,815)	4,178
	<hr/>	<hr/>
Net cash generated from financing activities	16,778	4,821
	<hr/>	<hr/>
Net foreign currency translation adjustments	(7)	190
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	1,847	(4,620)
Cash and cash equivalents at the beginning of the year	48,064	31,464
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Cash and cash equivalents at the end of the year	49,911	26,844
	<hr/>	<hr/>

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	Other Reserve S\$'000	Foreign Currency	Revenue Reserve S\$'000	Total S\$'000	Minority Interests S\$'000	Total Equity S\$'000
					Translation Reserve S\$'000				
Group									
Balance at 01 January 2014	94,953	(3,226)	2,490	(16,687)	941	13,347	91,818	1,517	93,335
Comprehensive income	-	-	-	-	(170)	3,867	3,697	(34)	3,663
Allotment and issue of new ordinary shares to fund the acquisition of a company *	13,500	-	-	-	-	-	13,500	-	13,500
Allotment and issue of new ordinary shares as consideration share for the acquisition of a company *	36,024	-	-	-	-	-	36,024	-	36,024
Share issue expense	(852)	-	-	-	-	-	(852)	-	(852)
Dividends paid	-	-	-	-	-	-	-	-	-
Balance at 31 March 2014	143,625	(3,226)	2,490	(16,687)	771	17,214	144,187	1,483	145,670
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
Company									
Balance at 01 January 2014	94,953	(3,226)	2,874	-	-	(12,483)	82,118	-	82,118
Comprehensive income	-	-	-	-	-	1,147	1,147	-	1,147
Allotment and issue of new ordinary shares to fund the acquisition of a company *	13,500	-	-	-	-	-	13,500	-	13,500
Allotment and issue of new ordinary shares as consideration share for the acquisition of a company *	36,024	-	-	-	-	-	36,024	-	36,024
Share issue expense	(852)	-	-	-	-	-	(852)	-	(852)
Balance at 31 March 2014	143,625	(3,226)	2,874	-	-	(11,336)	131,937	-	131,937
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
* Please refer to Circular to Shareholders dated 16 December 2013 for further information									

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.

Details of the changes in the issued and paid-up capital of the Company since 31 March 2013 to 31 March 2014 are as follows:-

<u>Ordinary shares</u>	<u>Number of shares</u>	<u>\$</u>
Issued and fully paid ordinary shares at 1 April 2013	438,542,125	94,953,394
Allotment and issue of new ordinary shares to fund the acquisition of a company * (Note 1)	144,500,000	35,171,325
Allotment and issue of new ordinary shares as consideration share for the acquisition of a company *	42,519,053	13,500,000
Issued and fully paid ordinary shares at 31 Mar 2014	<u>625,561,178</u>	<u>143,624,719</u>

* Please refer to Circular to Shareholders dated 16 December 2013 for further information.
 Note 1: The Company has utilised approximately S\$33.52 million to finance the acquisition of Hetat Holdings Pte Ltd. The remaining balance of the net proceeds of S\$1.65 million from the subscription has been placed in the bank pending disbursement.

There were no outstanding shares as at 31 March 2014.

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 2014</u>	<u>As at 31 Dec 2013</u>
Total number of shares (including treasury shares)	625,561,178	438,542,125
Less treasury shares	<u>(17,100,000)</u>	<u>(17,100,000)</u>
Total number of shares (excluding treasury shares)	<u>608,461,178</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 2013.

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	
	2014	2013
Profit per ordinary share for the financial year based on consolidated profit attributable to members of the Company (Basic and diluted)		
- Basic & Diluted	0.83 cents	0.50 cents
Based on the weighted average number of shares (Basic & Diluted)		
- Basic & Diluted	464,948,088	421,442,125
- Basic & Diluted	0.64 cents	0.50 cents
Based on the number of shares in issue, excluding treasury shares (Basic & Diluted)	608,461,178	421,442,125

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 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
Net asset backing per ordinary share	31.01 cents	21.79 cents	28.38 cents	19.49 cents
Based on the weighted average number of shares	464,948,088	421,442,125	464,948,088	421,442,125
Net asset backing per ordinary share	23.70 cents	21.79 cents	21.68 cents	19.49 cents
Based on the number of shares in issue (excluding treasury shares)	608,461,178	421,442,125	608,461,178	421,442,125

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 first quarter results ended 31 March 2014 ("1Q14") was strengthened by the maiden contribution from the newly acquired Structural Steel and Facade business ("SSF") segment in January 2014. The two other core businesses, corrosion prevention ("CP") and refined petroleum ("RP") businesses, also recorded stronger profits in 1Q14. Net profit attributable to equity holders was S\$3.8 million in 1Q14, an increase of 85% over the corresponding period in the previous year. Excluding the amortization and the additional depreciation of S\$0.8 million (net of tax effect) at Group level in relation to the fair value of SSF segment's order book and revaluation of land and building at acquisition as required by FRS103, the Group would have reported a net profit of S\$4.6 million, up 119% from 1Q13.

As at end of March 2014, the Group maintained a strong financial position with cash and fixed deposits of S\$53.4 million. Net gearing stood at around 0.09 times (31 December 2013: 0.3 times)

Revenue

The Group recorded revenue of S\$85.3 million in 1Q14, an increase of 23% from S\$69.2 million as compared to 1Q13. The increase was attributed to higher sales in RP business and the maiden contribution of SSF segment which was partially offset by lower revenue contribution in CP segment and other business.

CP segment

Revenue for the CP segment decreased by 4% year-on-year to S\$8.4 million in 1Q14 from S\$8.8 million in 1Q13. This was due to lesser *Site Blasting and Tank Coating* projects at the shipyards and lower sales from the *Trading* unit. However, the decrease was partially offset by higher revenue from the *Plant Operations* unit.

RP segment

Revenue for the RP segment rose 14% year-on-year from S\$57.9 million in 1Q13 to S\$67.1 million in 1Q14. This was mainly driven by the contribution from the new *Blending and Trading* business and slightly higher volume and average selling price recorded by the *Distribution* business.

SSF segment

The Group completed the acquisition of Hetat Holdings Pte Ltd for S\$42.4 million in January 2014 to create another business pillar for the Group's long term growth.

Hetat Holdings Pte Ltd has a strong track record in the design, engineering and construction of integrated structures created from steel, aluminum and glass materials.

SSF segment made its maiden contribution to the Group in 1Q14 with revenue of S\$9.5 million. The revenue for the next 3 quarters is expected to be higher as most of the order book/projects will kick in from the second quarter onwards.

Gross Profit ("GP") and Gross Profit Margin ("GPM")

GP for the Group in 1Q14 increased by 46% to S\$15.7 million as compared to S\$10.7 million in 1Q13. The increase was mainly attributed to the maiden contribution of S\$3.4 million from SSF segment and higher contributions from CP and RP segments. CP segment's GP increased by

14% on the back of higher revenue and gross margin from *Plant Operations* unit, while RP segment's GP registered 16% increase to S\$9.0 million mainly due to the new business in *Blending and Trading*.

CP segment

Despite lower revenue, CP segment recorded higher gross profit from S\$2.9 million in 1Q13 to S\$3.3 million in 1Q14 as a result of higher GPM. Higher GPM of 39.7% achieved in 1Q14 was mainly driven by *Plant Operations* unit as a result of better margin jobs, improved operational efficiency and higher plant utilization, and better product sales mix of the *Trading* unit

RP segment

Gross profit for RP segment increased by 16.1% to S\$9.0 million in 1Q14 from S\$7.7 million in 1Q13. This was mainly due to contribution from the new business in *Blending and Trading* and higher contribution from *Distribution* business with slightly higher average selling prices. Overall gross margin for RP segment rose marginally to 13% with higher contribution from the new business in *Blending and Trading*.

SSF segment

SSF segment made its maiden contribution to the Group in 1Q14 with gross profit of S\$3.4 million with 35.2% gross margin. The gross profit contribution was 21% of the Group's overall gross profit.

Notwithstanding lower revenue, GP for SSF segment was high as a result of variation orders and higher value projects recognized in this quarter.

Other Income

Other income in 1Q14 increased by 58% to S\$0.5 million compared with the corresponding period of S\$0.3 million in 1Q13 mainly due to service and scrap income contributed by SSF segment.

Selling, Distribution, Administrative and Other Operating Expenses

Total operating expenses increased by 37.2% from S\$8.2 million in 1Q13 to S\$11.3 million in 1Q14, mainly attributed to the inclusion of expenses of SSF segment, amortization and additional depreciation of S\$0.8 million at Group level resulting from the fair value of SSF's order book and revaluation of land and building as required by FRS 103, and expenses incurred by the new *Blending and Trading* business under RP segment.

Selling and distribution expenses in 1Q14 increased 39% to S\$2.8 million. This was largely attributable to the consolidation of SSF segment and expenses incurred by the new *Blending and Trading* business under RP segment.

Administrative expenses in 1Q14 increased 48% to S\$5.3 million. This was largely due to the inclusion of expenses from SSF segment, amortization and additional depreciation of S\$0.8 million at Group level resulting from the fair value of SSF segment's order book and revaluation of land and building as required by FRS 103 and expenses incurred by the new *Blending and Trading* business under RP segment.

Other operating expenses in 1Q14 increased 21% to S\$3.2 million as compared to S\$2.6 million in 1Q13. This was mainly due to the consolidation of expenses of SSF segment and expenses incurred by the new *Blending and Trading* business under RP segment.

Finance Costs

Finance costs in 1Q14 increased by 70% to S\$0.4 million from S\$0.2 million in 1Q13 mainly attributable to higher sales volume of the RP segment and the inclusion of finance costs of SSF segment.

Net Profit

All business segments recorded improved profit after tax in 1Q14, including the maiden contribution from SSF segment. Net profit for CP segment increased by 31% from S\$0.9 million in 1Q13 to S\$1.2 million in 1Q14, while net profit for RP segment rose 54% from S\$1.3 million in 1Q13 to S\$2.0 million in 1Q14. SSF segment made a maiden contribution of S\$0.7 million in 1Q14 after netting off the amortization and additional depreciation of S\$0.8 million (net of tax effect) at the Group level resulting from the fair value of SSF segment's order book and revaluation of land and building at acquisition as required by FRS 103. The continued better performances across all business segments against the improving business environment led the Group to register 85% growth in net profit to S\$3.9 million in 1Q14.

Financial Position and Cash Flow Analysis

As at 31 March 2014, the Group had cash and fixed deposit totaling S\$53.4 million. Net gearing¹ stood at 0.09 times as at 31 March 2014.

Non-current assets increased to S\$98.0 million as at 31 March 2014 from S\$68.4 million as at 31 December 2013, due mainly to increases in investment in financial assets, property, plant and equipment, and goodwill as well as fair value of SSF segment's order book arising from the acquisition of Hetat Holdings Pte Ltd which was partially offset by a reduction in loan to related party. The increase in investment in financial assets was in relation to the second tranche payment for the Group's investment in a fund. The loan to related party is a shareholder loan to an associated company to finance its property development activities.

Current assets increased to S\$156.2 million as at 31 March 2014 from S\$139.3 million as at 31 December 2013. This was primarily due to an increase in working capital balances and higher cash and cash equivalents in tandem with higher business revenue and inclusion of SSF segment's current assets.

Current liabilities as at 31 March 2014 decreased to S\$105.0 million from S\$111.9 million as at 31 December 2013. This was mainly due to lower payables as a result of the settlement of the introducer fee and other related costs in relation to the acquisition of Hetat Holdings Pte Ltd, and other amount due to bankers as a result of repayment of outstanding trust receipts which was partly offset by inclusion of SSF segment's current liabilities and increase in provision for taxation.

Long-term liabilities as at 31 March 2014 increased slightly to S\$3.5 million from S\$2.5 million as at 31 December 2013 due to higher deferred taxation and a new term loan of S\$0.5 million from SSF segment.

Shareholders' equity increased to S\$144.2 million as at 31 March 2014 from S\$91.8 million as at 31 December 2013. The increase was largely attributed to the increase in share capital arising from the share issuance in relation to the acquisition of Hetat Holdings Pte Ltd in January 2014, as well as higher revenue reserve arising from profit attributable to equity holders of S\$3.9 million for 1Q14.

During 1Q14, the Group generated net cash of S\$2.5 million from operating activities, after deducting S\$4.0 million for working capital used for inventory, trade receivables and payables, and S\$0.4 million for interest and income tax payments.

Net cash used in investing activities amounted to S\$17.4 million, due to acquisition of Hetat Holdings Pte Ltd, offset partially by a reduction in loan to associated company.

Net cash generated from financing activities in FY2013 was S\$16.8 million, due mainly to proceeds from issue of shares for the acquisition of Hetat Holdings Pte Ltd, which was partially offset by repayments to term loan and trust receipts.

After taking into account net foreign currency translation adjustments, the Group recorded a net increase in cash equivalents of S\$1.8 million to S\$50.0 million in 1Q14.

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

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 year ended 31 December 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.

Barring unforeseen circumstances, the Group is cautiously optimistic about the outlook of its three core businesses and expects FY2014 to be another profitable year.

SSF segment will strive to meet its profit warranty of S\$6.3 million (before amortisation and additional depreciation of approximately S\$2.0 million at Group level resulting from the fair value of Hetat's order book and land and building as required by FRS 103) in FY2014 .

The RP segment, which has improved its performance in FY2013 due to new leadership, will continue to grow the distribution business and its new business of petrochemical blending and trading, thereby enhancing its products lines and value-added offerings to customers, and expand capabilities as it moves up the supply chain.

As the leading provider of CP services in Singapore, the Group will continue to improve its business processes as well as maintain efficient and cost-effective operations to maintain its competitive position while broadening its revenue base by seeking new customers in diverse industries.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

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

There had been no interested person transactions during the three months ended 31 March 2014. 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 Ng Han Kok, Henry 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 1Q14 financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Ng Han Kok, Henry
Group CEO
14 May 2014