



HIAP SENG ENGINEERING LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 197100300Z)

NEWS RELEASE

HIAP SENG'S RESULTS ANNOUNCEMENT FOR 2QFY2019 AND 1HFY2019

Singapore, 14 November 2018 – Hiap Seng Engineering Ltd (“Hiap Seng” or the “Group”), a specialist integrated engineering group for the oil-and-gas, petrochemical and pharmaceutical industries, today reported a revenue of S\$34.2 million and a net loss attributable to shareholders of S\$19.3 million for the second quarter ended 30 September 2019 (“2QFY2019”).

The 12.1% higher Group revenue was mainly due to higher recognition of plant construction revenue in 2QFY2019. However, the higher than expected operating costs as a result of cost overrun mainly caused by a delay in project work commencement, led the Group to register a gross loss of S\$14.1 million for 2QFY2019, as compared to a gross loss of S\$0.6 million for 2QFY2018. The gross loss, coupled with the 20.1% rise in administrative expenses to S\$5.1 million in 2QFY2019, which arose from the consolidation of the acquired scaffolding business and setting up of the plant construction and maintenance business in the Middle East, contributed to the Group’s net loss attributable to shareholders of S\$19.3 million for the financial quarter under review.

For the six months ended 30 September 2018 (“1HFY2019”), the Group’s revenue rose 8.2% to S\$72.2 million from S\$66.7 million in the previous corresponding period (“1HFY2018”). The Group registered a net loss attributable to shareholders of S\$24.1 million in 1HFY2019.

Mr. Frankie Tan, Executive Chairman of Hiap Seng said, “We will continue to pursue cost controls and take active steps to improve productivity. We also remain focused on expanding our engineering capabilities whilst exploring potential business opportunities, both domestically and regionally, so as to diversify and widen both our customer and revenue base.”

The Group has an outstanding order book of S\$142 million as at 14 November 2018.

Outlook

As the environment for the oil-and-gas industry continues to remain challenging in the near term, the Directors of the Company will continue to seek suitable opportunities in new markets to mitigate any slowdown in the oil-and-gas sector of the traditional markets.

Mr. Frankie Tan added, “To stay resilient in a challenging environment, we will continue to place a strong emphasis on product quality, timely deliveries, cost efficiencies and optimal resource allocation. We will also remain vigilant in monitoring our operating costs to ensure profitability of our projects and continue to capture opportunities in new and existing markets to strengthen our order book.”

Corporate Profile

Established in 1971 and a Mainboard-listed company, Hiap Seng is a specialist integrated engineering group for the oil-and-gas, petrochemical and pharmaceutical industries and is one of Singapore’s leading engineering groups serving the oil-and-gas, petrochemical and pharmaceutical industries.

The Group provides engineering services covering engineering, procurement & construction (EPC) projects and plant maintenance services for the oil-and-gas, petrochemical, and pharmaceutical industries in Singapore and beyond.

The Group operates five well-equipped fabrication yards in Singapore and Thailand with a total land area of about 2.2 million sq ft and a workforce of about 1,200 well-trained and skilled employees.

ISSUED ON BEHALF OF : Hiap Seng Engineering Ltd.
BY : Citigate Dewe Rogerson Singapore Pte Ltd
55 Market Street
#02-01
SINGAPORE 048941

For CDR

CONTACT : Ms Dolores Phua / Mr Derrick Tee
at telephone
DURING OFFICE HOURS : 6534-5122
EMAIL : dolores.phua@citigatedewerogerson.com
derrick.tee@citigatedewerogerson.com

For Hiap Seng

CONTACT : Mr Tan Hak Jin
at telephone
DURING OFFICE HOURS : 6897-8082
EMAIL : thj@hiapseng.com

14 November 2018