



HIAP SENG ENGINEERING LTD

(Incorporated in the Republic of Singapore)

(Company Registration No. 197100300Z)

NEWS RELEASE

HIAP SENG'S RESULTS ANNOUNCEMENT FOR 1QFY2018

Singapore, August 14, 2017 – 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\$36.2 million and a net profit attributable to shareholders of S\$1.6 million for the first quarter ended June 30, 2017 (“1QFY2018”).

For 1QFY2018, the 8.0% dip in revenue to S\$36.2 million was mainly due to a lower recognition of plant construction revenue. In line with the decreased revenue, gross profit declined correspondingly by 25.1% from S\$7.1 million in the previous corresponding quarter (“1QFY2017”) to S\$5.3 million while the Group registered a dip in net profit attributable to shareholders to S\$1.6 million in 1QFY2018 from S\$2.5 million in 1QFY2017.

As at June 30, 2017, Hiap Seng’s cash and cash equivalents stood at S\$8.5 million and its net cash position was S\$1.9 million.

The Group has an outstanding order book of S\$105 million as at August 14, 2017.

Mr. Frankie Tan, Executive Chairman of Hiap Seng said, “Productivity enhancement and further cost management continue to remain as the Group’s key focus amidst the overall challenging environment, particularly in the oil-and-gas sector.”

Outlook

Despite uncertain macro-economic and the intense competitive market conditions, the Directors of the Company are seeking suitable opportunities in new markets to mitigate any slowdown in the oil-and gas sector of the traditional markets.

Mr. Frankie Tan added, "While we anticipate potential near-term pressures in the oil-and-gas industry, our order book remains at a healthy level. We will take proactive steps to explore business opportunities in regions where Hiap Seng has established a sound track record, to navigate through this protracted downturn period."

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 1,500 well-trained and skilled employees.

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