HIAP SENG INDUSTRIES LIMITED

(Company Registration No. 202200187H)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Six Months Ended 30 September 2025

		Group		
		6 months ended 30/9/2025	6 months ended 30/9/2024	Changes
	Note	**S$'000**	S$'000	%
Revenue	5	**10,985**	12,624	(13.0)
Cost of services rendered		**(8,301)**	(9,039)	(8.2)
Gross profit		**2,684**	3,585	(25.1)
Gross profit margin		**24.4%**	28.4%	
Other income	7(a)	**542**	517	4.8
Administrative costs		**(1,648)**	(1,886)	(12.6)
Other (losses)/ gains – net	7(b)	**66**	2,245	(97.1)
Profit from operations		**1,644**	4,461	(63.1)
Finance costs	7(d)	**-**	(6)	N.M
Share of (loss)/profit of associated		**(2)**	4	N.M
Profit before tax		**1,642**	4,459	(63.2)
Income tax expense	8	**(369)**	(408)	(9.6)
Total profit for the year		**1,273**	4,051	(68.6)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
– Currency translation differences arising from consolidation		**(124)**	(930)	(86.7)
Total comprehensive profit for the period		**1,149**	3,121	(63.2)
Profit attributable to:				
Equity holders of the Company		**1,273**	4,051	(68.6)
Non-controlling interests		-	-	-
		1,273	4,051	(68.6)
Total comprehensive profit attributable to:				
Equity holders of the Company		**1,149**	3,121	(63.2)
Non-controlling interests		-	-	-
		1,149	3,121	(63.2)
Earnings per share for profit for the period attributable to the owners of the Company during the year:				
Basic (SGD in cent)		0.03	0.12	
Diluted (SGD in cent)		0.03	0.12	

Notes

N.M. – Not Meaningful

B. Condensed Statement of Financial Position as at 30 September 2025

	Note	Group		Company	
		Unaudited	Audited	**Unaudited**	Audited
		As at 30/9/2025	As at 31/03/2025	**As at 30/09/2025**	As at 31/03/2025
		S$'000	S$'000	**S$'000**	S$'000
ASSETS					
Current assets					
Cash and cash equivalents		**21,678**	23,655	**87**	9
Trade and other receivables		**5,151**	2,770	**7,614**	7,705
Other current assets		**585**	602	**2**	6
		27,414	27,027	**7,703**	7,720
Non-current assets					
Investment in associated company		**288**	290	**-**	-
Investments in subsidiaries		**-**	-	**16,524**	16,524
Investment property		**238**	243		
Property, plant and equipment		**8,374**	7,252	**-**	-
Financial assets, at FVOCI	10	**1,213**	1,213	**-**	-
		10,113	8,998	**16,524**	16,524
Total assets		**37,527**	36,025	**24,227**	24,244
LIABILITIES					
Current liabilities					
Trade and other payables		**4,168**	3,789	**64**	88
Provision for taxation		**757**	783	**-**	-
		4,925	4,572	**64**	88
Total liabilities		**4,925**	4,572	**64**	88
NET ASSETS		**32,602**	31,453	**24,163**	24,156
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	12	**24,142**	24,142	**24,142**	24,142
Other reserves		**4,855**	36,157	**-**	-
Retained earnings/(Accumulated losses)		**3,605**	(28,846)	**21**	14
TOTAL EQUITY		**32,602**	31,453	**24,163**	24,156

C. Condensed Interim Statements of Changes In Equity as at 30 September 2025

Group	Share capital	Other reserves	Retained earnings/ (Accumulated loss)	Total equity
	S$'000	S$'000	S$'000	S$'000
As at 1 April 2025	**24,142**	**36,157**	**(28,846)**	**31,453**
Profit for the period	-	-	1,273	1,273
Capital reduction exercise[1]	-	(31,178)	31,178	-
Other comprehensive expenses for the period	-	(124)	-	(124)
Total comprehensive income for the period	-	(31,302)	32,451	1,149
As at 30 September 2025	**24,142**	**4,855**	**3,605**	**32,602**
As at 1 April 2024	18,142	36,630	(35,042)	19,730
Profit for the period	-	-	4,051	4,051
Other comprehensive expenses for the period	-	(930)	-	(930)
Total comprehensive income for the period	-	(930)	4,051	3,121
As at 30 September 2024	18,142	35,700	(30,991)	22,851

Company	Share capital	Other reserves	Retained earnings	Total equity
	S$'000	S$'000	S$'000	S$'000
As at 1 April 2025	**24,142**	**-**	**14**	**24,156**
Total comprehensive income for the period	-	-	7	7
As at 30 September 2025	**24,142**	**-**	**21**	**24,163**
As at 1 April 2024	18,142	-	2	18,144
Total comprehensive income for the period	-	-	26	26
As at 30 September 2024	18,142	-	28	18,170

Note:

(1) Hiap Seng Engineering Ltd, a wholly-owned subsidiary of the Company, carried out a capital reduction exercise pursuant to Section 78(1)(c) and the solvency requirement under Section 78C(3) of the Companies Act 1967, by reducing its share capital from $36,178,000 to $5,000,000 through the cancellation of share capital and applying the same amount towards the write-off of part of the accumulated losses.

The purpose of the proposed capital reduction is to write off the accumulated losses with a view to restructuring the finances of the subsidiary. This serves to rationalize the subsidiary's balance sheet to more accurately reflect the value of its underlying assets and the subsidiary's overall financial position.

D. Condensed Interim Consolidated Statement of Cash Flows as at 30 September 2025

	Group	
	Unaudited	
	6 months ended 30/09/2025	6 months ended 30/09/2024
	S$'000	S$'000
Cash flows from operating activities:		
Profit before tax	**1,642**	4,459
Adjustments for:		
Depreciation of property, plant equipment	**448**	501
Net gain on disposal of property, plant and equipment	**(18)**	(1,161)
Fixed assets written off	**-**	109
Impairment of other receivables and trade receivables	**-**	30
Unrealised currency translation losses/(gains)	**5**	(957)
Interest expense	**-**	6
Interest income	**(234)**	(154)
Share of loss/(profit) of associated company	**2**	(4)
	1,845	2,829
Change in working capital		
Trade and other receivables	**(2,381)**	(1,127)
Other current assets	**18**	200
Trade and other payables	**254**	(498)
Cash (used in)/ generated from operations	**(264)**	1,404
Income tax paid	**(395)**	-
Net cash (used in)/ generated from operating activities	**(659)**	1,404
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	**18**	1,176
Purchases of property, plant and equipment	**(1,570)**	(1,755)
Interest received	**234**	154
Net cash used in investing activities	**(1,318)**	(425)
Cash flows from financing activities		
Interest paid	**-**	(6)
Repayment of lease liabilities	**-**	(430)
Net cash used in financing activities	**-**	(436)
Cash and cash equivalent		
Net (decrease)/increase in cash and cash equivalents	**(1,977)**	543
Effect of currency translation on cash and cash equivalents	**-**	31
Beginning of the financial period	**23,655**	14,278
End of the financial period	**21,678**	14,852

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Hiap Seng Industries Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 28 Tuas Crescent, Singapore 638719.

These condensed interim consolidated financial statements as at and for the six months ended 30 September 2025 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are that of an investment holding company. The principal activities of the Group consist of the provision of building construction, engineering, procurement, construction and plant maintenance services for oil and gas and energy sectors and, provision of process and industrial plant engineering and consultancy services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Committee Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated audited financial statements for the year ended 31 March 2025.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial interim period are disclosed in Note 3.

E. Notes to the condensed interim consolidated financial statements

3. Critical accounting estimates, assumptions and judgements

The key assumptions concerning the future and other critical accounting estimates at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period are discussed below.

Critical judgement over the lease terms

The Group’s lease terms on the leasehold buildings have expired as they were previously renewal on an annual basis by Jurong Town Corporation (“JTC”). The Group’s management has exercised the extension option for these leases with JTC. The approval of the extension of the leases is subject to the Group fulfilling the declared aggregate investment on plant and machinery for the premises.

4. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period from 1 April 2025 to 30 September 2025.

5. Segment information

Management together have determined the operating segments based on the reports that are used to make strategic decisions. Management comprises the Chief Executive Officer and Executive Director and the general managers of each business segment.

During the financial year under review, the management considers its business segment being the Plant construction and maintenance given the Company is now focusing on its core competencies.

Other services include investment holding but this is not included within the reportable operating segments as it is not included in the reports provided to the management.

The segment information provided to the management team for the reportable segments for the period ended 30 September 2025 and 30 September 2024 is as follows:

5.1 Reportable segments

	Plant construction and maintenance **S$’000**
Six months ended 30 September 2025	
Revenue	
Revenue from external parties	10,985
Adjusted EBITDA	**1,856**
Depreciation of property, plant and equipment	(448)
Segment assets	**36,314**
Segment assets include:	
Investment in associated company	288
Additions to:	
Property, plant and equipment	1,570
Segment liabilities	**(4,168)**

E. Notes to the condensed interim consolidated financial statements

Six months ended 30 September 2024	**Plant construction and maintenance** **S$'000**
Revenue	
Revenue from external parties	12,624
Adjusted EBITDA	**4,812**
Depreciation of property, plant and equipment	(501)
Segment assets	**27,592**
Segment assets include:	
Investment in associated company	281
Additions to:	
Property, plant and equipment	1,755
Segment liabilities	**(4,991)**

a. A reconciliation of adjusted EBITDA to profit before tax is provided as below –

	6 months ended 30/9/2025 $'000	6 months ended 30/9/2024 $'000
EBITDA	1,856	4,812
Depreciation of property, plant and equipment	(448)	(501)
Finance expense	-	(6)
Interest income	234	154
Profit before tax	**1,642**	4,459

b. Segments' assets are reconciled to total assets as follows –

	As at 30/9/2025 $'000	As at 30/9/2024 $'000
Segment assets for reportable segments	36,314	27,592
Financial assets, at FVOCI	1,213	1,019
Total assets	**37,527**	28,611

c. Segments' liabilities are reconciled to total liabilities as follows –

	As at 30/9/2025 $'000	As at 30/9/2024 $'000
Segment liabilities	4,168	4,991
Provision for taxation	757	408
Lease liabilities	-	361
Total liabilities	**4,925**	5,760

d. Disaggregation of Revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following revenue streams.

	At a point in time	**Over time**	**Total**
	S$'000	**S$'000**	**S$'000**
Six months ended 30 September 2025			
Maintenance services	-	10,865	10,865
Construction of plant and equipment	-	75	75
Others	45	-	45
Total	**45**	**10,940**	**10,985**

E. Notes to the condensed interim consolidated financial statements

5. Segment information (continued)

Six months ended 30 September 2024	At a point in time S$'000	Over time S$'000	Total S$'000
Maintenance services	-	12,581	12,581
Others	43	-	43
Total	**43**	**12,581**	**12,624**

Geographical information

	Revenue		Non-current assets	
	As at 30/09/2025 S$'000	**As at 30/09/2024 S$'000**	**As at 30/09/2025 S$'000**	**As at 30/09/2024 S$'000**
Singapore	10,985	12,624	9,875	4,681
Other countries	-	-	238	-
Total	**10,985**	**12,624**	**10,113**	**4,681**

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2025 and 31 March 2025.

	Group		Company	
	As at 30/09/2025 S$'000	**As at 31/03/2025 S$'000**	**As at 30/09/2025 S$'000**	**As at 31/03/2025 S$'000**
Financial assets				
Cash and cash equivalents	21,678	23,655	87	9
Trade and other receivables	5,151	2,770	7,614	7,705
Deposits	335	236	2	6
Financial assets, at FVOCI	1,213	1,213	-	-
	28,377	**27,874**	**7,703**	**7,720**
Financial liabilities				
Trade and other payables	4,168	3,789	64	88
Taxation	757	783		
	4,925	**4,572**	**64**	**88**

7. Profit before taxation

	Group	
	6 months ended 30/9/2025 S$'000	6 months ended 30/9/2024 S$'000
(a) Other income		
Dividend income	**32**	-
Interest income	**234**	154
Rental of equipment	**-**	2
Premise rental income	**273**	358
Government grant	**3**	3
	542	517
(b) Other gains/(loss)-net		
Bad debts written off	**-**	(30)
Currency exchange gain - net	**45**	917
Net gain on disposal of property, plant and equipment	**18**	1,161
Sale of scrap materials	**3**	306
Property, plant and equipment written off	**-**	(109)
	66	2,245

E. Notes to the condensed interim consolidated financial statements

	Group	
	6 months ended 30/9/2025 S$'000	6 months ended 30/9/2024 S$'000
(c) Included in the cost of services rendered and administrative expenses are:		
Depreciation of property, plant and equipment	**(448)**	(501)
(d) Finance costs		
-Interest expenses on lease liabilities	**-**	6
	-	6

Related party transactions

The following related party transactions took place between the Group and related parties at terms agreed between the parties:

	Group	
	6 months ended 30/9/2025 S$'000	6 months ended 30/9/2024 S$'000
Sales and purchase of goods and services		
Computer maintenance fees paid to an associated company	**7**	41
Material purchases from related party	**6**	-
Construction cost from related party	**1,227**	-
Equipment lease charge to related party	**222**	-
Maintenance services render charge to related party	**15**	10

8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended 30/9/2025 S$'000	6 months ended 30/9/2024 S$'000
Current income tax expenses	**369**	408

9. Net asset value

	Group		Company	
	As at 30/09/2025	As at 31/03/2025	**As at 30/09/2025**	As at 31/03/2025
Net asset value per ordinary share (in cents)	**0.7**	0.7	**0.5**	0.5

E. Notes to the condensed interim consolidated financial statements

10. Financial assets at fair value through other comprehensive income

	Group	
	As at 30/09/2025	As at 31/3/2025
	S$'000	S$'000
Beginning and end of financial period/year	**1,213**	1,213

The financial assets at FVOCI comprised an investment in unlisted equity securities in Vietnam, which is classified as Level 3 of the fair value measurement hierarchy (Note 10.1).

The Group estimates the fair value of financial assets at FVOCI classified as Level 3 based on the share price of other comparable companies, or the actual price dictated by a recent transaction. Adjustments, using available public data on comparable transaction to measures the fair value where applicable.

The management review the appropriateness and reliability of the fair value of the financial assets and the Group's share in the investee's fair market value, for financial reporting purposes.

An increase/decrease in the market value of the investee will lead to an increase/decrease in the fair value of financial assets at FVOCI of the Group.

10.1. Fair value measurement

Assets and liabilities recognised and measured at fair value are classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

11. Property, plant and equipment

During the six months ended 30 September 2025, the Group acquired assets amounting to S$1,570,000 (30 September 2024: S$1,755,000) and disposed of assets with carrying amounts of S$Nil (30 September 2024: S$15,000).

12. Share capital

	The Group and The Company			
	As at 30/09/2025		**As at 31/03/2025**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
	'000	**S$'000**	**'000**	**S$'000**
<u>Issued and fully paid ordinary shares</u>				
As at beginning of the financial year	4,479,265	24,142	3,374,292	18,142
Issuance of shares to new subscribers	-	-	1,104,973	6,000
	4,479,265	24,142	4,479,265	24,142

The Company did not hold any treasury shares as at 30 September 2025.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2025 and 31 March 2025.

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of the Group as at 30 September 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Half Year (HY2026) Review

There was a decrease in revenue for HY2026 by $1.6 million from $12.6 million in HY2025 to $11.0 million in HY2026, primarily due to decrease in construction and maintenance activities.

The other income remained stable at $0.5 million in HY2026 which include premise rental income of $0.3 million and interest income of $0.2 million.

The administrative expenses decreased by $0.3 million in HY2026 from $1.9 million in HY2025 mainly due to reduction in professional fees, medical expenses, and utility costs.

The significant decrease of $2.2 million in the other gains/(losses) for HY2026 was primarily due to a decrease in gain on the currency exchange – net of $0.9 million and the absence of one time gain of $1.2 million from the disposal of property, plant and equipment recorded in HY2025.

Taking the above factors into account, the Group recorded a profit before tax of $1.6 million in HY2026, a decrease of $2.8 million compared to the $4.4 million profit in the same period of 2025. After excluding the $2.2 million decrease in other gains/(losses), the Group's operational profit before tax declined by $0.6 million.

Segment Review

The EBITDA for the plant construction & maintenance segment decreased by $2.9 million to $1.9 million in HY2026 from $4.8 million in HY2025 due to the lower volume of maintenance activities, gain on the currency exchange and absence of gain on disposal of property, plant and equipment.

The assets for plant construction & maintenance segment increased by $8.7 million from $27.6 million as at 30 September 2024 to $36.3 million as at 30 September 2025. This was mainly due to increase in cash position of $6.8 million, investment property of $0.2 million and property, plant and equipment of $5.0 million which offset by decrease in trade and other receivables of $3.1 million and other current assets of $0.2 million.

Balance Sheet Review

Non-current assets increased by approximately S$1.1 million mainly due to the increase in property, plant and equipment by $1.1 million. The increase in property, plant and equipment was mainly attributable to the dormitory project, which is currently classified as construction-in-progress.

Current liabilities increased by approximately S$0.4 million mainly due to increase in trade and other payable of $0.4.

Cash Flow Statement Review

The Group recorded a net decrease in cash of $2.0 million arising from the negative cashflow from operating activities of $0.7 million and the cash outflow in investing activities of $1.3 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement was disclosed to shareholders for the financial period ended 30 September 2025.

F. Other information required by Listing Rule Appendix 7.2

4. A commentary at the date of 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 continues to operate in a highly competitive industry landscape, with elevated operating costs driven by tightened foreign workforce policies and persistently high dormitory expenses. Broader economic and geopolitical uncertainties may influence Singapore's macroeconomic outlook, and our clients' operating and capital expenditure plans.

The Group remains focused on executing prudent and targeted initiatives to mitigate cost pressures and deliver competitive value to our clients. Supported by a healthy balance sheet, the Group will also adopt a selective approach in pursuing development, investment, and diversification opportunities—prioritising initiatives that are aligned with long-term profitability and sustainability.

5. Dividend information

(a) Current Financial Period Reported on

Dividend declared for the current financial period reported on.

Name of Dividend	Interim
Type of Dividend	Cash
Dividend amount per ordinary share	$0.0001 or 0.01 Singapore cent
Tax Rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediate Preceding Financial Year

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

No.

(c) Date payable

On or about 8 December 2025

(d) Record date

Notice is hereby given that the Share Transfer Books and Register of Members of Hiap Seng Industries Limited (the "Company") will be closed from 5.00 p.m. on 24 November 2025 (the "Record Date") for the preparation of dividend warrants for the interim tax-exempt (one-tier) dividend of S$0.0001 per ordinary share in respect of the financial results for the financial year ending 31 March 2026 (the "Interim Dividend").

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd of 1 Harborfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 p.m. on the Record Date will be registered to determine members' entitlements to the Interim Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on the Record Date will be entitled to the Interim Dividend.

(e) If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

6. Interested person transactions ("IPT")

The Group has not obtained a general mandate from shareholders of the Company for IPT.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers under Rule 720(1)

The Company has received the undertakings from all its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST.

F. Other information required by Listing Rule Appendix 7.2

8. Confirmation pursuant to Rule 705(5).

The Board of Directors hereby confirms to the best of knowledge that nothing has come to their attention, which may render the interim financial statement for the six-month period ended 30 September 2025 to be false or misleading in any material aspect.

By order of the board

Khua Kian Hua
Executive Director
14 November 2025