



## **HIAP SENG ENGINEERING LTD**

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

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### **NEWS RELEASE**

#### **HIAP SENG'S RESULTS ANNOUNCEMENT FOR 3QFY2019 AND 9MFY2019**

**Singapore, 12 February 2019** – 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 S\$32.1 million growth in revenue to S\$52.4 million for the third quarter ended 31 December 2018 (“**3QFY2019**”), from S\$20.3 million for the same corresponding period last year (“**3QFY2018**”). Correspondingly, the Group recorded a turnaround in its bottomline, from a net loss attributable to shareholders of S\$7.0 million to a net profit attributable to shareholders of S\$2.9 million, over the same period.

The increased Group revenue was mainly due to higher recognition of revenue in 3QFY2019. In line with the increase in revenue, the Group achieved a gross profit of S\$4.2 million in 3QFY2019, a turnaround from a gross loss of S\$1.8 million. Gross profit margin likewise rose to 8.0% from -8.8% with greater efficiencies. The Group's higher gross profit, coupled with the 35.4% drop in administrative expenses to S\$3.0 million in 3QFY2019 arising from better cost control on overheads, contributed to the Group's net profit attributable to shareholders of S\$2.9 million for the financial quarter under review.

For the nine months ended 31 December 2018 (“**9MFY2019**”), the Group's revenue rose 43.2% to S\$124.6 million from S\$87.1 million in the previous corresponding period (“**9MFY2018**”). However, mainly due to project cost overrun, the Group registered a net loss attributable to shareholders of S\$21.2 million in 9MFY2019.

Mr. Frankie Tan, Executive Chairman of Hiap Seng said, “We remain focused on expanding our engineering capabilities to provide greater value-add to our customers as we intensify our marketing and expansion efforts into new markets. At the same time, we will continue to keep a tight rein on our operating costs to ensure profitability of our projects.”

The Group has an outstanding order book of S\$120 million as at 12 February 2019.

## **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, “Top on our priority is our strong emphasis on product quality, timely deliveries and optimal resource allocation, as we navigate the challenging environment 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 six well-equipped fabrication yards in Singapore, Thailand and UAE with a total land area of about 2.2 million sq ft and a workforce of about 1,200 well-trained and skilled employees.

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