



**MUN SIONG ENGINEERING LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company registration No. 196900250M)  
35 Tuas Road, Jurong Town,  
Singapore 638496  
Tel: +65-64116570  
Fax: +65-68620218

## **NEWS RELEASE**

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- A) REVENUE OF MUN SIONG ENGINEERING LIMITED INCREASED BY 18.6% FOR 1QFY2016  
B) SECURES NEW CONTRACTS WORTH APPROXIMATELY S\$22.0 MILLION AND ADDITIONAL MAINTENANCE CONTRACTS
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**Singapore, 6<sup>th</sup> May 2016** - Mainboard listed Mun Siong Engineering Limited (“Mun Siong”) and its subsidiaries (“Group”), a turnkey solution provider to the process industry in Singapore, reported a total revenue of S\$19.4 million for the quarter ended 31 March 2016, an improvement of 18.6% from the corresponding prior quarter ending 31<sup>st</sup> March 2015.

The crude oil market continues to be plagued by oversupply due to the slowdown in major global economies (particularly China) and the inability of key producers to reach a consensus to reduce production levels.

The oversupply situation has resulted in selling prices being depressed below its cost of production. Many of our business partners have substantial business interest in the exploration and extraction of crude oil. The inability for the selling price to cover the cost of production has negatively affected the financial performance of many of our business partners.

The Group has witnessed in recent months the intense competition for new jobs (projects or maintenance works), and in addition, our business partners have reduced prices in many instances. Despite the reduction in pricing, the scope of work in many instances have increased, and noticeably, key performance indices relating to safety and job execution have been raised significantly.

These developments have put further pressure on our profitability. The Group expects these challenges to continue in FY 2016 and will likely intensify if the selling price for spot crude oil continues to deteriorate. The Group’s net profit before tax for 1QFY2016 was approximately S\$0.4 million, a decrease of approximately 58.1% as compared to S\$0.9 million for the corresponding period in 2015.

The outlook for the process industry in Singapore continues to be challenging. The Group will be looking towards procuring the necessary equipment and machineries to mechanise

its work processes and to expand its capabilities both horizontally and vertically to provide a holistic one-stop solution for our business partners.

Despite challenging conditions, the Group has secured new contracts in Jurong Island worth approximately S\$22.0 million for completion by end of 2016 for project works involving all of the Group's core competencies.

Besides project works, the Group has successfully entered into the tank rehabilitation business through securing a medium term maintenance contract on Jurong Island. In addition, the same business partner has renewed and expanded the coverage of its maintenance contract with the Group.

The award of the projects and a new type of maintenance services reflect the business partners' confidence in our capabilities and deliverables. Of the projects awarded is from a new business partner to the Group.

Barring any unforeseen circumstances, the above additions are expected to contribute positively to the Group, but are not expected to have a material effect on the earnings per share and the net tangible assets per share for the current financial year.

Save for their respective shareholdings in Mun Siong, none of the directors or substantial shareholders have any interests in the aforesaid contracts.

\*\*\*\*\* End of Release\*\*\*\*\*

***About Mun Siong Engineering Limited (SGX Stock Code: MF6, Bloomberg: MSE: SP, Reuters: MSEL.SI)***

*Mun Siong Engineering Limited (文祥机械工程公司) a well-diversified group of companies with its core business in providing plant services and turnkey projects in piping and steel structure fabrication, static and rotating mechanical equipment detailed engineering and supply; electrical and instrumentation services and scaffolding works for process plants and modules for the oil, gas, petrochemicals, energy, chemicals and power industries.*

*The Mun Siong Group offers a range of products and services. We distribute, service and package pump skids like Edwards Vacuum Pumps, Weir Minerals- Floway pumps; Weir Gabbioneta pumps; Hughes pumps; Ampco Pumps and STB seals. As an integrated service provider, Mun Siong Group is also able to provide design and engineering solutions and the ability to deliver superior quality products and services to its customers.*

*In 2015 and 2014, Mun Siong Group won the WSH Workplace Safety & Health Performance Award (Silver), and a WSH Award for Supervisors, as well as a WSH Innovation Award (Silver) in 2014. The award is given out by the organisers in recognition of companies for their commitment and efforts in eliminating or controlling workplace safety and health hazard, as well as innovative solutions which improve safety and health outcomes.*

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For more information and media enquiries, please contact:  
Ms Phoebe Choo at [choo.mc.phoebe@mun-siong.com](mailto:choo.mc.phoebe@mun-siong.com)  
Tel: +65-6411-6570 (Ext 644)