



HIAP SENG ENGINEERING LTD

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



NEWS RELEASE

HIAP SENG'S RESULTS ANNOUNCEMENT FOR 2QFY2015 AND 1HFY2015

Singapore, November 10, 2014 – 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 16.9% rise in revenue to S\$80.7 million for the three months ended September 30, 2014 (“2QFY2015”) from S\$69.0 million in the previous corresponding period (“2QFY2014”).

The increase in 2QFY2015's revenue was mainly as a result of higher revenue recognition of projects. The gross profit was S\$1.0 million in 2QFY2015 as compared to a gross loss of S\$1.3 million in 2QFY2014.

The net loss attributable to shareholders consequently reduced to S\$3.8 million from S\$8.5 million in 2QFY2014 largely due to lower administrative costs and the exchange gain of S\$1.1 million in 2QFY2015.

For the six months ended September 30, 2014 (“1HFY2015”), revenue increased 26.8% to S\$156.6 million from S\$123.6 million in the previous corresponding period (“1HFY2014”) while net loss attributable to shareholders reduced to S\$2.8 million in 1HFY2015 from S\$5.8 million in 1HFY2014.

Mr. Frankie Tan, Chairman and CEO of Hiap Seng said, “The operating environment remains tough but we have managed to increase our revenue while narrowing our losses. Although cost pressures continue to impact our margins, we are committed to implementing cost efficiency measures and to also explore business opportunities within Singapore and around the region.”

Outlook

The directors are not optimistic on the Group’s performance for the current financial year ending March 31, 2015, in light of the keen competition, rising labour costs and potential cost overruns for certain projects.

Hiap Seng continues to direct its attention on cost controls while seeking to generate productivity improvements. The Group plans to leverage on its established track record in the industry to secure projects with higher margins while focusing on increasing shareholder value.

Corporate Profile

Established in 1971 and a Main-board 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, Malaysia and Thailand with a total land area of about 2.5 million sq ft and a workforce of over 2,000 well-trained and skilled employees.

Hiap Seng made its maiden appearance on Forbes' list of Top 200 Asia-Pacific firms with sales under US\$1 billion in September 2010. The list, called "Best Under A Billion," selects the top-performing firms with 12,000 publicly listed companies with sales of less than US\$1 billion. Selections were based on companies' profitability, growth, modest indebtedness and future prospects.

On December 13, 2010, Hiap Seng was conferred the coveted Business Superbrands Award in Singapore. The Business Superbrands status is awarded to some of the world's strongest examples of business to business brands.

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