HIAP SENG INDUSTRIES LIMITED

(Company Registration No. 202200187H)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2026

Table of contents	**Page**
A. Condensed interim consolidated statement of profit or loss and other comprehensive income	1
B. Condensed interim statement of financial position	2
C. Condensed interim statement of changes in equity	3
D. Condensed interim consolidated statement of cash flows	4
E. Notes to the condensed interim consolidated financial statements	5
F. Other information required by Listing Rule Appendix 7.2	11

A. Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Six Months Ended 30 September 2026

		Group		
		6 months ended 30/9/2026	6 months ended 30/9/2025	Changes
	Note	S$'000	S$'000	%
Revenue	4	10,806	10,985	-1.6%
Cost of services rendered		(8,072)	(8,301)	-2.8%
Gross profit		**2,734**	**2,684**	1.9%
Gross profit margin		25.3%	24.4%	
Other income	6(a)	442	542	-18.5%
Administrative expenses		(1,872)	(1,648)	13.6%
Other (loss)/gain-net	6(b)	(43)	66	NM
Profit from operations		**1,261**	**1,644**	-23.3%
Finance expenses	6(d)	(23)	-	NM
Share of loss of associated companies		-	(2)	NM
Profit before income tax		**1,238**	**1,642**	-24.6%
Income tax expense	7	(2)	(369)	-99.4%
Net profit after tax		**1,236**	**1,273**	-2.9%
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation		6	(124)	NM
Total comprehensive income for the period		**1,242**	**1,149**	8.1%
Profit attributable to:				
Equity holders of the Company		1,236	1,273	-2.9%
Non-controlling interests		-	-	NM
		1,236	**1,273**	-2.9%
Total comprehensive income attributable to:				
Equity holders of the Company		1,242	1,149	8.1%
Non-controlling interests		-	-	NM
		1,242	**1,149**	8.1%
Earnings per share for profit for the period attributable to the owners of the Company during the year:				
Basic (SGD in cent)		0.03	0.03	
Diluted (SGD in cent)		0.03	0.03	

Notes:
NM - Not meaningful

B. Condensed Statement of Financial Position as at 30 September 2026

	Note	Group		Company	
		Unaudited 30/9/2026	Audited 31/3/2026	Unaudited 30/9/2026	Audited 31/3/2026
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Current assets					
Cash and cash equivalents		26,141	24,381	9,563	9,532
Trade and other receivables		4,612	6,233	379	1,358
Other current assets		183	513	17	16
		30,936	31,127	9,959	10,906
Non-current assets					
Investments in associated companies		292	292	-	-
Investments in subsidiaries		-	-	16,524	16,524
Investments property		221	217	-	-
Property, plant and equipment		17,387	8,848	-	-
Financial assets, At FVOCI	9	580	580	-	-
		18,480	9,937	16,524	16,524
Total assets		**49,416**	**41,064**	**26,483**	**27,430**
LIABILITIES					
Current liabilities					
Trade and other payables		4,157	4,889	45	88
Lease Liabilities		651	-	-	-
Current income tax liabilities		399	742	-	-
		5,207	5,631	45	88
Non-current liabilities					
Lease Liabilities		8,504	-	-	-
		8,504	-	-	-
Total liabilities		**13,711**	**5,631**	**45**	**88**
NET ASSETS		**35,705**	**35,433**	**26,438**	**27,342**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	11	26,341	26,341	26,341	26,341
Other reserves		4,375	4,369	-	-
Retained earnings		4,989	4,723	97	1,001
TOTAL EQUITY		**35,705**	**35,433**	**26,438**	**27,342**

C. Condensed Interim Statements of Changes In Equity as at 30 September 2026

Group	Share capital	Other reserves	Retained earnings/ (Accumulated losses)	Total equity
	S$'000	S$'000	S$'000	S$'000
As at 1 April 2026	**26,341**	**4,369**	**4,723**	**35,433**
Profit for the period	-	-	1,236	1,236
Other comprehensive income for the period	-	6	-	6
Total comprehensive income for the period	-	6	1,236	1,242
Contributions to and distributions to owners of the Company:				
Dividends	-	-	(970)	(970)
As at 30 September 2026	**26,341**	**4,375**	**4,989**	**35,705**
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

Company	Share capital	Other reserves	Retained earnings	Total equity
	S$'000	S$'000	S$'000	S$'000
As at 1 April 2026	**26,341**	**-**	**1,001**	**27,342**
Total comprehensive income for the period	-	-	66	66
Dividends	-	-	(970)	(970)
As at 30 September 2026	**26,341**	**-**	**97**	**26,438**
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

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 2026

	Group	
	Unaudited	
	6 months ended 30/09/2026	6 months ended 30/09/2025
	S$'000	S$'000
Cash flows from operating activities:		
Profit before tax	**1,238**	1,642
Adjustments for:		
Depreciation of property, plant equipment	**860**	448
Net gain on disposal of property, plant and equipment	**-**	(18)
Unrealised currency translation losses	**2**	5
Interest expense	**23**	-
Interest income	**(167)**	(234)
Share of loss of associated companies	**-**	2
	1,956	1,845
Change in working capital		
Trade and other receivables	**1,622**	(2,381)
Other current assets	**330**	18
Trade and other payables	**(732)**	254
Cash generated from/(used in) operations	**3,176**	(264)
Income tax paid	**(345)**	(395)
Net cash generated from/(used in) operating activities	**2,831**	(659)
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	**-**	18
Purchases of property, plant and equipment	**(191)**	(1,570)
Interest received	**167**	234
Net cash used in investing activities	**(24)**	(1,318)
Cash flows from financing activities		
Repayment of lease liabilities	**(53)**	-
Interest paid	**(23)**	-
Dividends paid to equity holders of the Company	**(970)**	-
Net cash used in financing activities	**(1,046)**	-
Cash and cash equivalent		
Net increase/(decrease) in cash and cash equivalents	**1,761**	(1,977)
Effect of currency translation on cash and cash equivalents	**(1)**	-
Beginning of the financial period	**24,381**	23,655
End of the financial period	**26,141**	21,678

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 2026 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 2026 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 2026.

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.

E. Notes to the condensed interim consolidated financial statements

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period from 1 April 2026 to 30 September 2026.

4. 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 2026 and 30 September 2025 is as follows:

4.1 Reportable segments

	Plant construction and maintenance
	S$'000
Six months ended 30 September 2026	
Revenue	
Revenue from external parties	10,806
Adjusted EBITDA	**1,954**
Depreciation of property, plant and equipment	(860)
Segment assets	**48,836**
Segment assets include:	
Investment in associated company	292
Additions to:	
Property, plant and equipment	191
Segment liabilities	**(4,157)**

	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

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

	6 months ended 30/9/2026 $'000	6 months ended 30/9/2025 $'000
EBITDA	1,954	1,856
Depreciation of property, plant and equipment	(860)	(448)
Finance expense	(23)	-
Interest income	167	234
Profit before tax	**1,238**	1,642

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

	As at 30/9/2026 $'000	As at 30/9/2025 $'000
Segment assets for reportable segments	48,836	36,314
Financial assets, at FVOCI	580	1,213
Total assets	**49,416**	37,527

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

	As at 30/9/2026 $'000	As at 30/9/2025 $'000
Segment liabilities	4,157	4,168
Provision for taxation	399	757
Lease liabilities	9,155	-
Total liabilities	**13,711**	4,925

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**
Six months ended 30 September 2026	**S$'000**	**S$'000**	**S$'000**
Maintenance services	-	9,160	9,160
Construction contract	-	1,189	1,189
Rental of vehicle and equipment	-	387	387
Others	70	-	70
Total	**70**	**10,736**	**10,806**

	At a point in time	**Over time**	**Total**
Six months ended 30 September 2025	**S$'000**	**S$'000**	**S$'000**
Maintenance services	-	10,476	10,476
Construction contract	-	75	75
Rental of vehicle and equipment	-	389	389
Others	45	-	45
Total	**45**	**10,940**	**10,985**

Geographical information

	Revenue		**Non-current assets**	
	As at 30/09/2026 S$'000	**As at 30/09/2025 S$'000**	**As at 30/09/2026 S$'000**	**As at 30/09/2025 S$'000**
Singapore	10,806	10,985	18,259	9,875
Other countries	-	-	221	238
Total	**10,806**	**10,985**	**18,480**	**10,113**

E. Notes to the condensed interim consolidated financial statements

5. 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 2026 and 31 March 2026.

	Group		Company	
	As at 30/09/2026 S$'000	**As at 31/03/2026 S$'000**	**As at 30/09/2026 S$'000**	**As at 31/03/2026 S$'000**
Financial assets				
Cash and cash equivalents	26,141	24,381	9,563	9,532
Trade and other receivables	4,612	6,233	379	1,358
Deposits	21	312	-	16
	30,774	**30,926**	**9,942**	**10,906**
Financial liabilities				
Trade and other payables	4,157	4,889	45	88
Taxation	399	742	-	-
	4,556	**5,631**	**45**	**88**

6. Profit before taxation

	Group	
	6 months ended 30/9/2026 S$'000	6 months ended 30/9/2025 S$'000
(a) Other income		
Dividend income	**-**	32
Interest income	**167**	234
Premise rental income	**274**	273
Government grant	**1**	3
	442	542
(b) Other (loss)/gains -net		
Bad debts recover	**1**	-
Currency exchange (loss)/gain - net	**(49)**	45
Net gain on disposal of property, plant and equipment	**-**	18
Sale of scrap materials	**5**	3
	(43)	66
(c) Included in the cost of services rendered and administrative expenses are:		
Depreciation of property, plant and equipment	**(860)**	(448)
(d) Finance costs		
-Interest expenses on lease liabilities	**(23)**	-
	(23)	-

E. Notes to the condensed interim consolidated financial statements

6. Profit before taxation (cont'd)

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 30/9/2026 S$'000	6 months ended 30/9/2025 S$'000
Sales and purchase of goods and services		
Computer maintenance fees paid to an associated company	**3**	7
Material purchases from related party	**26**	6
Construction cost from related party	**20**	1,227
Equipment lease charge to related party	**217**	222
Maintenance services render charge to related party	**-**	15

7. 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 30/9/2026 S$'000	6 months ended 30/9/2025 S$'000
Current income tax expenses	**2**	369

Subsequent to the reporting date, the Group received confirmation from the Inland Revenue Authority of Singapore that the Company's subsidiary has unutilised tax losses amounting to $29 million that can be carried forward for Year of Assessment (YA) 2020 to YA 2023. Accordingly, there is no provision for current tax for the period ended 30 September 2026

8. Net asset value

	Group		**Company**	
	As at 30/09/2026	As at 31/03/2026	**As at 30/09/2026**	As at 31/03/2026
Net asset value per ordinary share (in cents)	**0.7**	0.7	**0.5**	0.6

9. Financial assets at fair value through other comprehensive income

	Group	
	As at 30/09/2026	As at 31/3/2026
	S$'000	S$'000
Beginning and end of financial period/year	**580**	580

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 9.1).

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.

E. Notes to the condensed interim consolidated financial statements

9. Financial assets at fair value through other comprehensive income (cont'd)

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.

9.1. 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).

10. Property, plant and equipment

During the six months ended 30 September 2026, the Group acquired assets amounting to S$191,000 (30 September 2025: S$1,570,000) and disposed of assets with carrying amounts of S$Nil (30 September 2025: S$Nil).

11. Share capital

	The Group and The Company			
	As at 30/09/2026		As at 31/03/2026	
	Number of shares	Amount	Number of shares	Amount
	'000	S$'000	'000	S$'000
Issued and fully paid ordinary shares				
As at beginning of the financial year	4,847,589	26,341	4,479,265	24,142
Issuance of shares to subscribers	-	-	368,324	2,199
	4,847,589	26,341	4,847,589	26,341

The Company did not hold any treasury shares as at 30 September 2026.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2026 and 31 March 2026.

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 2026 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 (HY2027) Review

Revenue decreased by $0.2 million to $10.8 million in HY2027, compared to HY2026. This was mainly due to the absence of shutdown maintenance activity, partially offset by an increase in contract and daily maintenance activities.

Other income decreased by $0.1 million to $0.4 million in HY2027, compared to HY2026, mainly due to lower fixed deposit interest income as interest rates declined during the financial period.

Administrative expenses increased by $0.2 million to $1.9 million in HY2027, compared to HY2026, mainly due to higher accrued costs.

Taking the above factors into account, the Group recorded a profit before tax of $1.2 million in HY2027, a decrease of $0.4 million compared to HY2026.

Segment Review

EBITDA of the plant construction and maintenance segment increased by $0.1 million to $2.0 million in HY2027, compared to HY2026, mainly due to prudent cost control measures implemented by management.

Assets of the plant construction and maintenance segment increased by $12.5 million to $48.8 million as at 30 September 2026, compared to 30 September 2025. This was mainly due to increases in cash and cash equivalents of $4.5 million and property, plant and equipment of $9.0 million, partially offset by decreases in trade and other receivables of $0.6 million and other current assets of $0.4 million.

Balance Sheet Review

Non-current assets increased by $8.5 million to $18.5 million as at 30 September 2026, compared to 31 March 2026, mainly due to an $8.5 million increase in property, plant and equipment. This was mainly attributable to the recognition of right-of-use assets arising from the extension of the JTC leases in September 2026.

Current liabilities decreased by $0.4 million to $5.2 million as at 30 September 2026, compared to 31 March 2026. This was mainly due to decreases in trade and other payables of $0.7 million and income tax liabilities of $0.3 million, partially offset by an increase in lease liabilities of $0.7 million.

Non-current liabilities increased to $8.5 million as at 30 September 2026, from nil as at 31 March 2026, mainly due to the recognition of lease liabilities arising from the extension of the JTC leases in September 2026.

Cash Flow Statement Review

Cash and cash equivalents increased by $1.8 million during HY2027 to $26.1 million as at 30 September 2026. This was mainly due to net cash generated from operating activities of $2.8 million, partially offset by net cash used in financing activities of $1.0 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 2026.

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 environment, with downward pressure on pricing across its core sectors. Operating costs also remain elevated, driven by tightening foreign workforce policies, strong nationwide demand for external foreign worker dormitories, and a persistently high inflationary environment.

The operating landscape has also been shaped by geopolitical developments in early 2026, particularly the Middle East conflict. This may affect client demand for the Group's services and could further raise operating costs through higher utilities and fuel expenses, as well as broader inflationary pressures from service providers and suppliers.

In response, the Group has implemented, and continues to explore, prudent and targeted initiatives to mitigate cost pressures and enhance its competitiveness. These include the installation of a solar energy system and the development of an in-house workplace training centre, all aimed at reducing exposure to rising costs, eliminating inefficiencies and improving productivity. The Group has also commenced operation of its own foreign workers' factory-converted dormitory (FCD) at its headquarters, which is anticipated to contribute to cost efficiency. In addition, the renewal of the leases for its Tuas Crescent properties provides a firm foundation for the Group to pursue further investments or projects at the properties.

Supported by a healthy balance sheet, the Group will remain vigilant and selective in pursuing development, investment and diversification opportunities, ensuring that any growth initiatives are aligned with its long-term objectives of profitability and sustainability. The positive development in the determination by the Inland Revenue Authority of Singapore (IRAS) of the Group's unutilised tax losses will further strengthen the Group's balance sheet.

5. Dividend information

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediate Preceding Financial Year

Dividend declared for the corresponding period of the immediately preceding 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)

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

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

In view of the current economic environment, the Board has adopted a prudent approach to capital management and has therefore not declared an interim dividend for the current financial period.

F. Other information required by Listing Rule Appendix 7.2

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.

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 2026 to be false or misleading in any material aspect.

By order of the board

Khua Kian Hua
Executive Director
13 November 2026