



## **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 4QFY2017 AND FY2017**

**Singapore, 23 May 2017** – 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 revenue of S\$35.0 million and S\$158.5 million for the fourth quarter and full year ended 31 March 2017 (“4QFY2017” and “FY2017” respectively).

The 5.6% dip in revenue to S\$158.5 million in FY2017 was largely due to lower recognition of project revenue. Together with higher operating costs, this led gross profit to correspondingly decline by 18.4% to S\$19.2 million while net profit attributable to shareholders was lower at S\$2.5 million in FY2017 as compared to S\$6.0 million in FY2016.

For 4QFY2017, lower project revenue recognition led to a 37.0% decrease in its topline to S\$35.0 million, from S\$55.6 million in the previous corresponding period (“4QFY2016”). Higher operating costs and administrative costs including an amortisation of intangible assets of S\$1.7 million for 4QFY2017, led to a net loss attributable to shareholders of S\$1.8 million as compared to a net profit of S\$1.9 million in 4QFY2016.

Hiap Seng's cash and cash equivalents as at 31 March 31 2017 stood at S\$9.7 million and its net cash position at S\$3.5 million.

The Group has an outstanding order book of S\$108.0 million as at 23 May 2017.

Mr. Frankie Tan, Executive Chairman of Hiap Seng said, "Raising productivity and keeping a tight lid on costs will remain our key focus to navigate through this protracted downturn period which affects all oil-and-gas industry-related players. Notwithstanding a tough year, we will like to reward our loyal shareholders for their support to Hiap Seng all these years."

### **Proposed Dividends**

To reward its loyal shareholders, the Group has proposed a one-tier tax exempt final dividend of 0.5 cent per ordinary share, in addition to an interim dividend of 0.5 cent per ordinary share paid on 25 January 2017. This brings total dividends to 1.0 cent per ordinary share for FY2017. The proposed dividend, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 28 August 2017.

### **Outlook**

Hiap Seng's Directors continue to be cautiously optimistic on the Group's performance for the current financial year ending 31 March 2018, barring any unforeseen circumstances, in spite of the intense competitive market conditions for the oil-and-gas industry.

Mr. Frankie Tan added, "Our order book remains at a healthy level and consistent with prior year efforts, we will take proactive steps to maintain a lean cost structure, bolster our productivity levels and explore business opportunities in regions where we have established a strong track record, to better withstand the muted environment."

## 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 five well-equipped fabrication yards in Singapore and Thailand with a total land area of about 2.2 million sq ft and a workforce of about 1,500 well-trained and skilled employees.

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