



HIAP SENG ENGINEERING LTD

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

NEWS RELEASE

HIAP SENG'S RESULTS ANNOUNCEMENT FOR 2QFY2018 AND 1HFY2018

Singapore, November 13, 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\$30.5 million and a net loss attributable to shareholders of S\$3.6 million for the second quarter ended September 30, 2017 (“2QFY2018”).

For 2QFY2018, the 40.3% dip in revenue to S\$30.5 million was mainly due to a lower recognition of plant construction revenue. The decreased revenue, coupled with higher than expected operating costs, led the Group to register a gross loss of S\$0.6 million for 2QFY2018, from a gross profit of S\$4.6 million from the previous corresponding quarter (“2QFY2017”). The Group slid to a net loss attributable to shareholders of S\$3.6 million in 2QFY2018 from net profit of S\$0.9 million in 2QFY2017.

For the six months ended September 30, 2017 (“1HFY2018”), the Group’s revenue decreased 26.3% to S\$66.7 million from S\$90.5 million in the previous corresponding period (“1HFY2017”). The Group registered a net loss attributable to shareholders of S\$2 million in 1HFY2018.

The Group has an outstanding order book of S\$81 million as at November 13, 2017.

Mr. Frankie Tan, Executive Chairman of Hiap Seng said, “We will continue to focus on managing projects and production costs more effectively to ensure sustainable operating performance. At the same time, we will continue to seek suitable opportunities in the region where the Group has established a strong track record, as well as in new markets. ”

Hiap Seng recently secured three contracts worth approximately S\$52 million in Singapore and Thailand, which were awarded by Sembcorp Project Engineering Company and Evonik Methionine South East Asia. The contract wins from reputable industry players reflect customers’ confidence in Hiap Seng’s capabilities and solid track record of delivering high quality projects on-time and with safety.

Outlook

Despite uncertain macro-economic and the intense competitive market conditions, the Directors of the Company are seeking suitable opportunities in new markets to mitigate any slowdown in the oil-and gas sector of the traditional markets.

Mr. Frankie Tan added, “Given the challenging oil-and-gas industry, we will continue to manage our operations prudently and take proactive steps to improve productivity, while exploring potential business opportunities, so as to diversify and widen both our customer and revenue bases.”

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 1,200 well-trained and skilled employees.

ISSUED ON BEHALF OF : Hiap Seng Engineering Ltd.
BY : Citigate Dewe Rogerson Pte Ltd
55 Market Street
#02-01
SINGAPORE 048941

For CDR

CONTACT : Ms Dolores Phua / Ms Faye Wang
at telephone
DURING OFFICE HOURS : 6534-5122
EMAIL : dolores.phua@citigatedewerogerson.com
faye.wang@citigatedewerogerson.com

For Hiap Seng

CONTACT : Mr Tan Hak Jin
at telephone
DURING OFFICE HOURS : 6897-8082
EMAIL : thj@hiapseng.com

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