



HIAP SENG ENGINEERING LTD

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

NEWS RELEASE

HIAP SENG'S RESULTS ANNOUNCEMENT FOR 1QFY2017

Singapore, August 10, 2016 – Hiap Seng Engineering Ltd (“Hiap Seng” or the “Group”), a specialist integrated engineering group for the oil-and-gas, petrochemical and pharmaceutical industries, today announced a 28.7% rise in net profit attributable to shareholders to S\$2.5 million on the back of a 19.3% increase in revenue to S\$39.4 million for the first quarter ended June 30, 2016 (“1QFY2017”).

The topline growth in 1QFY2017, up from S\$33.0 million in the previous corresponding quarter (“1QFY2016”) was achieved largely due to a higher recognition of plant construction and maintenance revenue. In tandem with the improved revenue, gross profit rose by 7.6% to S\$7.1 million during the quarter.

Correspondingly, the Group registered an increase in net profit attributable to shareholders to S\$2.5 million in 1QFY2017 from S\$1.9 million in 1QFY2016.

Mr. Frankie Tan, Chairman and CEO of Hiap Seng said, “We are glad to have attained an improved performance this quarter, following our efforts to control costs amidst the overall challenging environment, particularly in the oil-and-gas sector.”

As at June 30, 2016, the Group's cash and cash equivalents stood at S\$12.0 million while its net cash position was S\$10.1 million, an improvement from S\$8.2 million as at March 31, 2016.

Hiap Seng has an outstanding order book of S\$110 million as at August 10, 2016.

Outlook

Despite macro-economic and market conditions being uncertain, the Directors of the Group continue to be cautiously optimistic on Hiap Seng's performance for the financial year ending March 31, 2017, barring any unforeseen circumstances.

Mr. Frankie Tan added, "While we anticipate potential near-term pressures in the oil-and-gas industry, we will continue to manage our operations prudently, seek ways to improve productivity and capitalise on business opportunities in Singapore and overseas."

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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