

HIAP SENG ENGINEERING LTD
(Company Registration No. 197100300Z)

UNAUDITED FOURTH QUARTER AND FULL YEAR ENDED 31 MARCH 2015
FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

1(a). A statement of comprehensive income (for the group) together with a comparative statement for the fourth quarter and full year ended 31 March 2015

	Group			Group		
	4QFY15 S\$'000	4QFY14 S\$'000	Increase/ (Decrease) %	FY15 S\$'000	FY14 S\$'000	Increase/ (Decrease) %
Turnover	48,091	68,517	(29.8)	253,104	258,617	(2.1)
Cost of sales	(44,253)	(63,335)	(30.1)	(242,804)	(239,477)	1.4
Gross profit	3,838	5,182	(25.9)	10,300	19,140	(46.2)
Gross profit margin	8.0%	7.6%		4.1%	7.4%	
Other income	8	19	(57.9)	50	84	(40.5)
Administrative costs	(9,377)	(5,224)	79.5	(24,511)	(23,008)	6.5
Other gain- net	1,980	895	NM	2,706	436	NM
(Loss)/profit from operations	(3,551)	872	NM	(11,455)	(3,348)	NM
Finance costs	(111)	(153)	(27.5)	(708)	(499)	41.9
Share of (loss)/profit of associated companies	(105)	433	NM	386	680	(43.2)
(Loss)/profit before tax	(3,767)	1,152	NM	(11,777)	(3,167)	NM
Income tax expense	(574)	280	NM	(960)	(45)	NM
Net (loss)/profit after tax	(4,341)	1,432	NM	(12,737)	(3,212)	NM
Other comprehensive income						
Foreign currency translation	583	9	NM	925	(35)	NM
Total comprehensive (loss)/income for the period	(3,758)	1,441	NM	(11,812)	(3,247)	NM
(Loss)/profit attributable to:						
Owner of the parent	(4,284)	1,266	NM	(13,163)	(3,446)	NM
Non-controlling interests	(57)	166	NM	426	234	82.1
	(4,341)	1,432	NM	(12,737)	(3,212)	NM
Total comprehensive (loss)/income attributable to:						
Owner of the parent	(3,699)	1,305	NM	(12,223)	(3,451)	NM
Non-controlling interests	(59)	136	NM	411	204	NM
	(3,758)	1,441	NM	(11,812)	(3,247)	NM

NM: Denotes not meaningful

Profit from operations included the following:

	Group		Group	
	4QFY15 S\$'000	4QFY14 S\$'000	FY15 S\$'000	FY14 S\$'000
(a) Other income				
Other income including interest income	8	19	50	84
(b) Other (losses)/gain- net				
Net (loss)/gain on disposal of property, plant and equipment	(40)	(327)	43	(200)
Net gain on disposal of subsidiary	2,537	-	2,537	-
Currency exchange (loss)/gain	(545)	772	77	187
(c) Administrative costs				
Allowance for impairment of receivables	(4,666)	(170)	(4,666)	(170)
Write back of doubtful trade debt	374	-	374	-
(d) Depreciation of property, plant and equipment	(1,019)	(956)	(4,244)	(4,324)
(e) Amortisation of intangible assets	(30)	(87)	(154)	(347)

1(b)(i). A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	17,928	7,812	10,684	3,156
Income tax recoverable	-	1,061	-	781
Trade and other receivables	61,109	108,921	70,589	110,829
Contract work-in-progress	2,406	52,319	1,797	15,047
Other current assets	2,125	2,222	1,107	1,767
	83,568	172,335	84,177	131,580
Non-current assets				
Club memberships	386	363	321	298
Investments in associated companies	348	1,078	109	109
Investments in subsidiaries	-	-	14,775	14,858
Property, plant and equipment	23,918	26,049	7,096	8,913
Available-for-sale financial assets	2,482	2,482	2,482	2,482
Deferred income tax assets	71	294	-	-
Intangible assets	6,503	6,657	-	-
	33,708	36,923	24,783	26,660
Total assets	117,276	209,258	108,960	158,240
LIABILITIES				
Current liabilities				
Trade and other payables	47,202	96,924	39,814	62,670
Current income tax liabilities	-	1	-	-
Borrowings	6,640	36,553	783	28,487
	53,842	133,478	40,597	91,157
Non-current liabilities				
Borrowings	881	834	787	342
Deferred income tax liabilities	1,357	1,536	335	458
	2,238	2,370	1,122	800
Total liabilities	56,080	135,848	41,719	91,957
NET ASSETS	61,196	73,410	67,241	66,283
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	36,178	36,178	36,178	36,178
Other reserves	707	(75)	-	-
Retained earnings	22,319	35,482	31,063	30,105
Total	59,204	71,585	67,241	66,283
Minority interests	1,992	1,825	-	-
Total equity	61,196	73,410	67,241	66,283

1(b)(ii). Aggregate amount group's borrowings and debt securities

	31-Mar-2015		31-Mar-2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	6,640	-	36,553	-
Amount repayable after one year	881	-	834	-

Details of any collaterals;

The Group's borrowings are secured against certain properties, machineries and fixed deposits of the Group.

1(c). A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	4Q FY 15 S\$'000	4Q FY 14 S\$'000	FY 15 S\$'000	FY 14 S\$'000
Cash flow from operating activities:				
Total (loss)/profit	(4,341)	1,432	(12,737)	(3,212)
Adjustment for :				
Depreciation of property, plant and equipment	1,019	956	4,244	4,324
Amortisation of intangible assets	30	87	154	347
Net loss/(gain) on disposal and write-off of plant and equipment	40	(73)	(43)	(200)
Share of loss/(profit) of associated companies	105	(441)	(386)	(680)
Allowance for impairment on receivables	4,292	(170)	4,292	(170)
Gain on disposal of subsidiary	(2,537)	-	(2,537)	-
Foreign exchange adjustments	(183)	(310)	(403)	290
Income tax expense/(credit)	573	(280)	959	45
Interest expense	111	153	708	499
Interest income	(8)	(19)	(50)	(84)
Operating cash flow before working capital changes	(899)	1,335	(5,799)	1,159
Changes in operating assets and liabilities				
Contract work-in-progress	10,935	8,986	49,413	(31,866)
Trade and other receivables	27,299	(13,676)	43,519	(28,808)
Other current assets	(237)	2,906	(162)	2
Trade and other payables	(20,901)	(1,471)	(46,903)	26,185
Cash generated from/(used in) operations	16,197	(1,920)	40,068	(33,328)
Income taxes paid	(543)	(796)	213	(1,090)
Net cash inflow generated from/(used in) operating activities	15,654	(2,716)	40,281	(34,418)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	178	240	745	369
Proceeds from disposal of subsidiary	2,319	-	2,319	-
Purchase of Club membership	(23)	-	(23)	-
Acquisition of equity interest in existing subsidiary from Non-controlling interests	-	-	(216)	-
Purchases of property, plant and equipment	(398)	(3,321)	(2,375)	(7,710)
Repayment of other receivables	-	1,028	-	1,028
Interest income received	8	1	50	84
Net cash (outflow)/ inflow from investing activities	2,084	(2,052)	500	(6,229)
Cash flows from financing activities				
Dividend paid	-	(1,516)	-	(3,035)
Decrease/(Increase) in bank deposits pledged	746	(694)	708	(694)

(Decrease)/ increase in Hire purchase creditors	(297)	(80)	1,062	486
Trust receipt creditors	(706)	1,422	(6,862)	7,108
Money market line loans	(12,291)	6,127	(22,820)	26,317
Interest paid	(111)	(153)	(708)	(499)
Net cash inflow/ (outflow) from financing activities	(12,659)	5,106	(28,620)	29,683
Net increase/ (decrease) in cash and cash equivalents held	5,079	338	12,161	(10,964)
Effect of exchange rate change on cash and cash equivalents	7	(7)	16	44
Cash and cash equivalents at beginning of the financial period	11,584	4,162	4,493	15,413
Cash and cash equivalents at end of the financial period	16,670	4,493	16,670	4,493
Cash and cash equivalents represented by:				
Bank and cash balances	16,734	5,909	16,734	5,909
Fixed deposits with financial institutions	1,194	1,903	1,194	1,903
Less: Bank overdrafts	(65)	(1,417)	(65)	(1,417)
Less: Restricted bank deposits	(1,193)	(1,902)	(1,193)	(1,902)
	16,670	4,493	16,670	4,493

1(d)(i). A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share Capital	Other Reserves	Retained Earnings	Total	Minority interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9MFY15						
As at 1 Apr 2014	36,178	(75)	35,482	71,585	1,825	73,410
Total comprehensive income for the period	-	355	(8,879)	(8,524)	470	(8,054)
Acquisition of equity interest in existing subsidiary from Non-controlling interests	-	(158)	-	(158)	(58)	(216)
As at 31 Dec 2014	36,178	122	26,603	62,903	2,237	65,140
4QFY15						
Total comprehensive income for the period	-	585	(4,284)	(3,699)	(59)	(3,758)
Disposal of Subsidiary	-	-	-	-	(186)	(186)
As at 31 Mar 2015	36,178	707	22,319	59,204	1,992	61,196
9MFY14						
As at 1 Apr 2013	36,178	(70)	41,963	78,071	1,621	79,692
Total comprehensive income for the period	-	(101)	(4,712)	(4,813)	68	(4,745)
Dividend on ordinary share	-	-	(1,519)	(1,519)	-	(1,519)
As at 31 Dec 2013	36,178	(171)	35,732	71,739	1,689	73,428
4QFY14						
Total comprehensive income for the period	-	96	1,266	1,362	136	1,498
Dividend on ordinary shares	-	-	(1,516)	(1,516)	-	(1,516)

As at 31 Mar 2014	36,178	(75)	35,482	71,585	1,825	73,410

Company	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
9MFY15			
As at 1 Apr 2014	36,178	30,105	66,283
Total comprehensive income for the period	-	(4,914)	(4,914)
As at 31 Dec 2014	36,178	25,191	61,369
4QFY15			
Total comprehensive income for the period	-	5,872	5,872
As at 31 Mar 2015	36,178	31,063	67,241
9MFY14			
As at 1 Apr 2013	36,178	34,673	70,851
Total comprehensive income for the period	-	(7,064)	(7,064)
Dividend on ordinary share	-	(1,519)	(1,519)
As at 31 Dec 2013	36,178	26,090	62,268
4QFY14			
Total comprehensive loss for the period	-	5,531	5,531
Dividend on ordinary share	-	(1,516)	(1,516)
As at 31 Mar 2014	36,178	30,105	66,283

1(d)(ii). Details of any changes in the company's share capital arising rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversions of other issues of equity securities, issue of shares for the cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Not applicable.

1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	FY2015	FY2014
Issued & fully paid share capital		
Number of shares as at 31 December and 1 April	303,750,000	303,750,000

1(d)(iv). A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

These figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statement have been applied

The accounting policies have been consistently applied by the Group, and are consistent with those used in the preparation of the financial statements for the financial year ended 31 March 2014 except as disclosed in paragraph 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In FY2015, the Group and the Company adopted the FRS which are effective from annual periods commencing on or after 1 April 2014.

The FRS applicable to the Group is as follows:

FRS 27 Separate financial statements

FRS 28 Investments in associates and joint ventures

FRS 36 Disclosure of recoverable amount for non-financial assets

FRS 110 Consolidated Financial Statement

FRS 111 Joint arrangements

FRS 112 Disclosure of interests in Other Entities

The adoption of the above FRS did not result in significant changes to the Group's and Company's accounting policies.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend

	Group		Group	
	4QFY15	4QFY14	FY15	FY14
Loss per share (cents) Based on number of ordinary shares on issue (cents)	(1.41)	0.42	(4.33)	(1.13)
On fully diluted basis (cents)	(1.41)	0.42	(4.33)	(1.13)
Net loss attributable to ordinary shareholders for basic earnings per share (S\$'000)	(4,284)	1,266	(13,163)	(3,446)
Net loss attributable to ordinary shareholders for diluted earnings per share (S\$'000)	(4,284)	1,266	(13,163)	(3,446)
Weighted average number of ordinary shares in issue applicable to basic/diluted earnings per share ('000)	303,750	303,750	303,750	303,750

Note:

(a) The loss per share ("EPS") is calculated by dividing the consolidated net loss attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the financial period. Diluted loss per share are the same as basic loss per share as there are no potential dilutive ordinary shares.

(b) There was no material impact on prior period EPS on adoption of the revised FRS as discussed in paragraph 5.

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	20.1	24.2	22.1	21.8

The calculation of the net asset value per ordinary share issued is based on 303,750,000 shares at 31 March 2015 (31 March 2014: 303,750,000). There was no material impact on prior period net asset value per share on adoption of the revised FRS as discussed in paragraph 5.

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on**

Fourth Quarter (4QFY2015) Review

The Group's revenue for 4QFY2015 decreased by 29.8% from S\$68.5 million to S\$48.1 million as compared to 4QFY2014 mainly due to lower recognition of project revenue in 4QFY2015. The gross profit decreased by 25.9% from S\$5.2 million to S\$3.8 million mainly due to the lower revenue.

The Group's administrative costs increased by 79.5% from S\$5.2 million to S\$9.4 million mainly due to the allowance for impairment of receivables of S\$4.7 million provided in 4QFY2015 by a Malaysian subsidiary which had completed certain projects in East Malaysia. Excluding this allowance, the administrative costs would have decreased by 9.8% from 5.2 million in 4QFY2014 to S\$4.7 million in 4QFY2015.

The Group recorded a net loss attributable to shareholders of S\$4.3 million in 4QFY2015, as compared to a net profit of S\$1.3 million in 4QFY2014 mainly due to the factors mentioned above.

Full year (FY2015) Review

The Group's revenue for FY2015 decreased by 2.1% from S\$258.6 million to S\$253.1 million as compared to FY2014 mainly due to lower recognition of project revenue in FY2015. The gross profit decreased by 46.2% from S\$19.1 million to S\$10.3 million mainly due to cost overruns in certain projects resulting from escalating labour costs.

The Group's administrative costs increased by 6.5% from S\$23.0 million to S\$24.5 million mainly due to the allowance for impairment of receivables of S\$4.7 million provided in FY2015. Excluding this allowance, the administrative costs would have decreased by 13.7% from S\$23.0 million in FY2014 to S\$19.8 million in FY2015.

The Group's net loss attributable to shareholders for FY2015 increased to S\$13.2 million from S\$3.4 million for FY2014 mainly due to the factors mentioned above.

Statement of Financial Position Review

The decrease of S\$47.8 million in trade and other receivables as at 31 March 2015 as compared to 31 March 2014 is mainly due to higher collections in FY2015. The decrease of S\$49.9 million in contract work-in-progress as at 31 March 2015 as compared to 31 March 2014 is in line with the project completion schedules.

The decrease of S\$49.7 million in trade and other payables as at 31 March 2015 as compared to 31 March 2014 is in line with the Group's business activities.

The total borrowings of S\$7.5 million as at 31 March 2015 had decreased by S\$29.9 million compared to S\$37.4 million as at 31 March 2014.

As at 31 March 2015, the Group's cash and cash equivalents stood at S\$17.9 million as compared to S\$7.8 million as at 31 March 2014.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

10. 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 outlook of the oil-and-gas industry remains uncertain. However, barring any unforeseen circumstances, the Directors of the Company are cautiously optimistic about the Group's performance for the current financial year ending 31 March 2016. The Group will continue to control costs and take steps to improve productivity and look for other business opportunities.

As at the date of this announcement, the Group's outstanding order book stands at S\$145 million.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes.

Name of dividend	Final
Dividend type	Cash
Dividend rate	0.5 cent per ordinary share
Tax rate	One –tier tax exempt

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived (if the dividend is not taxable in the hands of shareholders, this must be stated)

Refer to 11(a).

(d) Date payable

The proposed final dividend, if approved by the members at the Annual General Meeting to be held on 28 July 2015, will be paid on 28 August 2015.

(e) Books closure date

NOTICE IS HEREBY GIVEN that the Company's Share Transfer Books and Register of Members will be closed from 13 August 2015 to 14 August 2015 (both dates inclusive) to determine shareholders' entitlement to the final one-tier tax exempt dividend of 0.5 cent per ordinary share for the year ended 31 March 2015.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 up to 5:00 p.m. on 12 August 2015 will be registered to determine shareholders' entitlement to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 12 August 2015 will be entitled to the proposed dividend

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. Segmented revenue and results for reportable or geographical segments (of the group) in form presented in the user's most recently audited annual financial statements, with comparative information for the immediately preceding year

The Group Segmental results for the financial year ended 31 March 2015 is as follows:

(A) Reportable Segment

	Plant construction & maintenance		Compression & process equipment fabrication		Consolidated	
	FY 15	FY 14	FY 15	FY 14	FY 15	FY 14
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
-Total segment revenue	216,627	211,991	36,477	46,626	253,104	258,617
-Inter-segment revenue	933	-	(933)	-	-	-
Revenue from external parties	217,560	211,991	35,544	46,626	253,104	258,617
Adjusted EBITDA for reportable segments	(5,973)	1,665	(748)	254	(6,721)	1,919
Other segments EBITDA	-	-	-	-	-	-
Depreciation	(4,145)	(4,210)	(99)	(114)	(4,244)	(4,324)
Amortisation	(154)	(347)	-	-	(154)	(347)
Finance expense	(624)	(487)	(84)	(12)	(708)	(499)
Interest income	42	75	8	9	50	84
(Loss)/ profit before tax	(10,854)	(3,304)	(923)	137	(11,777)	(3,167)
Share of profit of associated companies	386	680	-	-	386	680
Total assets	91,941	179,421	25,335	29,837	117,276	209,258
Total assets include:						
Investment in associated companies	348	1,078	-	-	348	1,078
Additions to:						
Property, plant and equipment	2,346	7,626	29	84	2,375	7,710
Total liabilities	(38,063)	(114,884)	(18,017)	(20,964)	(56,080)	(135,848)

(B) Geographical information

	Revenue		Non-current assets	
	FY 15	FY 14	FY 15	FY 14
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	137,310	135,092	19,293	19,508
China	15,938	18,105	634	610
Malaysia	32,929	48,767	63	1,857
Vietnam	26,107	3,740	-	-
Thailand	37,215	34,261	13,718	14,948
Africa	1,938	15,196	-	-
Others	1,667	3,456	-	-
Total	253,104	258,617	33,708	36,923

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the reportable or geographical segments

The revenue for plant construction & maintenance segment increased from S\$212.0 million to S\$217.6 million. This increase was mainly due to the completion of plant turnaround maintenance works in FY2015. The loss before tax for this segment increased from S\$3.3 million for FY2014 to S\$10.9 million for FY2015 mainly due to of cost overruns in certain projects and the allowance for impairment of receivables of S\$4.7m provided by a Malaysian subsidiary in FY2015.

The revenue for compression & process equipment fabrication segment decreased from S\$46.6 million to S\$35.5 million mainly due to lower of recognition project revenue. The loss before tax for this segment was S\$0.9 million for FY2015 as compared to a profit of S\$0.1 million for FY2014 due to the lower revenue.

Geographically, the Group's revenue in Malaysia decreased from S\$48.8 million to S\$32.9 million, mainly due to the completion of major projects in FY2014. The Group's revenue in Vietnam increased from S\$3.7 million to S\$26.1 million, mainly due to completion of plant turnaround maintenance works in FY2015.

15. A breakdown of sales

(all figures in S\$'000)	FY 15	FY 14	% increase/ (decrease)
Sales reported for the first half year	156,623	123,565	26.8
Net loss after tax reported for first half year	(2,201)	(5,923)	(62.8)
Sales reported for second half year	96,481	135,052	(28.6)
Net (loss) /profit after tax reported for second half year	(10,536)	2,711	NM

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

(all figures in S\$'000)	Latest Full Year	Previous Full Year
Ordinary	-	3,035
Preference	-	-
Total	-	3,035

17. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any interested person transaction and no IPT mandate has been obtained.

18. Disclosure of person occupying a managerial position in the Issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the Issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual, we confirm that the persons occupying managerial positions who are relates of a director or chief executive officer or substantial shareholder of the Company are as follows:

Name	Age	Family Relationship with any Director CEO and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the
Tan Yew Kun	63	Brother of Tan Ah Lam Brother of Tan Leau Kuee	Plant Maintenance Director In charge of Group's Plant maintenance department Since 1999	No change
Tan Phuay Hong	42	Son of Tan Ah Lam Nephew of Tan Leau Kuee	Assistant Vice President Manage projects undertaken by the Group Since 2007	No change
Tan Puay Chye	38	Nephew of Tan Ah Lam Nephew of Tan Leau Kuee	Vice President In charge of Group's Compression & Process equipment fabrication Since 2007	No change
Tan Yaw Song	55	Brother of Tan Ah Lam Brother of Tan Leau Kuee	Director of Projects Oversees the Group's overall operations except plant maintenance Since 2002	No change
Tan Yeow Lan	59	Sister of Tan Ah Lam Sister of Tan Leau Kuee	Senior Accounts Manager Assist the CFO in the Group's accounting functions Since 1997	No change
Goh Chwee Guan	63	Brother-in-law of Tan Ah Lam	Senior Project Manager Manage projects undertaken by the Group Since 1992	No change
Tay Hee Thiam	60	Cousin of Tan Ah Lam Cousin of Tan Leau Kuee	Construction Manager Manage projects undertaken by the Group Since 1993	No change
Tan Biby Valarie	37	Niece of Tan Ah Lam Daughter of Tan Leau Kuee	Business Manager Establish, develop and maintain business relationships with current customers and prospective customers for the Group Since 2011	Promotion from Estimation Engineer to Business Manager

By order of the board

TAN HAK JIN
Joint Company Secretary
26 May 2015



HIAP SENG ENGINEERING LTD

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



NEWS RELEASE

HIAP SENG'S RESULTS ANNOUNCEMENT FOR 4QFY2015 AND FY2015

Singapore, May 26, 2015 – 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 its results for the fourth quarter and full year ended March 31, 2015 (“4QFY2015” and “FY2015” respectively).

Hiap Seng registered a 29.8% decrease in revenue to S\$48.1 million in 4QFY2015 from S\$68.5 million in 4QFY2014 largely due to lower recognition of project revenue during the period. In line with lower sales, gross profit slid 25.9% from S\$5.2 million for the fourth quarter ended March 31, 2014 (“4QFY2014”) to S\$3.8 million in 4QFY2015. An allowance for impairment of receivables of S\$4.7 million provided by a Malaysian subsidiary which had completed certain projects in East Malaysia led mainly to the significant 79.5% jump in administrative costs, from S\$5.2 million in 4QFY2014 to S\$9.4 million in 4QFY2015. Excluding this allowance, administrative costs would have decreased by 9.8% from S\$5.2 million to S\$4.7 million over the same period.

Correspondingly, the Group registered a net loss attributable to shareholders of S\$4.3 million in 4QFY2015 from a net profit attributable to shareholders of S\$1.3 million in 4QFY2014.

For FY2015, revenue dipped marginally by 2.1% to S\$253.1 million from S\$258.6 million in the previous corresponding period (“FY2014”). However, due to cost overruns and increasing labour costs experienced in FY2015, Hiap Seng’s gross profit declined by 46.2% to S\$10.3 million from S\$19.1 million over the same period. Coupled with higher administrative costs, Hiap Seng’s net loss attributable to shareholders rose to S\$13.2 million in FY2015 from S\$3.4 million in FY2014.

Mr. Frankie Tan, Chairman and CEO of Hiap Seng said, “Amidst the uncertain market conditions of the oil-and-gas industry, Hiap Seng, like other industry players, was similarly affected. Notwithstanding the macro uncertainties, we are pleased to have secured our third contract this month worth approximately S\$43 million for the provision of mechanical works for the Mogas-Cogen Project on Jurong Island, scheduled for completion by September 2016. Earlier this month, we secured two contracts worth US\$11 million for the provision of offshore gas compressor packages, scheduled for completion by March 2016. These contracts are expected to contribute positively to our earnings.

To remain competitive, we will look at ways to further streamline our operations. We have recently disposed of our 60% stake in PT Technic Engineering Sdn Bhd, which was adversely affected by depressed oil prices and the disposal has resulted in a gain of S\$2.5 million. We will stay lean and continue to optimise operations to generate efficiencies and deliver value to our shareholders.”

Proposed Dividends

To reward its loyal shareholders, the Group has proposed a one-tier tax exempt dividend of 0.5 cent per ordinary share. The proposed dividend, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on August 28, 2015.

As at March 31, 2015, the Group's cash and cash equivalents stood at S\$17.9 million, with a net cash position of S\$10.4 million, an improvement from net bank borrowings of S\$29.6 million as at March 31, 2014.

The Group's order book as at May 26, 2015 stood at S\$145 million.

Outlook

The outlook of the oil-and-gas industry remains uncertain. However, barring any unforeseen circumstances, the Directors of the Group are cautiously optimistic about the Group's performance for the current financial year ending March 31, 2016.

The Group continues to focus on controlling costs and directing efforts towards improving the overall operational productivity and at the same time, explore other business opportunities.

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 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.

ISSUED ON BEHALF OF : Hiap Seng Engineering Ltd.
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For CDRi.MAGE

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May 26, 2015