

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

**UNAUDITED FOURTH QUARTER AND FULL YEAR ENDED 31 MARCH 2017
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 2017:

	Group			Group		
	4QFY17	4QFY16	Increase/ (Decrease)	FY17	FY16	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Turnover	35,037	55,641	(37.0%)	158,523	167,883	(5.6%)
Cost of sales	(32,188)	(49,278)	(34.7%)	(139,364)	(144,401)	(3.5%)
Gross profit	2,849	6,363	(55.2%)	19,159	23,482	(18.4%)
Gross profit margin	8.1%	11.4%		12.1%	14.0%	
Other income	9	12	(25.0%)	27	59	(54.2%)
Administrative costs	(4,778)	(3,971)	20.3%	(18,312)	(17,849)	2.6%
Other (loss)/gain- net	(109)	(261)	(58.2%)	748	483	54.9%
(Loss)/profit from operations	(2,029)	2,143	NM	1,622	6,175	(73.7%)
Finance costs	(19)	(102)	(81.4%)	(98)	(110)	(10.9%)
Share of (loss) / profit of associated companies	(4)	(6)	(33.3%)	8	24	(66.7%)
(Loss)/profit before tax	(2,052)	2,035	NM	1,532	6,089	(74.8%)
Income tax expense/(credit)	80	(203)	NM	42	(482)	NM
Net (loss)/profit after tax	(1,972)	1,832	NM	1,574	5,607	(71.9%)
Other comprehensive income						
(Loss)/gain from foreign currency translation	(443)	(2,127)	(79.2%)	1,401	(831)	NM
Total comprehensive (loss)/income for the period	(2,415)	(295)	NM	2,975	4,776	(37.7%)
(Loss)/profit attributable to:						
Owner of the parent	(1,788)	1,932	NM	2,472	6,045	(59.1%)
Non-controlling interests	(184)	(100)	84.0%	(898)	(438)	NM
	(1,972)	1,832	NM	1,574	5,607	(71.9%)
Total comprehensive (loss)/income attributable to:						
Owner of the parent	(2,232)	(183)	NM	3,844	5,259	(26.9%)
Non-controlling interests	(183)	(112)	63.4%	(869)	(483)	79.9%
	(2,415)	(295)	NM	2,975	4,776	(37.7%)

NM: Denotes not meaningful

Profit from operations included the following:

	Group		Group	
	4QFY17 S\$'000	4QFY16 S\$'000	FY17 S\$'000	FY16 S\$'000
(a) Other income				
Interest income	9	12	27	59
(b) Other (loss)/gain- net				
Net (loss)/gain on disposal of property, plant and equipment	(21)	53	2	149
Net gain on disposal of a subsidiary	50	-	50	-
Currency exchange (loss)/gain -net	(74)	(329)	689	117
(c) Administrative costs				
(Provision for)/write back of doubtful trade debts	-	(1)	(575)	261
Amortisation of intangible assets	(1,705)	(30)	(1,942)	(120)
(d) Depreciation of property, plant and equipment	(938)	(1,105)	(3,639)	(4,028)

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-2017 S\$'000	31-Mar-2016 S\$'000	31-Mar-2017 S\$'000	31-Mar-2016 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	9,666	13,457	4,679	9,714
Trade and other receivables	52,566	61,752	63,054	70,421
Contract work-in-progress	1,493	6,699	891	6,021
Other current assets	2,115	2,760	1,759	1,773
	65,840	84,668	70,383	87,929
Non-current assets				
Club memberships	341	386	341	321
Investments in associated companies	269	372	-	109
Investments in subsidiaries	-	-	10,538	14,775
Property, plant and equipment	21,155	21,687	6,132	6,770
Available-for-sale financial assets	2,482	2,482	2,482	2,482
Deferred income tax assets	99	60	-	-
Intangible assets	4,440	6,383	-	-
	28,786	31,370	19,493	24,457
Total assets	94,626	116,038	89,876	112,386
LIABILITIES				
Current liabilities				
Trade and other payables	24,504	44,777	26,667	42,500
Current income tax liabilities	38	265	22	2
Borrowings	6,118	4,998	85	769
	30,660	50,040	26,774	43,271
Non-current liabilities				
Borrowings	92	218	18	102
Deferred income tax liabilities	1,001	1,327	466	362
	1,093	1,545	484	464
Total liabilities	31,753	51,585	27,258	43,735
NET ASSETS	62,873	64,453	62,618	68,651
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	36,178	36,178	36,178	36,178
Other reserves	1,293	(79)	-	-
Retained earnings	24,762	26,845	26,440	32,473
Total	62,233	62,944	62,618	68,651
Non-controlling interests	640	1,509	-	-
Total equity	62,873	64,453	62,618	68,651

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

	31-Mar-2017		31-Mar-2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	6,118	-	4,998	-
Amount repayable after one year	92	-	218	-

Details of any collaterals:

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

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

	Group		Group	
	4QFY 17 S\$'000	4QFY 16 S\$'000	FY 17 S\$'000	FY 16 S\$'000
Cash flows from operating activities:				
Total (loss)/profit after tax	(1,972)	1,832	1,574	5,607
Adjustments for :				
Depreciation of property, plant and equipment	938	1,105	3,639	4,028
Amortisation of intangible assets	1,705	30	1,942	120
Net (gain) on disposal of property, plant and equipment	(2)	(53)	(25)	(149)
Net loss on disposal of club membership	20	-	20	-
Net (gain) on disposal of an associated company	(50)	-	(50)	-
Property, plant and equipment written off	23	-	23	40
Share of loss/(profit) of associated companies	4	6	(8)	(24)
Provision for/(write-back) of doubtful trade debts	-	1	575	(261)
Unrealised currency translation (gain)/ loss	(365)	(1,842)	797	(15)
Income tax (expense)/credit	(80)	203	(42)	482
Interest expense	19	102	98	110
Interest income	(9)	(12)	(27)	(59)
Operating cash flow before working capital changes	231	1,372	8,516	9,879
Change in working capital				
Contract work-in-progress	7,521	372	5,206	(4,293)
Trade and other receivables	(1,582)	(11,269)	8,611	(382)
Other current assets	1,194	541	645	(635)
Trade and other payables	(8,607)	4,216	(20,273)	(2,167)
Cash (used in)/generated from operations	(1,243)	(4,768)	2,705	2,402
Income taxes paid	(156)	(411)	(548)	(581)
Net cash (used in) / provided by operating activities	(1,399)	(5,179)	2,157	1,821
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	2	69	63	170
Proceeds from disposal of club membership	45	-	45	-
Proceeds from disposal of an associated company	161	-	161	-
Purchases of property, plant and equipment	(1,119)	(592)	(2,499)	(2,978)
Purchase of club membership	(20)	-	(20)	-
Interest income received	9	12	27	59
Net cash used in investing activities	(922)	(511)	(2,223)	(2,749)

Cash flows from financing activities				
Dividend paid	(1,518)	-	(4,556)	(1,519)
Decrease in bank deposit pledged	84	-	-	22
Increase/(decrease) in bank overdraft	7	(22)	8	(180)
Hire purchase creditors	(172)	(127)	(828)	(644)
Proceeds/(repayments) from trust receipts creditors	2,162	(330)	117	563
Proceeds/(repayments) from bank borrowing	3,161	3,465	1,533	(1,993)
Interest paid	(19)	(102)	(98)	(110)
Net cash provided by/ (used in) financing activities	3,705	2,884	(3,824)	(3,861)
Net increase/(decrease) in cash and cash equivalents	1,384	(2,806)	(3,890)	(4,789)
Effect of exchange rate (decreases)/increase on cash and cash equivalents	(169)	7	49	313
Cash and cash equivalents at beginning of the financial period	7,231	15,086	12,287	16,763
Cash and cash equivalents at end of the financial period	8,446	12,287	8,446	12,287
Cash and cash equivalents represented by:				
Bank and cash balances	8,441	12,280	8,441	12,280
Fixed deposits with financial institutions	1,225	1,177	1,225	1,177
Less: Bank overdrafts	(19)	(10)	(19)	(10)
Less: Restricted bank deposits	(1,201)	(1,160)	(1,201)	(1,160)
	8,446	12,287	8,446	12,287

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	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9MFY17						
As at 1 Apr 2016	36,178	(79)	26,846	62,945	1,509	64,454
Total comprehensive income for the period	-	1,815	4,261	6,076	(686)	5,390
Dividend relating to FY2016 paid	-	-	(3,038)	(3,038)	-	(3,038)
As at 31 Dec 2016	36,178	1,736	28,069	65,983	823	66,806
4QFY17						
Total comprehensive loss for the period	-	(443)	(1,789)	(2,232)	(183)	(2,415)
Dividend relating to FY2017 paid	-	-	(1,518)	(1,518)	-	(1,518)
As at 31 Mar 2017	36,178	1,293	24,762	62,233	640	62,873
9MFY16						
As at 1 Apr 2015	36,178	707	22,319	59,204	1,992	61,196
Total comprehensive income/(loss) for the period	-	1,329	4,112	5,441	(371)	5,070
Dividend relating to FY2015 paid	-	-	(1,519)	(1,519)	-	(1,519)
As at 31 Dec 2015	36,178	2,036	24,912	63,126	1,621	64,747
4QFY16						

Total comprehensive (loss)/income for the period	-	(2,115)	1,933	(182)	(112)	(294)
As at 31 Mar 2016	36,178	(79)	26,845	62,944	1,509	64,453

Company	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
9MFY17			
As at 1 Apr 2016	36,178	32,473	68,651
Total comprehensive income for the period	-	6,687	6,687
Dividend relating to FY2016 paid	-	(3,038)	(3,038)
As at 31 Dec 2016	36,178	36,122	72,300
4QFY17			
Total comprehensive loss for the period	-	(8,164)	(8,164)
Dividend relating to FY2017 paid	-	(1,518)	(1,518)
As at 31 Mar 2017	36,178	26,440	62,618
9MFY16			
As at 1 Apr 2015	36,178	31,063	67,241
Total comprehensive loss for the period	-	(379)	(379)
Dividend relating to FY2015 paid	-	(1,519)	(1,519)
As at 31 Dec 2015	36,178	29,165	65,343
4QFY16			
Total comprehensive income for the period	-	3,308	3,308
As at 31 Mar 2016	36,178	32,473	68,651

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.

	FY2017	FY2016
Issued & fully paid share capital		
Number of shares	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 statements 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 2016 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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 March 2016, except for the adoption of new and revised Financial Reporting Standards (FRS) which are effective for financial periods beginning on or after 1 April 2016.

The adoption of the new or revised standards from the effective date did not result in material adjustments to the financial position, results of operations or cash flows for the year ended 31 March 2017 and did not have significant impact on the financial statements of the Group

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 dividends:

	Group		Group	
	4QFY17	4QFY16	FY17	FY16
(Loss)/earnings per share (cents) Based on number of ordinary shares on issue (cents)	(0.59)	0.64	0.81	1.99
On fully diluted basis (cents)	(0.59)	0.64	0.81	1.99
Net (loss)/earnings attributable to ordinary shareholders for basic earnings per share (S\$'000)	(1,788)	1,932	2,472	6,044
Net (loss)/earnings attributable to ordinary shareholders for diluted earnings per share (S\$'000)	(1,788)	1,932	2,472	6,044
Weighted average number of ordinary shares in issue applicable to basic/diluted earnings per share ('000)	303,750	303,750	303,750	303,750

Notes:

(a) The earnings per share ("EPS") is calculated by dividing the consolidated net profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the financial period.

(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-17	31-Mar-16	31-Mar-17	31-Mar-16
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	20.5	20.7	20.6	22.6

The calculation of the net asset value per ordinary share issued is based on 303,750,000 shares at 31 March 2017 (31 March 2016: 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 (4QFY2017) Review

The Group's revenue for 4QFY2017 decreased by 37.0% from S\$55.6 million to S\$35.0 million as compared to 4QFY2016 mainly due to lower recognition of project revenue in 4QFY2017. The gross profit for 4QFY2017 decreased from S\$6.4 million to S\$2.8 million as compared to 4QFY2016 mainly due to the lower revenue and high operating costs.

The Group's administrative costs increased from S\$4.0 million to S\$4.8 million mainly due to an amortisation of intangible assets of S\$1.7 million for 4QFY2017.

The Group's net loss attributable to shareholders for 4QFY2017 amounted to S\$1.8 million as compared to a profit of S\$1.9 million for 4QFY2016 mainly due to the factors mentioned above.

Full Year (FY2017) Review

The Group's revenue for FY2017 decreased by 5.6% from S\$167.9 million to S\$158.5 million as compared to FY2016 mainly due to lower recognition of project revenue in FY2017. The gross profit decreased from S\$23.5 million to S\$19.2 million mainly due to the lower revenue and high operating costs.

The Group's administrative costs increased from S\$17.8 million to S\$18.3 million mainly due to an amortisation of intangible assets of S\$1.9 million for FY2017.

The Group's net profit attributable to shareholders decreased by 59.1% from S\$6.0 million to S\$2.5 million as compared to FY2016 mainly due to the factors mentioned above.

Statement of Financial Position Review

The decrease of S\$9.2 million in trade and other receivables as at 31 March 2017 as compared to 31 March 2016 is mainly due to lower billings and higher collections in FY2017

The decrease of S\$5.2 million in contract work-in-progress as at 31 March 2017 as compared to 31 March 2016 is in line with the Group's project schedules.

The decrease of S\$20.3 million in trade and other payables as at 31 March 2017 as compared to 31 March 2016 is in line with the Group's business activities.

The increase of S\$1.0 million in total borrowings of S\$6.2 million as at 31 March 2017 as compared to S\$5.2 million as at 31 March 2016 is for working capital.

As at 31 March 2017, the Group's cash and cash equivalents stood at S\$9.7 million as compared to S\$13.5 million as at 31 March 2016.

- 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**

Barring unforeseen circumstances, the Directors of the Company are still cautiously optimistic about the Group's performance for the current financial year ending 31 March 2018 in spite of

the intense competitive market conditions of the oil-and-gas industry. The Group will continue to further 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\$108 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? Yes

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.0 cent per ordinary share
Tax rate	One –tier tax exempt

(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 2017, will be paid on 28 August 2017.

(e) Books closure date

NOTICE IS HEREBY GIVEN that the Company's Share Transfer Books and Register of Members will be closed on 18 August 2017 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 2017.

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 18 August 2017 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 18 August 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 2017 is as follows:

(A) Reportable Segment

	Plant construction & maintenance		Compression & process equipment fabrication		Consolidated	
	FY 17	FY 16	FY 17	FY 16	FY 17	FY 16
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
- Revenue from external parties	150,340	143,597	8,183	24,286	158,523	167,883
Adjusted EBITDA for reportable segments	12,791	14,322	(5,607)	(4,035)	7,184	10,287
Depreciation	(3,580)	(3,953)	(59)	(75)	(3,639)	(4,028)
Amortisation	(1,942)	(120)	-	-	(1,942)	(120)
Finance expense	(65)	(84)	(33)	(26)	(98)	(110)
Interest income	19	50	8	9	27	59
Profit/(loss) before tax	7,223	10,216	(5,691)	(4,127)	1,532	6,089
Share of profit of associated companies	8	24	-	-	8	24
Total assets	81,092	94,594	13,534	21,444	94,626	116,038
Total assets include:						
Investment in associated companies	269	372	-	-	269	372
Additions to:						
Property, plant and equipment	2,548	3,104	9	55	2,557	3,159
Total liabilities	(15,177)	(32,913)	(16,576)	(18,672)	(31,753)	(51,585)

(B) Geographical information

	Revenue		Non-current assets	
	FY17	FY16	FY17	FY16
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	119,964	119,497	15,651	18,604
China	2,274	7,721	783	822
Malaysia	13,155	8,314	4	17
Vietnam	4,000	3,475	-	-
Thailand	14,353	22,084	11,268	11,927
Africa	346	1,028	-	-
Korea	4,342	5,045	-	-
Others	89	719	1,080	-
Total	158,523	167,883	28,786	31,370

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\$143.6 million to S\$150.3 million. This increase was mainly due to the higher recognition of project revenue for FY2017. The profit before tax for this segment decreased from S\$10.2 million to S\$7.2

million mainly due to high operating costs and an amortisation of intangible assets of S\$1.9 million for FY2017.

The revenue for compression & process equipment fabrication segment decreased from S\$24.3 million to S\$8.18 million mainly due to lower recognition of project revenue. The loss before tax for this segment increased from S\$4.1 million for FY2016 to S\$5.7 million for FY2017 mainly due to the lower recognition of project revenue and high operating costs.

Geographically, the Group's revenue in almost every segment declined mainly due to the lower recognition of project revenue for FY2017.

15. A breakdown of sales

(all figures in S\$'000)	FY 17	FY 16	% increase/ (decrease)
Sales reported for the first half year	90,509	62,159	45.6%
Net profit after tax reported for first half year	2,603	2,933	(11.3%)
Sales reported for second half year	68,014	105,724	(35.7%)
Net (loss)/profit after tax reported for second half year	(1,029)	2,674	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 Preference	4,556	3,038
	-	-
Total	4,556	3,038

The Directors propose a final one-tier tax exempt dividend of 0.5 cent per share (2016: 1.0 cent per share one-tier tax exempt) amounting to S\$1,518,750 (2016: S\$3,037,500) based on 303,750,000 shares issued as of 31 March 2017 for the shareholders' approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the above proposed dividend which will be accounted for in shareholders' equity as an appropriation of retained earnings to the financial year ending 31 March 2018.

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 relatives 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	65	Brother of Tan Ah Lam and Tan Leau Kuee	Plant Maintenance Director In charge of Group's Plant maintenance department Since 1999	No change
Tan Phuay Hong	44	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	40	Nephew of Tan Ah Lam and Tan Leau Kuee	Vice President In charge of Group's Compression & Process equipment fabrication Since 2007	No change
Tan Yaw Song	57	Brother of Tan Ah Lam and Tan Leau Kuee	Director of Projects Oversees the Group's overall operations except plant maintenance Since 2002	No change
Tan Yeow Lan	61	Sister of Tan Ah Lam and Tan Leau Kuee	Senior Accounts Manager Assist the CFO in the Group's accounting functions Since 1997	No change
Goh Chwee Guan	65	Brother-in-law of Tan Ah Lam	Senior Project Manager Manage projects undertaken by the Group Since 1992	No change
Tay Hee Thiam	62	Cousin of Tan Ah Lam and Tan Leau Kuee	Construction Manager Manage projects undertaken by the Group Since 1993	No change
Tan Biby Valarie	39	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	No change

19. Confirmation of Undertakings from Directors and Executive Officers

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

By order of the board

TAN HAK JIN
Joint Company Secretary
23 May 2017



HIAP SENG ENGINEERING LTD

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

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.

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

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23 May 2017