

## Financial Statements and Related Announcement::Second Quarter and/ or Half Yearly Results



## Issuer &amp; Securities

<b>Issuer/ Manager</b>	HIAP SENG ENGINEERING LTD
<b>Securities</b>	HIAP SENG ENGINEERING LTD - SG1G69871497 - 510
<b>Stapled Security</b>	No

## Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
<b>Date &amp; Time of Broadcast</b>	10-Nov-2014 17:09:02
<b>Status</b>	New
<b>Announcement Sub Title</b>	Second Quarter and/ or Half Yearly Results
<b>Announcement Reference</b>	SG141110OTHRVHK9
<b>Submitted By (Co./ Ind. Name)</b>	Tan Hak Jin
<b>Designation</b>	Joint Company Secretary
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	PLEASE SEE THE FOLLOWING ATTACHMENTS: (A) UNAUDITED SECOND QUARTER AND FIRST HALF FY2015 FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT. (B) NEWS RELEASE.

## Additional Details

<b>For Financial Period Ended</b>	30/09/2014
<b>Attachments</b>	<p> <a href="#">HS_2QFY2015_results_announcement.pdf</a></p> <p> <a href="#">HS_NR_2QFY2015.pdf</a></p> <p>Total size =131K</p>

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## 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 2QFY2015 AND 1HFY2015

**Singapore, November 10, 2014** – 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 16.9% rise in revenue to S\$80.7 million for the three months ended September 30, 2014 (“2QFY2015”) from S\$69.0 million in the previous corresponding period (“2QFY2014”).

The increase in 2QFY2015's revenue was mainly as a result of higher revenue recognition of projects. The gross profit was S\$1.0 million in 2QFY2015 as compared to a gross loss of S\$1.3 million in 2QFY2014.

The net loss attributable to shareholders consequently reduced to S\$3.8 million from S\$8.5 million in 2QFY2014 largely due to lower administrative costs and the exchange gain of S\$1.1 million in 2QFY2015.

For the six months ended September 30, 2014 (“1HFY2015”), revenue increased 26.8% to S\$156.6 million from S\$123.6 million in the previous corresponding period (“1HFY2014”) while net loss attributable to shareholders reduced to S\$2.8 million in 1HFY2015 from S\$5.8 million in 1HFY2014.

Mr. Frankie Tan, Chairman and CEO of Hiap Seng said, “The operating environment remains tough but we have managed to increase our revenue while narrowing our losses. Although cost pressures continue to impact our margins, we are committed to implementing cost efficiency measures and to also explore business opportunities within Singapore and around the region.”

## **Outlook**

The directors are not optimistic on the Group’s performance for the current financial year ending March 31, 2015, in light of the keen competition, rising labour costs and potential cost overruns for certain projects.

Hiap Seng continues to direct its attention on cost controls while seeking to generate productivity improvements. The Group plans to leverage on its established track record in the industry to secure projects with higher margins while focusing on increasing shareholder value.

## **Corporate Profile**

Established in 1971 and a Main-board 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.

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094/14/003/HSEL

November 10, 2014

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

**UNAUDITED SECOND QUARTER AND FIRST HALF FY2015 FINANCIAL STATEMENT  
AND DIVIDEND ANNOUNCEMENT**

**1(a). A statement of comprehensive income (for the group) together with a comparative statement for the second quarter and the first half year ended 30 September 2014**

	Group			Group		
	2QFY15	2QFY14	Increase/ (Decrease)	1HFY15	1HFY14	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Turnover	80,652	68,973	16.9	156,623	123,565	26.8
Cost of sales	(79,650)	(70,235)	13.4	(149,791)	(116,370)	28.7
<b>Gross profit/(loss)</b>	1,002	(1,262)	NM	6,832	7,195	(5.0)
Gross profit margin	1.2%	(1.8%)		4.4%	5.8%	
Other income	18	93	(80.6)	28	111	(74.8)
Administrative costs	(5,326)	(6,681)	(20.3)	(9,757)	(11,685)	(16.5)
Other gain/(loss)- net	1,060	(736)	NM	799	(1,106)	NM
<b>Loss from operations</b>	(3,246)	(8,586)	(62.2)	(2,098)	(5,485)	(61.8)
Finance costs	(215)	(124)	73.4	(444)	(214)	NM
Share of profit/(loss) of associated companies	192	(15)	NM	535	9	NM
<b>Loss before tax</b>	(3,269)	(8,725)	(62.5)	(2,007)	(5,690)	(64.7)
Income tax (expense)/credit	(165)	177	NM	(194)	(233)	(16.7)
<b>Net loss after tax</b>	(3,434)	(8,548)	(59.8)	(2,201)	(5,923)	(62.8)
<b>Other comprehensive income</b>						
Foreign currency translation	64	(345)	NM	51	(45)	NM
<b>Total comprehensive loss for the period</b>	(3,370)	(8,893)	(62.1)	(2,150)	(5,968)	(64.0)
<b>Loss attributable to:</b>						
Owner of the parent	(3,833)	(8,477)	(54.8)	(2,781)	(5,843)	(52.4)
Non-controlling interests	399	(71)	NM	580	(80)	NM
	(3,434)	(8,548)	(59.8)	(2,201)	(5,923)	(62.8)
<b>Total comprehensive loss attributable to:</b>						
Owner of the parent	(3,782)	(8,822)	(57.1)	(2,717)	(5,888)	(53.9)
Non-controlling interests	412	(71)	NM	567	(80)	NM
	(3,370)	(8,893)	(62.1)	(2,150)	(5,968)	(64.0)

NM: Denotes not meaningful

**Profit from operations included the following:**

	Group		Group	
	2QFY15 S\$'000	2QFY14 S\$'000	1HFY15 S\$'000	1HFY14 S\$'000
<b>(a) Other income</b>				
Interest income	18	93	28	111
<b>(b) Other gain/(loss)- net</b>				
Net (loss)/gain on disposal of property, plant and equipment	(56)	117	127	143
Currency exchange gain/(loss) -net	1,099	(904)	652	(1,298)
<b>(c) Depreciation of property, plant and equipment</b>	(1,075)	(923)	(2,082)	(1,827)
<b>(d) Amortisation of intangible assets</b>	(30)	(173)	(94)	(173)

**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**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sept-2014</b> <b>S\$'000</b>	<b>31-Mar-2014</b> <b>S\$'000</b>	<b>30-Sept-2014</b> <b>S\$'000</b>	<b>31-Mar-2014</b> <b>S\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	26,468	7,812	15,195	3,156
Income tax recoverable	866	1,061	711	781
Trade and other receivables	94,524	108,921	86,410	110,829
Contract work-in-progress	13,405	52,319	5,511	15,047
Other current assets	3,010	2,222	2,518	1,767
	<b>138,273</b>	<b>172,335</b>	<b>110,345</b>	<b>131,580</b>
<b>Non-current assets</b>				
Club memberships	363	363	298	298
Investments in associated companies	1,619	1,078	109	109
Investments in subsidiaries	-	-	14,867	14,858
Property, plant and equipment	25,487	26,049	8,049	8,913
Available-for-sale financial assets	2,482	2,482	2,482	2,482
Deferred income tax assets	294	294	-	-
Intangible assets	6,563	6,657	-	-
	<b>36,808</b>	<b>36,923</b>	<b>25,805</b>	<b>26,660</b>
<b>Total assets</b>	<b>175,081</b>	<b>209,258</b>	<b>136,150</b>	<b>158,240</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	75,470	96,924	53,135	62,670
Current income tax liabilities	109	1	-	-
Borrowings	26,224	36,553	17,393	28,487
	<b>101,803</b>	<b>133,478</b>	<b>70,528</b>	<b>91,157</b>
<b>Non-current liabilities</b>				
Borrowings	512	834	342	342
Deferred income tax liabilities	1,506	1,536	458	458
	<b>2,018</b>	<b>2,370</b>	<b>800</b>	<b>800</b>
<b>Total liabilities</b>	<b>103,821</b>	<b>135,848</b>	<b>71,328</b>	<b>91,957</b>
<b>NET ASSETS</b>	<b>71,260</b>	<b>73,410</b>	<b>64,822</b>	<b>66,283</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to the Company's equity holders</b>				
Share capital	36,178	36,178	36,178	36,178
Other reserves	(11)	(75)	-	-
Retained earnings	32,701	35,482	28,644	30,105
<b>Total</b>	<b>68,868</b>	<b>71,585</b>	<b>64,822</b>	<b>66,283</b>
Minority interests	2,392	1,825	-	-
<b>Total equity</b>	<b>71,260</b>	<b>73,410</b>	<b>64,822</b>	<b>66,283</b>

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

	30-Sept-2014		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	26,224	-	36,553	-
Amount repayable after one year	512	-	834	-

**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	
	2Q FY 15 S\$'000	2Q FY 14 S\$'000	1H FY 15 S\$'000	1H FY 14 S\$'000
<b>Cash flows from operating activities:</b>				
Total loss	(3,434)	(8,548)	(2,201)	(5,923)
<b>Adjustments for :</b>				
Depreciation of property, plant and equipment	1,075	923	2,082	1,827
Amortisation of intangible assets	30	173	94	173
Net loss/(gain) on disposal of property, plant and equipment	56	(117)	(127)	(143)
Share of (profit)/loss of associated companies	(192)	15	(535)	(9)
Unrealised currency translation (gain)/loss	(216)	268	(192)	740
Income tax expense/(credit)	165	(177)	194	233
Interest expense	215	124	444	214
Interest income	(18)	(2)	(28)	(20)
<b>Operating cash flow before working capital changes</b>	<b>(2,319)</b>	<b>(7,341)</b>	<b>(269)</b>	<b>(2,908)</b>
<b>Change in working capital</b>				
Contract work-in-progress	27,391	(6,474)	38,914	(27,318)
Trade and other receivables	22,057	292	14,397	(8,925)
Other current assets	14	363	(788)	(1,244)
Trade and other payables	(17,403)	8,884	(21,454)	23,635
<b>Cash generated from/(used in) operations</b>	<b>29,740</b>	<b>(4,276)</b>	<b>30,800</b>	<b>(16,760)</b>
Income taxes (paid)/refund	(129)	(226)	77	(339)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>29,611</b>	<b>(4,502)</b>	<b>30,877</b>	<b>(17,099)</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	73	1	283	98
Purchases of property, plant and equipment	(546)	(678)	(1,526)	(1,637)
Interest income received	18	2	28	20
<b>Net cash outflow from investing activities</b>	<b>(455)</b>	<b>(675)</b>	<b>(1,215)</b>	<b>(1,519)</b>
<b>Cash flows from financing activities</b>				
Dividend paid	-	(1,519)	-	(1,519)
Decrease in bank deposits pledged	(13)	133	(13)	-
Hire purchase creditors	(225)	(6)	1,454	(46)
Trust receipts creditors	(1,602)	736	(5,043)	3,123
(Repayment)/proceed from money market line loans	(15,144)	5,403	(7,227)	13,811
Interest paid	(215)	(124)	(444)	(214)

<b>Net cash (outflow)/inflow from financing activities</b>	(17,199)	4,623	(11,273)	15,155
<b>Net increase/(decrease) in cash and cash equivalents held</b>	11,957	(554)	18,389	(3,463)
Effect of exchange rate change on cash and cash equivalents	(1)	47	(3)	67
Cash and cash equivalents at beginning of the financial period	10,923	12,524	4,493	15,413
<b>Cash and cash equivalents at end of the financial period</b>	<b>22,879</b>	<b>12,017</b>	<b>22,879</b>	<b>12,017</b>
<b>Cash and cash equivalents represented by:</b>				
Bank and cash balances	24,552	12,737	24,552	12,737
Fixed deposits with financial institutions	1,916	2,402	1,916	2,402
Less: Bank overdrafts	(1,674)	(1,799)	(1,674)	(1,799)
Less: Restricted bank deposits	(1,915)	(1,323)	(1,915)	(1,323)
	<b>22,879</b>	<b>12,017</b>	<b>22,879</b>	<b>12,017</b>

**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**

<b>Group</b>	<b>Share Capital</b>	<b>Other Reserves</b>	<b>Retained Earnings</b>	<b>Total</b>	<b>Minority interests</b>	<b>Total Equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>1QFY2015</b>						
As at 1 Apr 2014	36,178	(75)	35,482	71,585	1,825	73,410
Total comprehensive income for the period	-	13	1,052	1,065	155	1,220
<b>As at 30 Jun 2014</b>	<b>36,178</b>	<b>(62)</b>	<b>36,534</b>	<b>72,650</b>	<b>1,980</b>	<b>74,630</b>
<b>2QFY2015</b>						
Total comprehensive income for the period	-	51	(3,833)	(3,782)	412	(3,370)
<b>As at 30 Sept 2014</b>	<b>36,178</b>	<b>(11)</b>	<b>32,701</b>	<b>68,868</b>	<b>2,392</b>	<b>71,260</b>
<b>1QFY2014</b>						
As at 1 Apr 2013	36,178	(70)	41,963	78,071	1,621	79,692
Total comprehensive income for the period	-	300	2,634	2,934	(9)	2,925
Contribution from NCI	-	-	-	-	(265)	(265)
As at 30 Jun 2013	36,178	230	44,597	81,005	1,347	82,352
<b>2QFY2014</b>						
Total comprehensive income for the period	-	(345)	(8,477)	(8,822)	(71)	(8,893)
Dividend on ordinary share	-	-	(1,519)	(1,519)	-	(1,519)
Contribution to NCI	-	-	-	-	265	265
As at 30 Sept 2013	36,178	(115)	34,601	70,664	1,541	72,205



<b>Company</b>	<b>Share Capital S\$'000</b>	<b>Retained Earnings S\$'000</b>	<b>Total Equity S\$'000</b>
<b>1QFY2015</b>			
As at 1 Apr 2014	36,178	30,105	66,283
Total comprehensive income for the period	-	3,586	3,586
<b>As at 30 Jun 2014</b>	<b>36,178</b>	<b>33,691</b>	<b>69,869</b>
<b>2QFY2015</b>			
Total comprehensive income for the period	-	(5,047)	(5,047)
<b>As at 30 Sept 2014</b>	<b>36,178</b>	<b>28,644</b>	<b>64,822</b>
<b>1QFY2014</b>			
As at 1 Apr 2013	36,178	34,673	70,851
Total comprehensive income for the period	-	890	890
As at 30 Jun 2013	36,178	35,563	71,741
<b>2QFY2014</b>			
Total comprehensive loss for the period	-	(5,876)	(5,876)
Dividend on ordinary share	-	(1,519)	(1,519)
As at 30 Sept 2013	36,178	28,168	64,346

**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.**

	<b>FY 2015</b>	<b>FY 2014</b>
<b>Issued &amp; fully paid share capital</b>		
Number of shares as at 30 September 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 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 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 110 Consolidated Financial Statements*  
*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 dividends:**

	Group		Group	
	2Q FY15	2Q FY14	1H FY15	1H FY14
<b>Loss per share (cents)</b> Based on number of ordinary shares on issue (cents)	(1.26)	(2.79)	(0.92)	(1.92)
On fully diluted basis (cents)	(1.26)	(2.79)	(0.92)	(1.92)
Net loss attributable to ordinary shareholders for basic earnings per share (S\$'000)	(3,833)	(8,477)	(2,781)	(5,843)
Net loss attributable to ordinary shareholders for diluted earnings per share (S\$'000)	(3,833)	(8,477)	(2,781)	(5,843)
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:

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.

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	
	30-Sept-2014	31-Mar-2014	30-Sept-2014	31-Mar-2014
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	23.5	24.2	21.3	21.8

The calculation of the net asset value per ordinary share issued is based on 303,750,000 shares at 30 Sept 2014 (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**

Second Quarter (2QFY15) Review

The Group's revenue for 2QFY15 increased by 16.9% from S\$69.0 million to S\$80.7 million as compared to 2QFY14 mainly due to higher recognition of project revenue in 2QFY15. The gross profit of only S\$1.0 million for 2QFY15 was mainly due to cost overruns in certain projects. This is an improvement as compared to a loss of S\$1.3 million for 2QFY14.

The exchange gain of S\$1.1 million for 2QFY15 as compared to a loss of S\$0.9 million for 2QFY14 was mainly due to the strengthening of US\$ against S\$ in 2QFY15.

The Group's net loss attributable to shareholders reduced from S\$8.5 million for 2QFY14 to S\$3.8 million for 2QFY15 mainly due to the reasons mentioned above.

First Half (1HFY15) Review

The Group's revenue for 1HFY15 increased by 26.8% from S\$123.6 million to S\$156.6 million as compared to 1HFY14 mainly due to higher recognition of project revenue. However, the gross profit decreased from S\$7.2 million to S\$6.8 million mainly due to cost overruns mentioned above.

The exchange gain of S\$0.7 million for 1HFY15 as compared to a loss of S\$1.3 million for 1HFY14 was mainly due to the strengthening of US\$ against S\$ in 1HFY15.

The Group's net loss attributable to shareholders also reduced from S\$5.8 million for 1HFY14 to S\$2.8 million for 1HFY15 mainly due to the reasons mentioned above.

Statement of Financial Position Review

The decrease of S\$14.4 million in trade and other receivables as at 30 September 2014 as compared to 31 March 2014 was mainly due to higher collection of trade receivables. The decrease of S\$38.9 million in contract work-in-progress as at 30 September 2014 as compared to 31 March 2014 was in line with the project schedules.

The total borrowings of S\$26.7 million as at 30 September 2014 had also decreased by S\$10.7 million as compared to S\$37.4 million as at 31 March 2014.

As at 30 September 2014, the Group's cash and cash equivalents stood at S\$26.5 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 Directors of the Company are not optimistic about the Group's performance for the current financial year ending 31 March 2015 in view of keen competition, escalating labour costs and potential cost overruns in certain projects. The Group will continue to control costs and take steps to improve productivity.

As at the date of this announcement, the Group's outstanding order book stands at S\$126 million.

**11. Dividend**

**(a) Current financial period reported on**

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

**(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	Interim
Dividend type	Cash
Dividend rate	0.5 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)**

Not applicable

**(d) Date payable**

Nil.

**(e) Books closure date**

Not applicable.

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

No interim dividend has been recommended for the period ended 30 Sept 2014.

**13. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPs”), 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.

**14. Statement by Directors  
Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the interim unaudited financial statements of Hiap Seng Engineering Ltd for the second quarter and the half year ended 30 September 2014 presented in this announcement to be false or misleading in any material aspects.

**BY ORDER OF THE BOARD**

**TAN HAK JIN  
JOINT COMPANY SECRETARY  
10 November 2014**