



## HIAP SENG INDUSTRIES LIMITED

(Company Registration No. 202200187H)

### MEDIA RELEASE

Hiap Seng's revenue surged 34.1% y-o-y growth to S\$24.9 million in FY2024

- Revenue increased 34.1% y-o-y results by higher volume maintenance activities
- Profit attributable to equity shareholders turn into positive
- Healthy balance sheet with net cash position of S\$14.3 million

SINGAPORE – 30 May 2024 – Hiap Seng Industries Limited (“HSIL”), together with its subsidiaries, the “Group”), Industrial & Commercial Services, Construction & Engineering, reported its financial results for the six months period (“2HFY2024”) and full-year ended 31 March 2024 (“FY2024”).

	<b>FY 2024</b>	<b>FY 2023</b>	<b>Changes</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	24,936	18,601	34.1
Gross profit	6,117	3,076	98.8
Profit/(Loss) attributable to owners	20,065	(2,559)	
Net Tangible Assets per share	0.006	(0.06)	
Current Ratio	3.58	(0.55)	
Cash Ratio	2.27	(0.38)	

Hiap Seng Industries reported a year-on-year (“yoy”) revenue growth of 34.1% to S\$24.9 million for FY2024. Similarly, the Group's gross profit rose by 98.8% y-o-y from S\$3.1 million in FY2023 to S\$6.1 million in FY2024. The improved performance is attributed to higher revenue from increased volume of maintenance activities carried out in FY2024, as well as prudence in cost control with reduction of administrative expenses.

In addition, profit attributable to equity holders of the Company from continuing operating (“Net Profit”) rose to S\$20.1 million for the year under review. After adjustment of non-recurring income and expenses, the adjusted operating profit of the year is approximately S\$2.8 million.

The Group's cash and cash equivalents position remains healthy at S\$14.3 million as at 31 March 2024. After completion of the debt restructuring exercise in February 2024, Hiap Seng is in a debt free position. The Group is currently in a net asset position of S\$19.6 million and the net tangible asset per share is S\$0.006.

The Group's current ratio of 3.58 and cash ratio of 2.27 demonstrates its financial health and ability to explore new opportunities.

### **Outlook**

Looking ahead, the Group is cautiously optimistic on prospects over the near to medium term and will focus on taking necessary initiatives to buffer against a challenging oil & gas market. Short-term demand will remain soft amid economics uncertainties and geopolitical tension. Nevertheless, the Group will strive to remain agile and diversify its activities beyond oil and gas.

With a healthy balance sheet, our Group continues to look out for development, investment, and diversification opportunities that will contribute positively towards profitability, while exercising caution.

- End -

### **About Hiap Seng**

HIAP SENG was founded and established in 1950 by Mr Tan Kuay Hoe under the name HIAP SENG ENGINEERING WORKS providing services covering steelwork fabrication. First milestone project was the construction of storage tanks and related pipe work for BP Singapore in 1960.

With expansion in operations and strategic acquisition and alliances, company was corporatized in 1971 with the name changed to HIAP SENG ENGINEERING & CONSTRUCTION PTE LTD. HIAP SENG grew to become one of the major service provider in projects and maintenance services in the oil & gas and the process industry.

Hiap Seng was awarded "Enterprise 50" award in 1995, 1996 and 1998. It was organized then by The Business Times and Accenture. The event was also supported by EDB and IE Singapore, also known today as Enterprise SG.

The company was listed on the Singapore Stock Exchange in June 1999, and renamed as HIAP SENG ENGINEERING LIMITED.

In 2024, Hiap Seng embarked on a transformative journey, transferring its SGX listing to Hiap Seng Industries Limited with renewed vigor and a commitment to innovation, solidifying its position as a dynamic force in the industry.

Today, HIAP SENG has fabrication facilities covering more than half a million sq ft and have established a respected track record with both local and global MNC's; a track record premised on safety, quality and timely delivery.

For more information, please refer to our corporate website: <https://hiapseng.com/>



**HIAP SENG INDUSTRIES LIMITED**

(Company Registration No. 202200187H)

**UNAUDITED CONDENSED FULL YEAR FINANCIAL STATEMENTS  
FOR THE SECOND HALF AND FULL YEAR ENDED  
31 MARCH 2024**

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**A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the second half and full financial year ended 31 March 2024**

	Note	Group			Group		
		6 months ended	6 months ended	Changes	12 months ended	12 months ended	Changes
		31/3/2024	31/3/2023		31/03/2024	31/03/2023	
SS'000	SS'000	%	SS'000	SS'000	%		
Revenue	5	12,814	9,573	33.8	24,936	18,601	34.1
Cost of services rendered		(9,751)	(7,895)	23.5	(18,819)	(15,525)	21.2
<b>Gross profit</b>		<b>3,063</b>	<b>1,678</b>	<b>82.5</b>	<b>6,117</b>	<b>3,076</b>	<b>98.8</b>
Gross profit margin		23.9%	17.5%		24.5%	16.5%	
Other income	7(a)	520	450	15.7	923	1,401	(34.1)
Other gains/ (losses) – net	7(b)	18,473	(836)	NM	18,184	(1,134)	NM
Expenses							
-Administrative expenses		(2,724)	(2,994)	(9.0)	(4,739)	(5,413)	(12.4)
-Finance costs	7(d)	(149)	(259)	(28.6)	(427)	(497)	(6.9)
Share of profit/(loss) of associated companies		7	8	(12.5)	7	8	(12.5)
<b>Profit/(Loss) before tax</b>		<b>19,190</b>	<b>(1,953)</b>	<b>NM</b>	<b>20,065</b>	<b>(2,559)</b>	<b>NM</b>
Income tax (expenses)/ credit	8	-	-		-	-	
<b>Net profit/(loss) after tax</b>		<b>19,190</b>	<b>(1,953)</b>	<b>NM</b>	<b>20,065</b>	<b>(2,559)</b>	<b>NM</b>
<b>Other comprehensive income/(loss)</b>							
Items that may be reclassified subsequently to profit or loss:							
– Currency translation differences arising from consolidation		235	306	(23.2)	544	665	(18.2)
Items that will not be reclassified subsequently to profit or loss:							
– Fair value losses – equity investments		(160)	94	NM	(160)	94	NM
<b>Total comprehensive income/(loss) for the year</b>		<b>19,265</b>	<b>(1,553)</b>	<b>NM</b>	<b>20,449</b>	<b>(1,800)</b>	<b>NM</b>
<b>Profit/(Loss) attributable to:</b>							
Equity holders of the Company		<b>19,190</b>	<b>(1,953)</b>		<b>20,065</b>	<b>(2,559)</b>	
<b>Total comprehensive income/(loss) attributable to:</b>							
Equity holders of the Company		<b>19,265</b>	<b>(1,553)</b>		<b>20,449</b>	<b>(1,800)</b>	
<b>Basic earnings/(loss) per share (cents per share)</b>		<b>0.6</b>	<b>(0.1)</b>		<b>0.7</b>	<b>(0.1)</b>	
<b>Diluted earnings/(loss) per share (cents per share)</b>		<b>0.4</b>	<b>(0.1)</b>		<b>0.4</b>	<b>(0.1)</b>	

**Notes**

- For comparative purpose, FY2023 Group figure is combination of Hiap Seng Industries Limited company level and Hiap Seng Engineering Ltd group level accounts.
- N.M. – Not Meaningful

**B. Condensed Statement of Financial Position**  
**As at 31 March 2024**

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
		<u>31/3/2024</u>	<u>31/03/2023</u>	<u>31/3/2024</u>	<u>31/03/2023</u>
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	14,278	18,752	266	8
Trade and other receivables	6	7,166	7,518	1,727	-
Other current assets	6	1,015	746	4	-
		<u>22,459</u>	<u>27,016</u>	<u>1,997</u>	<u>8</u>
<b>Non-current assets</b>					
Investments in associated companies		277	270	-	-
Investments in subsidiaries		-	-	16,524	-
Property, plant and equipment		2,256	3,887	-	-
Financial assets, at FVOCI	10	867	907	-	-
		<u>3,400</u>	<u>5,064</u>	<u>16,524</u>	<u>-</u>
<b>Total assets</b>		<u>25,859</u>	<u>32,080</u>	<u>18,521</u>	<u>8</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	6	5,485	33,730	377	19
Contract liabilities		5	7	-	-
Borrowings	12	-	14,697	-	-
Lease liabilities	6	791	862	-	-
		<u>6,281</u>	<u>49,296</u>	<u>377</u>	<u>19</u>
<b>Non-current liabilities</b>					
Lease liabilities	6	-	148	-	-
		<u>-</u>	<u>148</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>6,281</u>	<u>49,444</u>	<u>377</u>	<u>19</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u><b>19,578</b></u>	<u><b>(17,364)</b></u>	<u><b>18,144</b></u>	<u><b>(11)</b></u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to the Company's equity holders</b>					
Share capital	13	18,142	36,178	18,142	-*
Other reserves	14	36,478	1,565	-	-
Accumulated losses		(35,042)	(55,107)	2	(11)
<b>TOTAL EQUITY</b>		<u><b>19,578</b></u>	<u><b>(17,364)</b></u>	<u><b>18,144</b></u>	<u><b>(11)</b></u>

**Notes**

- For comparative purpose, FY2023 Group figure is combination of Hiap Seng Industries Limited company level and Hiap Seng Engineering Ltd group level accounts.

\* Less than \$1,000

**C. Condensed Interim Statements of Changes In Equity**  
**For financial year ended 31 March 2024**

<b>The Group</b>	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated loss</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>As at 1 April 2023</b>	<b>36,178</b>	<b>1,565</b>	<b>(55,107)</b>	<b>(17,364)</b>
Profit for the period	-	-	20,065	20,065
Other comprehensive income for the period	-	384	-	384
Total comprehensive income for the period	-	384	20,065	20,449
Transactions with owners, recognised directly in equity:				
Contributions to and distributions to owners of the Company:				
Effects of restructuring (Note 14 & 15)	(19,654)	34,529	-	14,875
Right issue during the period	1,618	-	-	1,618
<b>As at 31 March 2024</b>	<b>18,142</b>	<b>36,478</b>	<b>(35,042)</b>	<b>19,578</b>

  

<b>The Group</b>	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated loss</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>As at 1 April 2022</b>	<b>36,178</b>	<b>806</b>	<b>(52,548)</b>	<b>(15,564)</b>
Loss for the period	-	-	(2,559)	(2,559)
Other comprehensive income for the period	-	759	-	759
Total comprehensive income for the period	-	759	(2,559)	(1,800)
Reclass upon disposal of subsidiaries	-	-	-	-
Disposal of a controlling interest in subsidiaries	-	-	-	-
<b>As at 31 March 2023</b>	<b>36,178</b>	<b>1,565</b>	<b>(55,107)</b>	<b>(17,364)</b>

**Notes**

- For comparative purpose, FY2023 Group figure is combination of Hiap Seng Industries Limited company level and Hiap Seng Engineering Ltd group level accounts.

**C. Condensed Interim Statements of Changes In Equity**

<b>Company</b>	<b>Share capital</b>	<b>Accumulated loss/ Retained earnings</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
As at 1 April 2023	-	(11)	(11)
Profit for the period	-	13	13
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	13	13
Issue during the period	18,142	-	18,142
<b>As at 31 March 2024</b>	<b>18,142</b>	<b>2</b>	<b>18,144</b>

<b>Company</b>	<b>Share capital</b>	<b>Accumulated loss</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
As at 1 April 2022	-	(2)	(2)
Total comprehensive loss for the year	-	(9)	(9)
<b>As at 31 March 2023</b>	<b>-</b>	<b>(11)</b>	<b>(11)</b>

**D. Condensed Interim Consolidated Statement of Cash Flows**  
**As at 31 March 2024**

	<b>Group</b>	
	<b>As at 31/03/2024 S\$'000</b>	<b>As at 31/03/2023 S\$'000</b>
<b>Cash flows from operating activities:</b>		
Total profit/(loss) after tax	20,065	(2,559)
<b>Adjustments for:</b>		
(Write back)/Impairment of financial assets and contract assets	(244)	133
Depreciation	1,570	1,791
Net gain on disposal of property, plant and equipment	(29)	(50)
Property, plant and equipment written off	3	378
Impairment loss on property, plant and equipment	746	-
Gain on waiver of debts	(19,316)	-
Unrealised currency translation losses	31	683
Interest expense	427	497
Interest income	(350)	(111)
Share of profit of associated companies	(7)	(8)
	<b>2,896</b>	<b>754</b>
<b>Change in working capital, net of effects from acquisition and disposal of subsidiaries:</b>		
Contract assets	-	964
Trade and other receivables	596	1,993
Other current assets	(268)	122
Contract liabilities	(2)	(106)
Trade and other payables and provision	(4,438)*	701
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,216)</b>	<b>4,428</b>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of property, plant and equipment	71	55
Purchases of property, plant and equipment	(111)	(58)
Interest received	350	111
<b>Net cash generated from investing activities</b>	<b>310</b>	<b>108</b>
<b>Cash flows from financing activities</b>		
Cash distribution to scheme creditors	(1,885)	-
Interest paid	(21)	(16)
Issue of shares	9,618	-
Repayment of bank borrowings	(10,410)	-
Repayment of principal portion of lease liabilities	(850)	(843)
<b>Net cash used in financing activities</b>	<b>(3,548)</b>	<b>(859)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(4,454)</b>	<b>3,677</b>
Effect of currency translation on cash and cash equivalents	(20)	(46)
Beginning of the financial year	18,752	15,121
<b>End of the financial year</b>	<b>14,278</b>	<b>18,752</b>
<b>Cash and cash equivalents represented by:</b>		
Bank and cash balances	14,278	18,752

**Notes**

- For comparative purpose, FY2023 Group figure is combination of Hiap Seng Industries Limited company level and Hiap Seng Engineering Ltd group level accounts.
- \* Approximately \$4 million due to the payment of Judicial Management fees and other professional fees for the Scheme.



## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

Hiap Seng Industries Limited (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 28 Tuas Crescent, Singapore 638719.

These condensed interim consolidated financial statements as at and for the six months ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company consist of the provision of building construction, engineering, procurement, construction and plant maintenance services for oil and gas and energy sectors and, provision of process and industrial plant engineering and consultancy services.

#### **1.1 Group re-organisation**

The Company was listed on the Mainboard of the SGX-ST on 19 February 2024 following the implementation of a scheme of arrangement (the “Scheme”) proposed by Hiap Seng Engineering Limited (“HSEL”) to its shareholders under Section 210 of the Companies Act 1967, as described in HSEL circular to shareholders dated 6 November 2023 (the “Scheme Circular”).

As announced in the Scheme Circular, HSEL has proposed to:

- (a) allot and issue 1,473,296,500 new ordinary shares (the “Subscription Shares”) to Vibrant Equities Pte. Ltd. and Tian Yuan (collectively, the “Subscribers”) at an issue price of S\$0.00543 per subscription share (the “Proposed Subscription”),
- (b) grant 1,473,296,500 unlisted and transferrable options to the Subscribers, with each option carrying the right to subscribe for one new share (the “Grant of Options”),
- (c) allot and issue 1,353,591,160 new shares to the scheme creditors pursuant to the share distribution under the creditor's scheme of S\$0.00543 per settlement share (the “Settlement Shares”),
- (d) allot and issue 4,757,810 settlement shares to Mr, Richard Tan Leau Kee @ Tan Chow Kee at an issue price of S\$0.00543 per settlement shares,
- (e) allot and issue 4,520,552 settlement shares to Mr Koh Kim Wah at an issue price of S\$0.00543 per settlement share,
- (f) allot and issue 577,947 settlement shares to Mr Tan Yaw Song at an issue price of S\$0.00543 per settlement share,
- (g) allot and issue 27,242 settlement shares to Mr Tan Yew Kun at an issue price of S\$0.00543 per settlement share,
- (h) transfer of controlling interest to Vibrant Equities Pte Ltd and Tian Yuan from the issue of the subscription shares and assuming the full exercise of the options granted to Tian Yuan,
- (i) approve the whitewash resolution for the waiver by the independent shareholders of their right to receive a mandatory general offer from Vibrant Equities Pte Ltd for all the issued shares in the capital of HSEL not already owned or controlled by Vibrant Equities Pte Ltd and its concert parties
- (j) allot and issue renounceable non-underwritten rights issue of up to 607,500,000 new shares at an issue price of S\$0.00543 for each rights share, on the basis of 2 rights shares for every 1 existing share held by entitled shareholders as at the record date
- (k) appoint Mr. Sebastian Tan Cher Liang, Mr. Khua Kian Hua, Mr. Tan Phuay Hung Max, Mr Piti Pramotedham and Mr. David Ong Kim Huat as directors of the Company upon completion of the proposed subscriber transactions and proposed transfer listing.

At the Extraordinary General Meeting of HSEL held on 28 November 2023, the shareholders of HSEL approved, inter alia, the Scheme. As announced by HSEL on 17 January 2024, the Scheme was sanctioned by the High Court of the Republic of Singapore and was to become effective and binding upon the lodgement of the Scheme Court Order with the Registrar of Companies in Singapore. On 24 January 2024, HSEL issued an announcement stating that a copy of the Scheme Court Order will be lodged with the Registrar of Companies on 2 February 2024. Upon the Scheme taking effect, the entire issued share capital of HSEL was held directly by the Company. On 19 February 2024, the Company commenced trading on the Mainboard of the SGX-ST, and HSEL was delisted from the SGX-ST on the same date.

## **E. Notes to the condensed interim consolidated financial statements**

### **2. Basis of preparation**

The consolidated financial statements of the Company and its subsidiary companies collectively, the Group, and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

In preparing this set of consolidated financial statements, the group re-organisation (Note 1.1.) is not considered a business combination under SFRS(I) 3 Business Combinations and principles of pooling of interest method under common control was applied as continuation of HSEL, where the interest of entities of HSEL were transferred under common control to the Company, which has been effected as if the combination occurred as at 1 April 2023, or the dates of incorporation of the entities, or the dates when common control is established, whichever is later.

The Group applies the pooling of interest method which involve the following:

- Assets and liabilities of the transferred entities are stated at their predecessor carrying values and fair value measurement is not required.
- The Group's profit and loss reflects the results of the transferred entities.
- No new goodwill is recognised as a result of the combination.

Accordingly, the comparative numbers for the Group are those of HSEL and its subsidiary companies prior to the re-organisation. The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3. The financial statements are presented in Singapore Dollars (\$) or SGD) and all values in the tables are rounded to the nearest thousand (\$'000) as indicated.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated audited financial statements for the year ended 31 March 2023.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial interim period are disclosed in Note 3.

## E. Notes to the condensed interim consolidated financial statements

### 3. Critical accounting estimates, assumptions and judgements

The key assumptions concerning the future and other critical accounting estimates at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period are discussed below.

#### *Critical judgement over the lease terms*

As at 31 March 2024, the Group's lease liabilities, which are measured with reference to estimates of the lease terms, amounted to S\$791,000. Extension options are included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

For leases of land and factories with conditional extension of lease terms, the Group considers the likelihood of fulfilling those conditions within the prescribed timeline given its financial position.

### 4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period from 1 April 2023 to 31 March 2024.

### 5. Segment information

Management together have determined the operating segments based on the reports that are used to make strategic decisions. Management comprises the Chief Executive Officer and Executive Director and the general managers of each business segment.

During the financial year under review, the management considers its business segment being the Plant construction and maintenance given the Company is now focusing on its core competencies.

Other services include investment holding but this is not included within the reportable operating segments as it is not included in the reports provided to the management.

The segment information provided to the management team for the reportable segments for the period ended 31 March 2024 and 31 March 2023 is as follows:

#### 5.1 Reportable segments

	<b>Plant construction and maintenance</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Six months ended 31 March 2024</i>		
<b>Revenue</b>		
Revenue from external parties	12,814	12,814
<b>Adjusted EBITDA</b>	<b>19,975</b>	<b>19,975</b>
Depreciation	(784)	(784)
Share of profit of associated company	7	7
<i>Financial year ended 31 March 2024</i>		
<b>Revenue</b>		
Revenue from external parties	24,936	24,936
<b>Adjusted EBITDA</b>	<b>21,712</b>	<b>21,712</b>
Depreciation	(1,570)	(1,570)
Share of profit of associated company	7	7

## E. Notes to the condensed interim consolidated financial statements

### 5. Segment information (continued)

*As at 31 March 2024*

<b>Segment assets</b>	<b>24,992</b>	<b>24,992</b>
Segment assets include:		
Investment in associated companies	277	277
Additions to:		
- Property, plant and equipment	(111)	(111)
<b>Segment liabilities</b>	<b>(6,281)</b>	<b>(6,281)</b>

<b>Plant construction and maintenance</b>	<b>Total</b>
<b>\$'000</b>	<b>\$'000</b>

*Six months ended 31 March 2023*

<b>Revenue</b>		
Revenue from external parties	9,573	9,573
<b>Adjusted EBITDA</b>	<b>(804)</b>	<b>(804)</b>
Depreciation	(892)	(892)
Share of profit of associated company	8	8

<b>Plant construction and maintenance</b>	<b>Total</b>
<b>\$'000</b>	<b>\$'000</b>

*Financial year ended 31 March 2023*

<b>Revenue</b>		
Revenue from external parties	18,601	18,601
<b>Adjusted EBITDA</b>	<b>(274)</b>	<b>(274)</b>
Depreciation	(1,791)	(1,791)
Share of profit of associated company	8	8

*As at 31 March 2023*

<b>Segment assets</b>	<b>31,173</b>	<b>31,173</b>
Segment assets include:		
Investment in associated companies	270	270
Additions to:		
- Property, plant and equipment	(58)	(58)
<b>Segment liabilities</b>	<b>(33,737)</b>	<b>(33,737)</b>

## E. Notes to the condensed interim consolidated financial statements

a. A reconciliation of adjusted EBITDA to profit before tax is provided as below –

	<b>6 months ended 31/3/2024 \$'000</b>	<b>6 months ended 31/3/2023 \$'000</b>	<b>12 months ended 31/3/2024</b>	<b>12 months ended 31/3/2023</b>
EBITDA	19,975	(804)	21,712	(274)
Depreciation of property, plant and equipment	(784)	(892)	(1,570)	(1,791)
Finance expense	(149)	(259)	(427)	(497)
Interest income	148	2	350	3
Profit/(Loss) before tax	<u>19,190</u>	<u>(1,953)</u>	<u>20,065</u>	<u>(2,559)</u>

b. Segments' assets are reconciled to total assets as follows –

	<b>As at 31/3/2024 \$'000</b>	<b>As at 31/3/2023 \$'000</b>
Segment assets for reportable segments	24,992	31,173
Financial assets, at FVOCI	867	907
Total assets	<u>25,859</u>	<u>32,080</u>

c. Segments' liabilities are reconciled to total liabilities as follows –

	<b>As at 31/3/2024 \$'000</b>	<b>As at 31/3/2023 \$'000</b>
Segment liabilities	5,490	33,737
Borrowings	-	14,697
Lease liabilities	791	1,010
Total liabilities	<u>6,281</u>	<u>49,444</u>

d. Disaggregation of Revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following revenue streams.

	<b>At a point in time S\$'000</b>	<b>Over time S\$'000</b>	<b>Total S\$'000</b>
<i>Six months ended 31 March 2024</i>			
Maintenance services	-	12,765	12,765
Construction of plant and equipment	-	-	-
Others	49	-	49
<b>Total</b>	<b>49</b>	<b>12,765</b>	<b>12,814</b>
<i>Six months ended 31 March 2023</i>			
Maintenance services	-	9,435	9,435
Construction of plant and equipment	-	58	58
Others	80	-	80
<b>Total</b>	<b>80</b>	<b>9,493</b>	<b>9,573</b>

## E. Notes to the condensed interim consolidated financial statements

	At a point in time	Over time	Total
	S\$'000	S\$'000	S\$'000
<b>12 months ended 31 March 2024</b>			
Maintenance services	-	24,800	24,800
Construction of plant and equipment	-	-	-
Others	136	-	136
	<b>136</b>	<b>24,800</b>	<b>24,936</b>
<b>12 months ended 31 March 2023</b>			
Maintenance services	-	18,303	18,303
Construction of plant and equipment	-	113	113
Others	185	-	185
	<b>185</b>	<b>18,416</b>	<b>18,601</b>

### Geographical information

	Revenue	
	As at	As at
	31/03/2024	31/03/2023
	S\$'000	S\$'000
<i>Six months ended –</i>		
Singapore	12,814	9,537
United Arab Emirates	-	36
<b>Total</b>	<b>12,814</b>	<b>9,573</b>
<i>Financial year ended –</i>		
Singapore	24,934	18,558
United Arab Emirates	-	36
Other countries	2	7
<b>Total</b>	<b>24,936</b>	<b>18,601</b>

### A breakdown of sales

	As at 31/03/2024	As at 31/03/2023	% increase/ (decrease)
	S\$'000	S\$'000	%
Sales reported for the first half year	12,122	9,028	34
Net profit/(loss) after tax reported for the first half year	875	(606)	N.M
Sales reported for the second half year	12,814	9,573	33
Net profit/(loss) after tax reported for second half year	19,190	(1,953)	N.M

## 6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as 31 March 2024 and 31 March 2023.

	Group		Company	
	As at 31/3/2024	As at 31/03/2023	As at 31/3/2024	As at 31/03/2023
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets</b>				
Cash and cash equivalents, at amortised cost	14,278	18,752	266	8
Trade and other receivables, at amortised cost	7,166	7,518	1,727	-
Deposits	1,015	746	4	-
	<b>22,459</b>	<b>27,016</b>	<b>1,997</b>	<b>8</b>

## E. Notes to the condensed interim consolidated financial statements

### Financial liabilities

Borrowings, at amortised cost	-	14,697	-	-
Trade and other payables, at amortised cost	5,485	33,730	377	19
Lease liabilities, at amortised cost	791	1,010	-	-
	<b>6,276</b>	<b>49,437</b>	<b>377</b>	<b>19</b>

## 7. Profit before taxation

	Group		Group	
	6 months ended	6 months ended	12 months ended	12 months ended
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	S\$'000	S\$'000	S\$'000	S\$'000
<b>(a) Other income</b>				
Premise rental income	219	294	268	539
Rental of equipment	32	46	184	213
Dividend from unquoted shares	121	-	121	-
Interest income	148	110	350	111
Government grant income	-	-	-	538
<b>Total other income</b>	<b>520</b>	<b>450</b>	<b>923</b>	<b>1,401</b>
<b>(b) Other gains/(losses) - net</b>				
Write back/(Allowance) for impairment of financial assets and contract assets	214	(133)	244	(133)
Currency exchange (loss)/gain - net	(282)	(372)	(655)	(701)
Net gain on disposal of property, plant and equipment	1	48	29	50
Property, plant and equipment written off	-	(378)	(3)	(378)
Impairment loss on property, plant and equipment	(746)	-	(746)	-
Loss on corporate guarantee	(36)	-	(36)	-
Gain on waiver of debts	19,316	-	19,316	-
Sundry gain	6	(1)	35	28
	<b>18,473</b>	<b>(836)</b>	<b>18,184</b>	<b>(1,134)</b>
<b>(c) Included in the cost of services rendered and administrative expenses are:</b>				
Foreign workers levy rebate	-	119	-	182
Government grant	14	538	14	538
Depreciation	(784)	(892)	(1,570)	(1,791)
<b>(d) Finance costs</b>				
- Interest expenses on bank borrowings	143	254	406	481
- Interest expenses on lease liabilities	6	5	21	16
	<b>149</b>	<b>259</b>	<b>427</b>	<b>497</b>

### Related party transactions

The following related party transactions took place between the Group and related parties at terms agreed between the parties:

	Group		Group	
	6 months ended	6 months ended	12 months ended	12 months ended
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Sales and purchases of goods and services</b>				
Computer maintenance fees paid to an associated company	44	41	80	62

## E. Notes to the condensed interim consolidated financial statements

### 8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	6 months ended 31/03/2024	6 months ended 31/03/2023	12 months ended 31/03/2024	12 months ended 31/03/2023
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expense – withholding tax	-	-	-	-
Deferred income tax	-	-	-	-
Income tax expense/(credit)	-	-	-	-

### 9. Net asset value

	Group		Company	
	As at 31/3/2024	As at 31/03/2023	As at 31/3/2024	As at 31/03/2023
Net asset value per ordinary share (in cents)	0.6	N.M	0.6	N.M

### 10. Financial assets at fair value through other comprehensive income

	Group	
	As at 31/3/2024	As at 31/03/2023
	S\$'000	S\$'000
Beginning of financial year	907	813
Dividend received in shares	120	-
Net fair value changes	(160)	94
End of financial year	867	907

The financial assets at FVOCI comprised an investment in unlisted equity securities in Vietnam, which is classified as Level 3 of the fair value measurement hierarchy (Note 10.1).

The Group estimates the fair value of financial assets at FVOCI classified as Level 3 based on the share price of other comparable companies, or the actual price dictated by a recent transaction. Adjustments, using available public data on comparable transaction to measures the fair value where applicable.

The management review the appropriateness and reliability of the fair value of the financial assets and the Group's share in the investee's fair market value, for financial reporting purposes.

An increase/decrease in the market value of the investee will lead to an increase/decrease in the fair value of financial assets at FVOCI of the Group.

#### 10.1. Fair value measurement

Assets and liabilities recognised and measured at fair value are classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).



## E. Notes to the condensed interim consolidated financial statements

### 11. Property, plant and equipment

During the year ended 31 March 2024, the Group acquired assets amounting to S\$111,000 (31 March 2023: \$58,000) and disposed of assets with carrying amounts of \$42,000, (31 March 2023: \$5,000).

### 12. Borrowings

	<u>Group</u>	
	<u>As at</u>	<u>As at</u>
	<u>31/3/2024</u>	<u>31/03/2023</u>
	S\$'000	S\$'000
<b><u>Amount repayable in one year or less, or on demand</u></b>		
Secured	-	14,697

The Group's borrowings are secured by a mortgage of certain land and buildings of the Group, corporate guarantee by the Company, legal charge over the Company's bank operating account and all-monies over the accounts receivables' contract and proceeds in respect of the projects financed by the bank.

### 13. Share capital

	<u>The Group and The Company</u>			
	<u>As at 31/3/2024</u>		<u>As at 31/03/2023</u>	
	<u>Number</u>		<u>Number</u>	
	<u>of shares</u>	<u>Amount</u>	<u>of shares</u>	<u>Amount</u>
	'000	S\$'000	'000	S\$'000
<b><u>Issued and fully paid ordinary shares</u></b>				
As at beginning of the financial year	303,750	36,178	303,750	36,178
Effect of capital re-organisation	-	(34,529)	-	-
Issuance of shares to new subscribers	1,473,297	8,000	-	-
Issuance of shares to scheme creditors	1,266,170	6,875	-	-
Right issues	331,075	1,618	-	-
	<u>3,374,292</u>	<u>18,142</u>	<u>303,750</u>	<u>36,178</u>

The Company did not hold any treasury shares as at 31 March 2024.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2024 and 31 March 2023.

During the year, the Company has issued 1,473,296,500 shares to Vibrant and Tian Yu as new subscribers; issued 1,266,170,221 to Scheme Creditors and issued 331,075,614 under the Right Issue Exercise after the debt restructuring.

### 14. Other reserves

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
	<u>31/3/2024</u>	<u>31/3/2023</u>	<u>31/3/2024</u>	<u>31/3/2023</u>
	\$'000	\$'000	\$'000	\$'000
Composition:				
Currency translation reserve	3,684	3,140	-	-
Merger reserve	34,529	-	-	-
Fair value reserve	(1,735)	(1,575)	-	-
	<u>36,478</u>	<u>1,565</u>	<u>-</u>	<u>-</u>

Merger reserve arising from Hiap Seng Industries Limited allot and issued 303,750,000 to Hiap Seng Engineering Ltd at an issue price of S\$0.00543 per share to fully take over Hiap Seng Engineering Ltd as subsidiary, whose original share capital was S\$36,178,290.

## **E. Notes to the condensed interim consolidated financial statements**

### **15. Debt restructuring**

On 28 November 2023, the creditors has approved a Creditors Scheme proposed by HSEL to restructure HSEL debts. Based on the proofs of debt submitted, the Scheme Consideration amounts to a recovery of approximately 9.6% to the Scheme Creditors with Approved Scheme Claims and the aggregate value for the Settlement Shares to be allotted and issued to the Scheme Creditors amounts to an additional recovery of approximately 28.3% to the Scheme Creditors with Approved Scheme Claims.

## **F. Other information required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed consolidated statement of financial position of the Group as at 31 March 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### **2. Review of performance of the Group**

#### **2H FY2024 vs 2H FY2023**

The revenue for 2H FY2024 was higher by \$3.2 million from \$9.6 million in 2H FY2023 to \$12.8 million, mainly due to the higher volume of maintenance and shutdown activities carried out in 2H FY2024.

The significant increase of \$19.3 million in other (losses)/gains for 2H FY2024 compared to prior period was largely due to gain on the waiver of debts of \$19.3 million in 2H FY2024.

The administrative expenses dropped by \$0.3 million in 2H FY2024 from \$3.0 million in 2H FY2023 to \$2.7 million in 2H FY2024 mainly due to implementation of prudent cost controls measures undertaken by the Group.

The finance costs decreased by \$0.1 million in 2H FY2024 due to accrued up to February 2024.

#### **FY2024 vs FY2023**

The revenue for FY2024 was higher by \$6.3 million from \$18.6 million in FY2023 to \$24.9 million, mainly due to higher volume of maintenance and shutdown activities maintenance activities carried out in FY2024.

The significant increase of \$19.3 million in other (losses)/gains for FY2024 compared to prior period was largely due to gain on the waiver of debts of \$19.3 million in FY2024.

The administrative expenses drop by \$0.7 million compared to \$5.4 million in FY2023. The drop in administration expenses in FY2024 was mainly due to implementation of prudent cost controls measures undertaken by the Group during the current financial year.

The finance costs remain at \$0.4 million in FY2024 as a result of accrued interest of the loan up to February 2024.

#### **Balance Sheet Review**

The Group's trade and other receivables decreased by \$0.3 million from \$7.5 million as at 31 March 2023 to \$7.2 million as at 31 March 2024. The Group's cash and cash equivalents decreased from \$18.7 million as at 31 March 2023 to \$14.3 million as at 31 March 2024.

Non-current assets reduced by \$1.7 million, mainly due to the depreciation charge of \$1.6 million during the financial year, provision for impairment of property, plant and equipment of \$0.7 million, disposal of property, plant and equipment of \$0.1 million and was offset by an increase of property, plant and equipment of \$0.1 million.

The Group's trade and other payables decreased by \$28.2 million to \$5.5 million as at 31 March 2024 mainly due to debts restructuring exercise undertaken by the Company.

The borrowings has been fully settle through debts restructuring exercise undertaken by the Group.

#### **Cash Flow Statement Review**

The Group recorded a net decrease in cash position of \$4.5 million arising from the a negative cashflow from operating activities of \$1.2 million and financing activities of \$3.6 million, which was offset with the cash inflow in investing activities of \$0.3 million.

## **F. Other information required by Listing Rule Appendix 7.2**

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

No forecast or prospect statement was disclosed to shareholders for the financial year ended 31 March 2024.

### **4. 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 Group continues to face keen industry competition in the sectors that it operates in, and increasing operating costs due to tightening foreign workforce policies and a high inflation rate environment.

Nevertheless, the Group is cautiously optimistic on prospects over the near to medium term. The Group will focus on taking necessary initiatives to moderate the impact of increasing operating costs. With a healthy balance sheet, our Group continues to look out for development, investment, and diversification opportunities that will contribute positively towards profitability, while exercising caution.

## **5. Dividend information**

### **(a) Current Financial Period Reported on**

Any dividend declared for the current financial period reported on?

No.

### **(b) Corresponding Period of the Immediate Preceding Financial Year**

Any dividend declared for the corresponding period of the immediate preceding financial year?

No.

### **(c) Date payable**

Not applicable

### **(d) Books closure date**

Not applicable

### **(e) If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been recommended for the year ended 31 March 2024 as the Company has no sufficient retained earnings to declare and issue dividends.

## **6. Interested person transactions (“IPT”)**

The Group has not obtained a general mandate from shareholders of the Company for IPT.

## **7. Confirmation that the issuer has procured undertaking from all its directors and executive officers under Rule 720(1)**

The Company has received the undertakings from all its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST.

**F. Other information required by Listing Rule Appendix 7.2**

**8. Disclosure of persons occupying managerial positions who are related to a director or chief executive officer or substantial shareholder**

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:

<b>Name</b>	<b>Age</b>	<b>Family relationship with any Director, CEO and/or Substantial Shareholder</b>	<b>Current position and duties, and the year position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Tan Leau Kuee	74	Father of Tan Phuay Hung, Max	Executive Director of Hiap Seng Engineering Ltd; Overseeing and advisory role on the management and strategic planning of the operations of Hiap Seng Engineering Ltd and its subsidiaries; Since February 2024	Mr. Tan was previously CEO of Hiap Seng Engineering Ltd and was reassigned to his current position as Executive Director.

**By order of the board**

**Khua Kian Hua**  
**Executive Director**  
**30 May 2024**