

High quality spurs growth

Industry leader Hiap Seng Engineering is eyeing opportunities in China and the Middle East

by philip lee

HIAP Seng Engineering, one of the oldest engineering companies in Singapore, says its adherence to unrelenting standards of safety, quality and reliability has been behind its business success.

The company started in 1950 under the name Hiap Seng Engineering Works and dealt mainly in steel-work fabrication.

Today, Hiap Seng, a publicly listed company, is a major service provider in industrial plant design, fabrication and construction and maintenance in the oil and gas industries as well as in the chemical and pharmaceutical sectors in Singapore and abroad.

Says the company's executive chairman and chief executive officer, Mr Frankie Tan Ah Lam (below): "The elements which are often associated with Hiap Seng's work revolve around exemplary safety records, good quality work and on-time delivery.



PHOTO: CHONG JUN LIANG

"This explains why Hiap Seng is very well received by its clients – multinational companies which also embrace the same attributes in their operations."

Mr Tan adds that although track record and reliability count, the company also projects itself as a one-stop solution provider with full capability in engineering, shop fabrication as well as installation and construction.

His company was responsible for some big-name local projects. He says: "Hiap Seng completed major construction work in the Shell Ehtylene Cracker Complex in April this year. We also undertook construction works for Shell Eastern Petroleum on Pulau Bukom and Pulau Ular. We completed a major piping fabrication project for Neste Oil Singapore in Tuas in June."

Over the years, Hiap Seng has undertaken extensive fabrication works for a comprehensive range of tanks for major terminal owners such as Vopak, Oiltanking, GATX and Horizon in Singapore.

"In the offshore segment, floating production, storage and off-loading modules, or floating vessels for the off-shore oil industry, have been constructed in Hiap Seng's yard in Tuas for Australia and Norway.

"Compressor modules were also fabricated for the Middle East, Africa and the Asia Pacific."

The company's revenue was more than \$252 million in its last financial year (FY).

Says Mr Tan: "From FY06 to FY10, Hiap Seng's revenue and net profit grew at a commendable compounded annual growth rate of 22.8 per cent and 53.9 per cent respectively. More importantly, its return on equity and return on assets for FY10 surged to 39.6 per cent and 21 per cent respectively compared to 23.3 per cent and 10.5 per cent in the previous corresponding period."

The company, accredited with ISO 9001 in 2003, has operations in Malaysia, Thailand and one in Shanghai. It sees the Middle East and other parts of China as areas for new opportunities.

On the value of corporate branding, Mr Tan says: "Other than Hiap Seng's profitability and its customers' bottom lines, its standards in safety, quality and reliability contribute to the long-term enhancement of the financial and economic well-being of the community and the country."