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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	NEWS RELEASE: HIAP SENG ESTABLISHES STRATEGIC ALLIANCE WITH PETROVIETNAM ENERGY TECHNOLOGY CORPORATION IN VIETNAM
Description	Please see the attachment.
Attachments	 NR_HSEL_PVEIC_Co-op.pdf Total size = 40K (2048K size limit recommended)



協成工程有限公司
HIAP SENG ENGINEERING LTD



NEWS RELEASE

HIAP SENG ESTABLISHES STRATEGIC ALLIANCE WITH PETROVIETNAM ENERGY TECHNOLOGY CORPORATION IN VIETNAM

- *First collaboration with Vietnam's PV EIC, a major player in Vietnam's oil-and-gas sector*
- *Strategic move gives Hiap Seng first priority consideration as PV EIC's preferred partner basis for joint venture, consortium or subcontracting works in projects and marks expansion of Hiap Seng's services into a new market*

Singapore, March 28, 2012 – Hiap Seng Engineering Ltd (“Hiap Seng” or the “Group”), a specialist integrated engineering group for the oil-and-gas, petrochemical and pharmaceutical industries, today announced that it has entered into a Strategic Co-operation Agreement (“Agreement”) and a Share Sale and Purchase Agreement with PetroVietnam Energy Technological Corporation (“PV EIC”), (collectively, the “Parties”). PV EIC is a member of Vietnam National Oil and Gas Group (“PetroVietnam”), and provides a range of specialised services to global oil-and-gas majors.

As a start, the Parties will collaborate to develop PV EIC's Maintenance Services business in Vietnam, tapping on Hiap Seng's specialised experience and expertise in first-tier plant maintenance.

Hiap Seng will develop a holistic management and technical training programme focused on maintenance management and execution know-how relevant for assets in the oil-and-gas sector in Vietnam. In addition, this joint development and collaboration shall include business development and business model plan for maintenance work in Vietnam, as well as an efficient and effective capital investment strategy focusing on equipment and facilities requirements. Hiap Seng will also provide PV EIC with technical support services and develop relevant procedures and guidelines for plant maintenance projects execution as required.

At the same time, based on its proven competencies, competitiveness and qualification, Hiap Seng will have first priority as PV EIC's preferred partner basis for joint venture, consortium or subcontracting works in providing Operations & Maintenance and turnaround services for downstream facilities within Vietnam and be a consortium member in charge of technical issues in the event that it is jointly involved in PV EIC's tender.

Mr. Frankie Tan, Chairman and CEO of Hiap Seng said, "We are very excited to partner Petrovietnam Energy, a major player in Vietnam's oil-and-gas sector. This represents our first strategic tie-up in Vietnam and marks our entry into a new market. Indeed, this is a win-win partnership for both PV EIC and Hiap Seng. For Hiap Seng, we aim to leverage on PV EIC's strong local knowledge and network to further develop our plant maintenance capabilities in Vietnam. At the same time, with our proven technological and engineering know-how in respect of O & M services for the oil-and-gas sector, PV EIC will qualify as a first-tier contractor in this arena. Together, we can explore opportunities in Vietnam to provide consultancy services for strategic planning, business development planning, master management and turnaround campaign launching."

To facilitate this collaboration, Hiap Seng shall become a strategic shareholder of PV EIC's subsidiary, Petroleum Maintenance Services Joint Stock Company ("PMS"), and a business partner of PV EIC through the purchase of at least 20% of the total shares of PMS. Two million ordinary shares will be purchased at book value of VND 10,000 per share, at the aggregate purchase price of VND 20 billion (approximately

S\$1.2 million) payable in cash, representing 20% of the entire registered share capital of PMS, will be issued.

Founded in 2008, PV EIC provides a range of specialised upstream, midstream and downstream services to global oil-and-gas majors. Their services include maintenance and repair services, quality management, energy audit, conservation and saving consultancy, Risk and Health Safety Environmental and Quality assurance and management.

PV EIC has extensive experience in the oil-and-gas sector in Vietnam and has won major projects including the maintenance and breakdown repairs of machines, pipes and technology systems at the Dung Quat Refinery, Dung Quat Bio-Ethanol Fuel Factory and undertaken projects with Vietsopetro. PV EIC has a strong network of owners, operators and contractors working in the oil-and-gas sector in Vietnam. With a professional workforce that is diligent and also knowledgeable with complex procedures and systems, PV EIC has grown to be a brand that is highly esteemed by the oil-and-gas sector in Vietnam.

The strategic co-operation is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Group for the current financial year.

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 almost three million sq ft and a workforce of over 2,500 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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