

Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

Issuer/ Manager	HIAP SENG ENGINEERING LTD
Securities	HIAP SENG ENGINEERING LTD - SG1G69871497 - 510

Announcement Details

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Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	PLEASE SEE THE FOLLOWING ATTACHMENTS: A) UNAUDITED FOURTH QUARTER AND FULL YEAR ENDED 31 MARCH 2014 FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT. B) RESULTS NEWS RELEASE.

Additional Details

For Financial Period Ended	31/03/2014
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HIAP SENG ENGINEERING LTD
(Company Registration No. 197100300Z)

**UNAUDITED FOURTH QUARTER AND FULL YEAR ENDED 31 MARCH 2014
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 2014

	Group			Group		
	4QFY14	4QFY13	Increase/ (Decrease)	FY14	FY13	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Turnover	68,860	46,883	46.9	258,960	237,417	9.1
Cost of sales	(63,622)	(43,585)	46.0	(239,764)	(211,983)	13.1
Gross profit	5,238	3,298	58.8	19,196	25,434	(24.5)
Gross profit margin	7.6%	7.0%		7.4%	10.7%	
Other gain – net	1	19	NM	84	98	(14.3)
Administrative costs	(5,264)	(6,218)	(15.3)	(23,050)	(21,768)	5.9
Other operating costs –net	883	(2,625)	NM	406	3,815	(89.4)
Profit/ (loss) from operations	858	(5,526)	NM	(3,364)	7,579	NM
Finance costs	(153)	(26)	NM	(499)	(299)	66.9
Share of profit/ (loss) of associated companies	433	(11)	NM	680	(414)	NM
Profit/ (loss) before tax	1,138	(5,563)	NM	(3,183)	6,866	NM
Income tax credit/ (expense)	79	721	(89.0)	(246)	265	NM
Net profit/ (loss) after tax	1,217	(4,842)	NM	(3,429)	7,131	NM
Other comprehensive income						
Foreign currency translation	78	(869)	NM	(52)	(69)	NM
Total comprehensive Income/ (loss) for the period	1,295	(5,711)	NM	(3,481)	7,062	NM
Profit/ (loss) attributable to:						
Owner of the parent	1,129	(4,539)	NM	(3,583)	7,526	NM
Non-controlling interests	88	(303)	NM	154	(395)	NM
	1,217	(4,842)	NM	(3,429)	7,131	NM
Total comprehensive Income/ (loss) attributable to:						
Owner of the parent	1,238	(5,378)	NM	(3,606)	7,487	NM
Non-controlling interests	57	(333)	NM	125	(425)	NM
	1,295	(5,711)	NM	(3,481)	7,062	NM

NM: Denotes not meaningful

Profit from operations included the following:	Group	
	4QFY14	4QFY 13
	S\$'000	S\$'000
(a) Other gain – net		
Other income including interest income	1	19
(b) Other operating costs-net		
Profit/ (loss) on disposal of property, plant and equipment	75	(9)
Foreign exchange gain/ (loss)	743	601
Write-back/(allowance) for impairment of receivables	335	(700)
Loss from disposal of interest in associated companies	-	4
Adjustment to gain on equity interest arising from reassessment	-	(2,853)

Group	
FY14	FY13
S\$'000	S\$'000
84	98
203	278
158	(308)
335	(117)
-	(187)
-	3,776

(c) Finance expenses		
Interest on borrowings	(153)	(26)
(d) Depreciation of property, plant and equipment	(951)	(859)
(e) Amortisation of intangible assets	(86)	(295)
(f) Income tax expense		
Adjustment for over provision of tax of prior years	41	714

(499)	(299)
(4,319)	(3,306)
(347)	(295)
41	714

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-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	7,812	18,743	3,156	7,774
Income tax recoverable	907	681	781	681
Trade and other receivables	109,166	80,870	110,829	73,520
Contract work-in-progress	52,319	20,869	15,047	9,074
Other current assets	2,376	2,224	1,767	1,024
	172,580	123,387	131,580	92,073
Non-current assets				
Club memberships	363	363	298	298
Other receivables	-	616	-	-
Investments in associated companies	1,078	419	109	109
Investments in subsidiaries	-	-	14,858	14,856
Property, plant and equipment	26,034	23,861	8,913	6,778
Available-for-sale financial assets	2,482	2,482	2,482	2,482
Deferred income tax assets	96	-	-	-
Intangible assets	6,657	7,004	-	-
	36,710	34,745	26,660	24,523
Total assets	209,290	158,132	158,240	116,596
LIABILITIES				
Current liabilities				
Trade and other payables	97,191	72,263	62,670	45,287
Current income tax liabilities	1	347	-	-
Borrowings	36,553	2,978	28,487	-
	133,745	75,588	91,157	45,287
Non-current liabilities				
Borrowings	833	1,293	342	-
Deferred income tax liabilities	1,536	1,559	458	458
	2,369	2,852	800	458
Total liabilities	136,114	78,440	91,957	45,745
NET ASSETS	73,176	79,692	66,283	70,851
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	36,178	36,178	36,178	36,178
Other reserves	(93)	(70)	-	-
Retained earnings	35,345	41,963	30,105	34,673
Total	71,430	78,071	66,283	70,851
Non-controlling interests	1,746	1,621	-	-
Total equity	73,176	79,692	66,283	70,851

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

Amount repayable in one year or less, or on demand

As at 31/03/2014		As at 31/03/2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
36,553	0	2,978	0

Amount repayable after one year

As at 31/03/2014		As at 31/03/2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
833	0	1,293	0

Details of any collateral

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

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

	Group		Group	
	4Q FY 14 S\$'000	4Q FY 13 S\$'000	FY 14 S\$'000	FY 13 S\$'000
Cash flow from operating activities:				
Total profit/ (loss)	1,217	(4,842)	(3,429)	7,131
Adjustment for :				
Depreciation of property, plant and equipment	951	859	4,319	3,306
Amortisation of intangible assets	86	295	347	295
Net (gain)/ loss on disposal of plant and equipment	(75)	9	(203)	(278)
Fixed assets written off	(6)	-	2	-
Share of (profit)/ loss of associated companies (Write-back)/ allowance for impairment of receivables	(433)	11	(680)	414
(Gain)/ loss on disposal of interest in associated companies	-	(4)	-	187
Foreign exchange adjustments	(436)	(1)	112	(595)
Adjustment to gain on equity interest arising from reassessment	-	2,853	-	(3,776)
Income tax (credit)/ expense	(79)	(721)	246	(265)
Interest expense	153	26	499	299
Interest income	(1)	(19)	(84)	(98)
Operating cash flow before working capital changes	1,042	(834)	794	6,737
Changes in operating assets and liabilities				
Contract work-in-progress	9,402	1,232	(31,450)	(14,062)
Trade and other receivables	(12,899)	(3,731)	(27,961)	(10,536)
Other current assets	2,753	(79)	(152)	(1,220)

Trade and other payables	(2,728)	(3,229)	24,928	22,098
Cash (used in)/ generated from operations	(2,430)	(6,641)	(33,841)	3,017
Income taxes paid	(591)	(101)	(885)	(1,384)
Net cash inflow (used in)/ generated from operating activities	(3,021)	(6,742)	(34,726)	1,633
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	237	168	366	840
Proceeds from disposal of associates	-	-	-	450
Capital contribution to associated companies	-	(475)	-	(475)
Payment for investment	-	472	-	(2,482)
Acquisition of a subsidiary, net of cash acquired	-	3,447	-	(369)
Purchases of property, plant and equipment	(3,367)	(3,149)	(7,756)	(7,834)
Interest income received	1	19	84	98
Net cash (outflow)/ inflow from investing activities	(3,129)	482	(7,306)	(9,772)
Cash flows from financing activities				
Dividend paid	(1,516)	(1,518)	(3,035)	(3,038)
Decrease/(Increase) in bank deposits pledged	693	(616)	693	(575)
(Decrease)/ increase in Hire purchase creditors	(86)	(15)	485	28
Trust receipt creditors	1,422	12	7,108	31
Money market line loans	6,127	223	26,317	(508)
Interest paid	(153)	(26)	(499)	(299)
Net cash inflow/ (outflow) from financing activities	6,487	(1,940)	31,069	(4,361)
Net increase/ (decrease) in cash and cash equivalents held	337	(8,200)	(10,963)	(12,500)
Effect of exchange rate change on cash and cash equivalents	(8)	31	43	3
Cash and cash equivalents at beginning of the financial period	4,164	23,582	15,413	27,910
Cash and cash equivalents at end of the financial period	4,493	15,413	4,493	15,413
Cash and cash equivalents represented by:				
Bank and cash balances	5,909	18,743	5,909	18,743
Fixed deposits with financial institutions	1,903	-	1,903	-
Less: Bank overdrafts	(1,417)	(2,121)	(1,417)	(2,121)
Less: Restricted bank deposits	(1,902)	(1,209)	(1,902)	(1,209)
	4,493	15,413	4,493	15,413

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

Attributable to owners of the parent

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
9MFY14						
As at 1/4/13	36,178	(70)	41,963	78,071	1,621	79,692
Total comprehensive (loss)/ income for the period	-	(101)	(4,712)	(4,813)	68	(4,745)
Dividend on ordinary share	-	-	(1,519)	(1,519)	-	(1,519)
As at 31/12/13	36,178	(171)	35,732	71,739	1,689	73,428
4QFY14						

Total comprehensive (loss)/ income for the period	-	78	1,129	1,207	57	1,264
Dividend on ordinary share	-	-	(1,516)	(1,516)	-	(1,516)
As at 31/3/14	36,178	(93)	35,345	71,430	1,746	73,176
<u>9MFY13</u>						
As at 1/4/12	36,178	(31)	37,475	73,622	1,789	75,411
Total comprehensive income for the period	-	799	12,065	12,864	(91)	12,773
Contribution from NCI	-	-	-	-	29	29
Dividend on ordinary share	-	-	(1,520)	(1,520)	-	(1,520)
As at t 31/12/12	36,178	768	48,020	84,966	1,727	86,693
<u>4QFY13</u>						
Total comprehensive income for the period	-	(838)	(4,539)	(5,377)	(363)	(5,740)
Dividend on ordinary share	-	-	(1,518)	(1,518)	-	(1,518)
Acquisition of a subsidiary	-	-	-	-	257	257
At 31/3/13	36,178	(70)	41,963	78,071	1,621	79,692

Company	Share Capital	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000
<u>9MFY14</u>			
As at 1/4/13	36,178	34,673	70,851
Total comprehensive loss for the period	-	(7,064)	(7,064)
Dividend on ordinary share	-	(1,519)	(1,519)
As at 31/12/13	36,178	26,090	62,268
<u>4QFY14</u>			
Total comprehensive loss for the period	-	5,531	5,531
Dividend on ordinary share	-	(1,516)	(1,516)
As at 31/03/14	36,178	30,105	66,283
<u>9MFY13</u>			
As at 1/4/12	36,178	31,870	68,048
Total comprehensive income for the period	-	435	435
Dividend paid	-	(1,520)	(1,520)
As at 31/12/12	36,178	30,785	66,963
<u>4QFY13</u>			
Total comprehensive income for the period	-	5,406	5,406
Dividend on ordinary share	-	(1,518)	(1,518)
As at 31/03/13	36,178	34,673	70,851

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.

	FY 14	FY 13
Issued & fully paid share capital		
Number of shares as at 1 April and 31 March	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 statement 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 2013 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 FY2014, the Group and the Company adopted the FRS which are effective from annual periods commencing on or after 1 January 2013.

The FRS applicable to the Group is as follows:
 Amendments to FRS 19 (revised 2011) - Employee benefits.
 Amendments to FRS 113- Fair value measurement.

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 dividend

	Group		Group	
	4Q FY14	4Q FY13	FY14	FY13
Earnings per share (cents)				
Based on number of ordinary shares in issue (cents)	0.37	(1.49)	(1.18)	2.48
On fully diluted basis (cents)	0.37	(1.49)	(1.18)	2.48
Net (loss)/profit attributable to ordinary shareholders for basic earnings per share (S\$'000)	1,129	(4,539)	(3,583)	7,526
Net (loss)/profit attributable to ordinary shareholders for diluted earnings per share (S\$'000)	1,129	(4,539)	(3,583)	7,526
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:

(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. Diluted earnings per share are the same as basic earnings per share as there are no potential dilutive ordinary shares.

(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-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	24.1	26.2	21.8	23.3

The calculation of the net asset value per ordinary share issued is based on 303,750,000 shares at 31 March 2014 (31 March 2013: 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 (4QFY2014) Review

The Group's revenue for 4QFY2014 increased by 46.9% from S\$46.9 million to S\$68.9 million as compared to 4QFY2013 mainly due to higher recognition of project revenue in 4QFY2014. The gross profit increased by 58.8% from S\$3.3 million to S\$5.2 million mainly due to the higher recognition of project revenue and marginally improved gross margin.

The Group recorded a net profit attributable to shareholders of S\$1.1 million in 4QFY2014, as compared to a loss of S\$4.5 million in 4QFY2013 mainly due to the factors mentioned above.

Full year (FY2014) Review

The Group's revenue for FY2014 increased by 9.1% from S\$237.4 million to S\$259.0 million as compared to FY2013 mainly due to higher recognition of project revenue in FY2014. However, the gross profit decreased by 24.5% from S\$25.4 million to S\$19.2 million mainly due to cost overruns in certain projects and escalating labour costs.

The Group's net results attributable to shareholders for FY2014 was a loss of S\$3.6 million as compared to FY2013 profit of S\$7.5 million mainly due to the factors mentioned above as well as the absence of a gain of S\$3.8 million in FY2013 on measurement of previously held equity interest.

Statement of Financial Position Review

The increase of S\$28.3 million in trade and other receivables as at 31 March 2014 as compared to 31 March 2013 is mainly due to increased billings. The increase of S\$31.5 million in contract work-in-progress as at 31 March 2014 as compared to 31 March 2013 is in line with the project completion schedules.

The increase of S\$2.2 million in property, plant and equipment as at 31 March 2014 as compared to 31 March 2013 is mainly due to purchases of new automated machinery to improve productivity.

The increase of S\$24.9 million in trade and other payables as at 31 March 2014 as compared to 31 March 2013 is in line with business activities.

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 outlook for the oil-and-gas and petrochemical industries which the Group serves still remains positive. However, 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\$226 million.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? No.

(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	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**
Not applicable

- (e) **Books closure date**
Not applicable

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

No dividend has been declared or recommended for the fourth quarter and full year ended 31 March 2014.

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 2014 is as follows:

(A) Reportable Segment

	Plant construction & maintenance		Compression & process equipment fabrication		Consolidated	
	FY 14	FY 13	FY 14	FY 13	FY 14	FY 13
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
-Total segment revenue	212,334	204,990	46,626	32,427	258,960	237,417
-Inter-segment revenue	-	-	-	-	-	-
Revenue from external parties	212,334	204,990	46,626	32,427	258,960	237,417
Adjusted EBITDA for reportable segments	1,643	14,398	255	(3,730)	1,898	10,668
Other segments EBITDA					-	-
Depreciation	(4,205)	(3,195)	(114)	(111)	(4,319)	(3,306)
Amortisation	(347)	(295)	-	-	(347)	(295)
Finance expense	(487)	(299)	(12)	-	(499)	(299)
Interest income	75	84	9	14	84	98
(Loss)/ profit before tax	(3,321)	10,693	138	(3,827)	(3,183)	6,866
Share of profit/(loss) of associated companies	680	(414)	-	-	680	(414)
Total assets	179,453	139,735	29,837	18,397	209,290	158,132
Total assets include:						
Investment in associated companies	1,078	419	-	-	1,078	419
Additions to:						
Property, plant and equipment	7,672	7,690	84	144	7,756	7,834
Total liabilities	(115,150)	(69,418)	(20,964)	(9,022)	(136,114)	(78,440)

(B) Geographical information

	Revenue		Non-current assets	
	FY 14	FY 13	FY 14	FY 13
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	135,384	130,124	12,857	19,751
China	18,105	14,424	861	-
Malaysia	48,800	49,788	3,678	1,683
Vietnam	3,740	7,468	-	-
Thailand	34,261	20,885	19,314	13,311
Africa	15,196	11,443	-	-
Others	3,474	3,285	-	-
Total	258,960	237,417	36,710	34,745

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 significantly from S\$205.0 million to S\$212.3 million. This increase was mainly due to the completion of several major projects during FY2014.

The revenue for compression & process equipment fabrication segment increased from S\$32.4 million to S\$46.6 million mainly due to the completion of major projects during FY2014. The profit before tax for this segment was S\$0.1 million for FY2014 as compared to a loss of S\$3.8 million for FY2013 mainly due to higher revenue and better cost control.

Geographically, the Group's revenue in Thailand increased from S\$20.9 million to S\$34.3 million, mainly due to the completion of major projects in FY2014. The Group's revenue in China increased from S\$14.4 million to S\$18.1 million, mainly due to completion of more Compression & process equipment fabrication works in FY2014.

15. A breakdown of sales

(all figures in S\$'000)	FY 14	FY 13	% increase/(decrease)
Sales reported for the first half year	123,565	121,913	3.0
Net (loss)/ profit after tax reported for first half year	(5,923)	9,056	NM
Sales reported for second half year	135,395	115,504	15.5
Net profit/(loss) after tax reported for second half year	2,494	(1,925)	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	3,037	3,037
Preference	0	0
Total	3,037	3,037

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 year
Tan Yew Kun	62	Brother of Tan Ah Lam Brother of Tan Leau Kuee	Plant Maintenance Director In charge of Group's Plant maintenance department Since 1999	No change
Tan Phuay Hong	41	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	37	Nephew of Tan Ah Lam Nephew of Tan Leau Kuee	Vice President In charge of Group's Compression & Process equipment fabrication Since 2007	No change
Tan Yaw Song	54	Brother of Tan Ah Lam Brother of Tan Leau Kuee	Project Director Oversees the Group's overall operations except plant maintenance Since 2002	No change
Tan Yeow Lan	58	Sister of Tan Ah Lam Sister of Tan Leau Kuee	Senior Accounts Manager Assist the CFO in the Group's accounting functions Since 1997	No change
Goh Chwee Guan	63	Brother-in-law of Tan Ah Lam	Senior Project Manager Manage projects undertaken by the Group Since 1992	No change
Tay Hee Thiam	59	Cousin of Tan Ah Lam Cousin of Tan Leau Kuee	Construction Manager Manage projects undertaken by the Group Since 1993	No change

By order of the board

TAN HAK JIN
Joint Company Secretary
26 May 2014



協成工程有限公司
HIAP SENG ENGINEERING LTD



NEWS RELEASE

HIAP SENG'S RESULTS FOR 4Q2014 AND FY2014

Singapore, May 26, 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 net profit attributable to shareholders of S\$1.1 million for the three months ended March 31, 2014 (“4QFY2014”).

The Group’s revenue for 4QFY2014 increased 46.9% to S\$68.9 million from S\$46.9 million in the past corresponding period (“4QFY2013”). The Group recorded a net profit attributable to shareholders of S\$1.1 million in 4QFY2014, as compared to a loss of S\$4.5 million in 4QFY2013. The better performance resulted mainly from the increased revenue and marginally improved gross margins in 4QFY2014.

For the full year ended March 31, 2014 (“FY2014”), the Group’s revenue increased 9.1% to S\$259.0 million from S\$237.4 million for the previous financial year (“FY2013”). The increase was attributable mainly to higher recognition of project revenue. The net results attributable to shareholders declined from a profit of S\$7.5 million in FY2013 to a loss of S\$3.6 million in FY2014 primarily due to cost overruns in certain projects, escalating labour costs as well as the absence of a gain of S\$3.8 million in FY2013 on measurement of previously held equity interest.

Mr. Frankie Tan, Chairman and CEO of Hiap Seng said, “We’ve seen improving business especially in 4QFY2014 and coupled with better cost control, it has resulted in a net profit of S\$1.1 million for this quarter. Going forward, we have a order book of approximately S\$226 million that includes three contract wins in both Singapore and Vietnam amounting to approximately S\$69.5 million. These contracts are expected to contribute positively to our earnings in FY2015. We also anticipate stronger momentum in these two regions in line with the increase in global oil exploration and production activities.”

Outlook

The outlook for the oil-and-gas and petrochemical industries which the Group serves still remains positive. However, in view of keen competition, escalating labour costs and potential cost overruns on certain projects, the Directors of the Company are not optimistic about the Group’s performance for the current financial year ending March 31, 2015.

The Group’s two contract wins worth approximately S\$57 million to provide piping and equipment installation works, as well as mechanical, equipment erection and structural works in Singapore, were secured in 2QFY2014 and scheduled for completion in FY2015. The turnaround maintenance contract in Vietnam, secured in 3Q2014 and worth approximately S\$12.5 million, is scheduled to both commence and be completed in 1QFY2015.

The Group will continue to control costs and improve productivity. With an established track record, it will continue to explore new business opportunities in Singapore and beyond to enhance 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 3,000 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.

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

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May 26, 2014