

Hiap Tong Corporation Ltd.
and its subsidiaries
Registration Number: 200800657N

Condensed Interim Financial Statements
For the six months and full year ended 31 March 2022

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Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group					
		6 months ended		Change	12 months ended		Change
		31 March 2022	31 March 2021		31 March 2022	31 March 2021	
\$'000	\$'000	%	\$'000	\$'000	%		
Revenue	4	34,579	35,819	(3.5)	68,066	54,326	25.3
Cost of sales		(29,322)	(30,678)	(4.4)	(60,902)	(52,024)	17.1
Gross profit		<u>5,257</u>	<u>5,141</u>	2.3	<u>7,164</u>	<u>2,302</u>	NM
Other income		2,846	5,621	(49.4)	6,285	10,468	(40.0)
Distribution expenses		(170)	(315)	(46.0)	(228)	(354)	(35.6)
Administrative expenses		(4,667)	(4,143)	12.6	(8,878)	(7,742)	14.7
Other expenses		(395)	(1,196)	(67.0)	(726)	(1,215)	(40.2)
Impairment losses on property, plant and equipment and right-of-use assets		–	(2,120)	(100.0)	–	(2,120)	(100.0)
Net change in fair value of investment properties		(20)	(300)	(93.3)	(20)	(300)	(93.3)
Results from operating activities		<u>2,851</u>	<u>2,688</u>	6.1	<u>3,597</u>	<u>1,039</u>	NM
Finance income		10	–	NM	11	4	NM
Finance costs		(1,200)	(1,102)	8.9	(2,075)	(2,054)	1.0
Net finance costs		<u>(1,190)</u>	<u>(1,102)</u>	8.0	<u>(2,064)</u>	<u>(2,050)</u>	0.7
Profit/(loss) before taxation	5	1,661	1,586	4.7	1,533	(1,011)	NM
Tax credit	7	159	676	(76.5)	75	676	(88.9)
Profit/(loss) for the financial period		<u>1,820</u>	<u>2,262</u>	(19.5)	<u>1,608</u>	<u>(335)</u>	NM
Other comprehensive income							
<i>Items that will not be reclassified to profit or loss:</i>							
Equity investments at FVOCI – net change in fair value		–	50	(100.0)	–	50	(100.0)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation differences relating to foreign operations		39	53	(26.4)	27	52	(48.1)
Other comprehensive income, net of tax**		<u>39</u>	<u>103</u>	(62.1)	<u>27</u>	<u>102</u>	(73.5)
Total comprehensive income/(loss) for the period		<u>1,859</u>	<u>2,365</u>	(21.4)	<u>1,635</u>	<u>(233)</u>	NM
Earnings per share							
Basic and diluted earnings (cents)		<u>0.59</u>	<u>0.73</u>		<u>0.52</u>	<u>(0.11)</u>	

** There was no tax effect on the components included in other comprehensive income.

NM: not meaningful

Condensed interim statements of financial position

	Note	Group		Company	
		2022 (Unaudited) \$'000	2021 (Audited) \$'000	2022 (Unaudited) \$'000	2021 (Audited) \$'000
Non-current assets					
Property, plant and equipment	9	123,732	104,231	13,033	11,153
Investment properties	10	730	8,450	–	7,700
Right-of-use assets		3,505	14,421	–	13,762
Subsidiaries		–	–	3,600	3,500
Other investment		250	250	–	–
		<u>128,217</u>	<u>127,352</u>	<u>16,633</u>	<u>36,115</u>
Current assets					
Trade and other receivables		22,972	18,596	2,258	3,989
Derivative financial instruments		4	21	–	–
Asset held for sale	11	17,000	–	17,000	–
Cash and cash equivalents		10,098	12,880	317	417
		<u>50,074</u>	<u>31,497</u>	<u>19,575</u>	<u>4,406</u>
Total assets		<u>178,291</u>	<u>158,849</u>	<u>36,208</u>	<u>40,521</u>
Equity attributable to owners of the Company					
Share capital	15	24,450	24,450	24,450	24,450
Merger reserve		(1,670)	(1,670)	–	–
Translation reserve		99	72	–	–
Fair value reserve		50	50	–	–
Accumulated profits		56,646	55,038	(3,410)	(2,925)
Total equity		<u>79,575</u>	<u>77,940</u>	<u>21,040</u>	<u>21,525</u>
Non-current liabilities					
Loans and borrowings	12	5,924	8,033	–	825
Lease liabilities	13	19,634	32,683	3,019	14,526
Deferred tax liabilities		8,537	8,537	–	–
Trade and other payables		1,809	1,809	–	–
		<u>35,904</u>	<u>51,062</u>	<u>3,019</u>	<u>15,351</u>
Current liabilities					
Liabilities held for sale	11	11,029	–	11,029	–
Loans and borrowings	12	6,563	5,611	349	2,533
Lease liabilities	13	13,988	13,175	479	920
Trade and other payables		31,083	9,417	292	192
Deferred income		–	1,282	–	–
Current tax liabilities		149	362	–	–
		<u>62,812</u>	<u>29,847</u>	<u>12,149</u>	<u>3,645</u>
Total liabilities		<u>98,716</u>	<u>80,909</u>	<u>15,168</u>	<u>18,996</u>
Total equity and liabilities		<u>178,291</u>	<u>158,849</u>	<u>36,208</u>	<u>40,521</u>

Condensed interim statements of changes in equity

	Note	Attributable to owners of the Company					Total equity \$'000
		Share capital \$'000	Merger reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	
The Group							
At 1 April 2021		24,450	(1,670)	50	72	55,038	77,940
Total comprehensive income for the period							
Profit for the period		–	–	–	–	1,608	1,608
Foreign currency translation differences relating to foreign subsidiaries		–	–	–	27	–	27
Total other comprehensive income		–	–	–	27	–	27
Total comprehensive income for the period		–	–	–	27	1,608	1,635
At 31 March 2022		24,450	(1,670)	50	99	56,646	79,575

Condensed interim statements of changes in equity (cont'd)

	Note	Attributable to owners of the Company					Total equity \$'000
		Share capital \$'000	Merger reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits/(loss) \$'000	
The Group							
At 1 April 2020		24,450	(1,670)	–	20	55,373	78,173
Total comprehensive income for the period							
Loss for the period		–	–	–	–	(335)	(335)
Equity investment at FVOCI – net change in fair value		–	–	50	–	–	50
Foreign currency translation differences relating to foreign subsidiaries		–	–	–	52	–	52
Total other comprehensive income		–	–	50	52	–	102
Total comprehensive income/(loss) for the period		–	–	50	52	(335)	(233)
At 31 March 2021		24,450	(1,670)	50	72	55,038	77,940

Condensed interim statements of changes in equity (cont'd)

	Attributable to owners of the Company		
The Company	Share capital	Accumulated loss	Total equity
	S\$'000	S\$'000	S\$'000
At 1 April 2021	24,450	(2,925)	21,525
Total comprehensive loss for the period			
Loss for the period	–	(485)	(485)
Total comprehensive loss for the period	–	(485)	(485)
At 31 March 2022	24,450	(3,410)	21,040
At 1 April 2020	24,450	(1,775)	22,675
Total comprehensive loss for the period			
Loss for the period	–	(1,150)	(1,150)
Total comprehensive loss for the period	–	(1,150)	(1,150)
At 31 March 2021	24,450	(2,925)	21,525

Condensed interim consolidated statement of cash flows

	Note	Group	
		2022	2021
		\$'000	\$'000
Cash flows from operating activities			
Profit/(loss) for the period		1,608	(335)
Adjustments for:			
Depreciation		13,902	13,701
(Gain)/loss on disposal of property, plant and equipment		(342)	288
Net change in fair value of investment properties		20	300
Net change in fair value of financial derivatives		17	(30)
Provision for loss allowances on trade and other receivables		(92)	49
Impairment losses on property, plant and equipment		–	2,120
Interest expense		1,869	1,998
Interest income		(11)	(4)
Tax credit		–	(676)
		16,971	17,411
Changes in:			
Trade and other receivables		(4,283)	50
Trade and other payables		996	(362)
Income tax paid		(214)	(309)
Net cash from operating activities		13,470	16,790
Cash flows from investing activities			
Acquisition of property, plant and equipment		(3,382)	(1,757)
Interest received		74	4
Proceeds from sale of property, plant and equipment		1,427	2,926
Net cash (used in)/from investing activities		(1,881)	1,173
Cash flows from financing activities			
Interest paid		(1,465)	(1,495)
Payments of lease liabilities		(14,790)	(13,511)
Proceeds from loans and borrowings		11,300	9,000
Repayment of loans and borrowings		(9,458)	(5,826)
Net cash used in financing activities		(14,413)	(11,832)

Condensed interim consolidated statement of cash flows (cont'd)

	Group	
	2022	2021
	\$'000	\$'000
Net (decrease)/increase in cash and cash equivalents	(2,824)	6,131
Cash and cash equivalents at beginning of the period	12,880	6,652
Effect of exchange rate changes on balances held in foreign currencies	42	97
Cash and cash equivalents at end of the period	10,098	12,880

Significant non-cash transactions

During the financial period, the Group acquired property, plant and equipment totalling \$32,416,000 (31 March 2021: \$10,661,000), of which \$8,255,000 (31 March 2021: \$7,246,000) was acquired under new leases and \$20,778,000 (31 March 2021: \$1,658,000) was payable to an external supplier.

Notes to the condensed interim consolidated financial statements

1 Corporate information

Hiap Tong Corporation Ltd. (the “Company”) is a company incorporated in the Republic of Singapore. The address of the Company’s registered office is 22 Soon Lee Road, Singapore 628082.

The condensed consolidated financial statements of the Group as at and for the year ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The Group is primarily involved in renting of cranes, prime movers, heavy machinery and equipment, trading of cranes and heavy equipment and supply labour for container lashing/unlashing, prime movers driving services and ancillary works.

The immediate and ultimate holding company is Tembusu Asia Holdings Pte. Ltd., a company incorporated in the Republic of Singapore.

2 Basis of preparation

The condensed financial statements for the year ended 31 March 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standard Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 September 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with the SFRS(I)s, except for adoption of the new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 March 2021, except for the adoption of new or revised SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for the financial year beginning on or after 1 April 2021. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

2.2 Use of estimates and judgements

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

2 Basis of preparation (cont'd)

2.2 Use of estimates and judgements (cont'd)

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 financial statements as at and for the year ended 31 March 2021.

Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group has two main operating segments – lifting and haulage services, and port services. Revenue and results are presented in accordance with the above mentioned business segments.

Other operations include trading revenue, rental and management of investment properties and work train operations, which do not meet any of the quantitative thresholds for determining reportable segments in 2022 and 2021.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

4 Segment and revenue information (cont'd)

4.1 Information about reportable segments

Group	Lifting and haulage services				Port services				Others				Total			
	2022		2022		2021		2021		2022		2022		2021		2021	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	42,217	22,831	3,018	68,066	27,113	21,838	5,375	54,326								
Interest income	74	—*	—	74	4	—	—	4								
Interest expense	(1,378)	(74)	(417)	(1,869)	(1,506)	(51)	(441)	(1,998)								
Depreciation	(12,425)	(995)	(482)	(13,902)	(12,159)	(853)	(689)	(13,701)								
Reportable segment profit/(loss) before tax	4,082	(2,803)	254	1,533	(4,240)	2,570	659	(1,011)								
Other material non-cash items:																
- Reversal/ (allowance) of impairment for trade and other receivables	92	—	—	92	(49)	—	—	(49)								
- Net change in fair value of investment properties	(20)	—	—	(20)	—	—	(300)	(300)								
- Impairment losses on property, plant and equipment and right-of-use assets	—	—	—	—	(2,120)	—	—	(2,120)								
Reportable segment assets	153,693	5,430	19,168	178,291	132,580	7,664	18,605	158,849								
Capital expenditure	32,234	163	19	32,416	10,090	571	—	10,661								
Reportable segment liabilities	80,994	5,002	12,720	98,716	65,207	4,216	11,486	80,909								

* Amount less than \$1,000

4 Segment and revenue information (cont'd)

4.2 Information about reportable segments

Group	Lifting and haulage services				Port services				Others				Total			
	6 months ending 31 March 2022				6 months ending 31 March 2021				6 months ending 31 March 2022				6 months ending 31 March 2021			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	22,407	10,665	1,507	34,579	18,562	12,371	4,886	35,819								
Interest income	73	—*	—*	73	1	—	—	1								
Interest expense	(712)	(36)	(211)	(959)	(743)	(23)	(246)	(1,012)								
Depreciation	(6,444)	(506)	(144)	(7,094)	(6,007)	(427)	(345)	(6,779)								
Reportable segment profit/(loss) before tax	2,360	(753)	54	1,661	86	904	596	1,586								
Other material non-cash items:																
- Reversal/ (allowance) of impairment for trade and other receivables	(45)	—	—	(45)	(35)	—	—	(35)								
- Net change in fair value of investment properties	(20)	—	—	(20)	(300)	—	—	(300)								
- Impairment losses on property, plant and equipment and right-of-use assets	—	—	—	—	(2,120)	—	—	(2,120)								
Reportable segment assets	153,693	5,430	19,168	178,291	132,580	7,664	18,605	158,849								
Capital expenditure	32,234	163	19	32,416	10,090	571	—	10,661								
Reportable segment liabilities	80,994	5,002	12,720	98,716	65,207	4,216	11,486	80,909								

* Amount less than \$1,000

4 Segment and revenue information (cont'd)

4.3 Sales by geographical segments

The lifting and haulage services, port services and others segments are managed primarily in Singapore and Malaysia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Group							
	Lifting and haulage services		Port services		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Singapore	41,501	25,884	22,831	21,838	3,018	5,375	67,350	53,097
Malaysia	716	1,229	–	–	–	–	716	1,229
	<u>42,217</u>	<u>27,113</u>	<u>22,831</u>	<u>21,838</u>	<u>3,018</u>	<u>5,375</u>	<u>68,066</u>	<u>54,326</u>
Non-current assets								
Singapore	117,913	104,201	1,480	2,017	6,815	18,606	126,208	124,824
Malaysia	2,009	2,528	–	–	–	–	2,009	2,528
	<u>119,922</u>	<u>106,729</u>	<u>1,480</u>	<u>2,017</u>	<u>6,815</u>	<u>18,606</u>	<u>128,217</u>	<u>127,352</u>

Major customer

Revenue from one customer of the Group's lifting and haulage services and port services segments represents \$5,575,000 (31 March 2021: \$4,554,000) and \$24,858,000 (31 March 2021: \$21,126,000) respectively of the Group's total revenue.

5 Profit/(loss) before taxation

Significant items

The following items have been included in arriving at the profit/(loss) before taxation for the year:

	Group			
	6 months ended 31 March 2022 \$'000	6 months ended 31 March 2021 \$'000	12 months ended 31 March 2022 \$'000	12 months ended 31 March 2021 \$'000
Interest income	11	1	11	4
Interest expense	1,011	903	1,932	1,998
Net exchange (loss)/gain	364	(137)	273	23
Depreciation expense	(7,094)	(6,779)	(13,902)	(13,701)
Gain/(loss) on disposal of property, plant and equipment	275	(279)	342	(288)
Net change in fair value of investment properties	(20)	(300)	20	(300)
Net provision for loss allowances on trade and other receivables	(45)	(35)	92	(49)

6 Related party transactions

Key management personnel compensation

Key management personnel compensation, included in staff costs, comprise:

	Group			
	6 months ended 31 March 2022 \$'000	6 months ended 31 March 2021 \$'000	12 months ended 31 March 2022 \$'000	12 months ended 31 March 2021 \$'000
Director fees	40	40	80	80
Short-term employee benefits	1,266	1,050	2,182	1,961
Contributions to defined contribution plans	107	67	155	115
	<u>1,413</u>	<u>1,157</u>	<u>2,417</u>	<u>2,156</u>

7 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 consolidated statement of profit or loss are:

	Group			
	6 months ended 31 March 2022 \$'000	6 months ended 31 March 2021 \$'000	12 months ended 31 March 2022 \$'000	12 months ended 31 March 2021 \$'000
Current tax (credit)/expense	(75)	128	(75)	128
Deferred tax credit	(84)	(804)	–	(804)
Total income tax credit	(159)	(676)	(75)	(676)

8 Net asset value

	Group		Company	
	31.03.2022 (cents)	31.03.2021 (cents)	31.03.2022 (cents)	31.03.2021 (cents)
Net asset value per ordinary share based on issued share capital at the end of the period/year	25.83	25.30	6.83	7.03

The net assets value per ordinary share of the Group and the Company as at 31 March 2022 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 308,065,282 (31 March 2021: 308,065,282).

9 Property, plant and equipment

During the year ended 31 March 2022, the Group acquired assets amounting to \$32,416,000 (31 March 2021: \$10,661,000) and disposed of assets amounting to \$1,182,000 (31 March 2021: \$3,438,000).

10 Investment properties

Investment properties comprise of two commercial properties held by the Group with the intention to hold for long term, capital appreciation or rental.

Changes in fair value are recognised as losses in profit or loss and included in 'net change in fair value of investment properties. All losses are unrealised.

	Group		Company	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	\$'000	\$'000	\$'000	\$'000
At beginning of financial period	8,450	8,750	7,700	8,000
Less: asset held for sale	(7,700)	–	(7,700)	–
Net change in fair value	(20)	(300)	–	(300)
At end of financial period	730	8,450	–	7,700

The Group engages external independent valuers which having the appropriate recognised professional qualification and recent experience in the location and categories of the properties being valued at the end of each financial year. The independent valuers provide the fair values of the Group's investment properties annually. The fair value of the investment properties is dependent on recent market transaction used by the valuers.

The fair value of the Group's investment properties is determined based on observable market sales data and categorised under Level 2 of the fair value measurement hierarchy whereby inputs other than quoted prices included in Level 1 that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

During the year, a third party purchaser has indicated interest to purchase the property at 8 Tuas South Street 10, Singapore 636943 for an aggregate sale consideration of S\$6,000,000.00, subjected to JTC Corporation's approval. This investment property is being reclassified to asset held for sale under current assets during the year.

11 Asset held for sale

	Group and Company	
	2022	2021
	\$'000	\$'000
Asset held for sale:		
Investment properties	7,700	–
Right-of-use assets	9,300	–
Subtotal for assets	17,000	–
Liabilities associated with asset classified as held for sale:		
Lease liabilities	(11,029)	–
Subtotal for liabilities	(11,029)	–
Net asset held for sale	5,971	–

12 Loans and borrowings

	Group		Company	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	\$'000	\$'000	\$'000	\$'000
Non-current				
Secured bank loans	244	3,775	–	825
Unsecured bank loan	5,680	4,258	–	–
	<u>5,924</u>	<u>8,033</u>	<u>–</u>	<u>825</u>
Current				
Secured bank loans	1,458	3,869	349	2,533
Unsecured bank loan	5,105	1,742	–	–
	<u>6,563</u>	<u>5,611</u>	<u>349</u>	<u>2,533</u>
Total loans and borrowings	<u><u>12,487</u></u>	<u><u>13,644</u></u>	<u><u>349</u></u>	<u><u>3,358</u></u>

Details of any collateral

- (i) As at 31 March 2022, total bank loans repayable of S\$701,370 (31 March 2021: S\$7,644,000) was secured by fixed charges over certain property, plant and equipment and investment properties of the Group with a carrying amount of S\$10,682,000 (31 March 2021: S\$22,371,000) and corporate guarantees executed by the Company.

13 Lease liabilities

	Group		Company	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	\$'000	\$'000	\$'000	\$'000
Non-current	19,634	32,683	3,019	14,526
Current	13,988	13,175	479	920
Total lease liabilities	<u><u>33,622</u></u>	<u><u>45,858</u></u>	<u><u>3,498</u></u>	<u><u>15,446</u></u>

The Group's finance lease liabilities of S\$29,693,000 (31 March 2021: S\$ 29,728,000) are secured by certain plan and equipment of the Group with carrying value of S\$57,765,000 (31 March 2021: S\$54,446,000).

14 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 31 March 2022 and 31 March 2021.

	Group		Company	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Other investments	250	250	–	–
Trade and other receivables*	22,765	16,992	2,250	3,971
Derivative financial instruments	4	21	–	–
Cash and cash equivalents	10,098	12,880	317	417
	<u>33,117</u>	<u>30,143</u>	<u>2,567</u>	<u>4,388</u>
Financial liabilities				
Trade and other payables **	24,902	6,869	1,118	192
Loans and borrowings***	12,487	13,644	349	3,358
Current tax liabilities	149	362	–	–
	<u>37,538</u>	<u>20,875</u>	<u>1,467</u>	<u>3,550</u>

* Excludes prepayments and grant receivables

** Excludes deposits, advances and payroll accruals

*** Excludes lease liabilities

15 Share capital

	Group and Company	
	No. of shares '000	Issued and paid-up share capital \$'000
Ordinary Shares		
As at 31 March 2022, 30 September 2021 and 31 March 2021	<u>308,065</u>	<u>24,450</u>

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 31 March 2022, 30 September 2021 and 31 March 2021.

16 Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

Other information required by Listing Rule Appendix 7C

1. Review

The condensed consolidated statement of financial position of Hiap Tong Corporation Ltd. and its subsidiaries as at 31 March 2022 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 year then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of Group performance

Review of statement of comprehensive income

Revenue

Revenue increased by S\$13.7 million or 25.3% from S\$54.3 million in FY2021 to S\$68.1 million in FY2022. The increase was mainly attributed from the increase in the lifting and haulage revenue with the lifting of circuit breaker and resumption of business activities during the year.

Lifting and haulage services

Lifting and haulage revenue increased by S\$15.1 million or 55.7% from S\$27.1 million in FY2021 to S\$42.2 million in FY2022. The increase was mainly due to the recovery and improvement of the COVID-19 pandemic ("the Pandemic") situation, which led to higher utilisation rates of this business segment as the Pandemic restrictions have gradually eased during the year.

Port services

Port services revenue increased by S\$1.0 million or 4.5% from S\$21.8 million in FY2021 to S\$22.8 million in FY2022. The increase was mainly due to more manpower available to provide for lashing, prime mover driving as well as inter-gateway and terminal transfers of containers as compared to FY2021.

Others:

Trading business

Trading revenue decreased by S\$3.4 million or 63.0% from S\$5.4 million in FY2021 to S\$2.0 million in FY2022. The decrease in revenue from the trading business in FY2022 was attributable to the trading of lesser heavy-duty cranes as compared to prior year, which were transacted on an ad hoc basis when favourable opportunities arose.

Work train operation services

A newly incorporated subsidiary in September 2021, Hiap Tong Construction Pte. Ltd., which provided work train operation services to Land Transport Authority contributed S\$1.0 million to the increase in the Group's revenue during the year.

Other information required by Listing Rule Appendix 7C (cont'd)

2. Review of Group performance (cont'd)

Review of statement of comprehensive income (cont'd)

Cost of sales and gross profit/(loss)

Cost of sales increased by S\$8.9 million or 17.1% from S\$52.0 million for FY2021 to S\$60.9 million for FY2022, mainly due to an increase in labour related costs of S\$8.3 million, increase in crane rental expenses of S\$1.2 million, increase in subcontractor expenses of S\$0.6 million higher fuel expenses of S\$0.6 million, higher upkeep and maintenance expenses of S\$0.8 million and higher depreciation of S\$0.2 million. This was partially offset by a decrease in cost of cranes sold of S\$2.8 million due to lower trading of crane activities.

Gross profit increased by S\$4.9 million or 211.2% from S\$2.3 million (representing a gross margin of 4.2%) for FY2021 to S\$7.1 million (representing a gross margin of 10.5%) for FY2022.

The gross profit margin of FY2022 was mainly contributed by the lifting and haulage segment of 21.7% mainly due to the resumption of business in Singapore as compared to the circuit breaker measures and manpower restriction implemented in FY2021 as a result of the Pandemic. However, the port services segment contributed a gross loss margin of 10.8% for FY2022 as compared to a gross profit margin of 1.8% in FY2021 mainly due to a combination of higher local manpower cost, foreign manpower shortage and lower productivity as a result of port congestion.

Other income

Other income decreased by S\$4.2 million or 40.0% from S\$10.5 million for FY2021 to S\$6.3 million for FY2022, mainly due to a decrease in government grants in relation to the Pandemic.

Distribution expenses

Distribution expenses decreased by S\$0.1 million or 35.7% from S\$0.3 million for FY2021 to S\$0.2 million for FY2022, mainly due to a decrease in commission expenses.

Administrative expenses

Administrative expenses increased by S\$1.2 million or 14.7% from S\$7.7 million for FY2021 to S\$8.9 million for FY2022, mainly due to higher salary related expenses of S\$0.6 million, increase in foreign worker levy of S\$0.3 million, increase in insurance expenses of S\$0.2 million and assets written off S\$0.1 million.

Other information required by Listing Rule Appendix 7C (cont'd)

2. Review of Group performance (cont'd)

Review of statement of comprehensive income (cont'd)

Other expenses

Other expenses decreased by S\$0.5 million or 40.2% from S\$1.2 million in FY2021 to S\$0.7 million in FY2022 mainly due to food catering costs relating to the Port Services business.

Impairment losses on property, plant and equipment and right-of-use assets

Impairment losses on property, plant and equipment and right-of-use assets was S\$2.1 million in FY2021 due to expected weakened operating environment in lifting and haulage business. There were no impairment losses in FY2022 after the assessment of the lifting and haulage business.

Net change in fair value of investment properties

The fair value of investment properties decreased by S\$20,000 from S\$750,000 in FY2021 to S\$730,000 in FY2022 due to lower valuation of investment properties.

Net finance costs

Net finance costs increased marginally by S\$14,000 mainly due to exchange loss.

Income tax credit

Income tax credit for FY2022 is S\$75,000 due to over provision in prior year while the income tax credit of S\$0.7 million for FY2021 was due to utilisation of deferred tax liabilities.

Profit for the year

The Group is in a profit position of S\$1.6 million this year, increased from the loss position of S\$0.3 million in FY2021. This is an increase of S\$1.9 million as a result of the reasons explained in the preceding paragraphs.

Other information required by Listing Rule Appendix 7C (cont'd)

2. Review of Group performance (cont'd)

Review of Financial Position

Non-Current Assets

Property, plant and equipment and right-of-use assets

Our non-current assets amounted to S\$128.2 million or 71.9% of our total assets of S\$178.3 million as at 31 March 2022. The increase in non-current assets of S\$0.9 million or 0.7% compared to as at 31 March 2021 was mainly due to net increase in equipment and right-of-use assets of S\$22.5 million. The increase was partially offset by depreciation charge of S\$13.9 million and the reclass of investment property of S\$7.7 million to current asset held for sale.

Current Assets

As at 31 March 2022, our current assets amounted to S\$50.1 million or 28.1% of our total assets of S\$1 million.

The increase in current assets of S\$18.6 million or 59.0% compared to as at 31 March 2021 was mainly due to the proposed sale of an investment property which resulted in the reclass of the investment, right-of-use asset, and lease liability pertaining to the investment property amounting to S\$17.0 million to assets held for sale. There was also an increase in trade and other receivables of S\$4.4 million which is in line with the increase in revenue earned during the year. However, this was partially offset by a decrease in cash and cash equivalents of S\$2.8 million.

Non-Current Liabilities

As at 31 March 2022, our non-current liabilities amounted to S\$35.9 million or 36.4% of our total liabilities of S\$98.7 million. The decrease in non-current liabilities of S\$15.2 million or 29.7% compared to as at 31 March 2021 was due to the decrease in lease liabilities amounting to S\$13.0 million which includes reclassification of lease liabilities held for sale in view of the proposed sale of investment property, and decrease in loans and borrowings of S\$2.1 million.

Other information required by Listing Rule Appendix 7C (cont'd)

2. Review of Group performance (cont'd)

Review of Financial Position (cont'd)

Current Liabilities

As at 31 March 2022, our current liabilities amounted to S\$62.8 million or 63.6% of our total liabilities of S\$98.7 million. The increase in current liabilities of S\$33.0 million as compared to as at 31 March 2021 was mainly due to an increase in trade and other payables of S\$21.7 million, out of which, \$19.3 million pertains to letter of credits and trust receipt for the acquisition of cranes which is in line with the increase in additions of equipment during the year and the remaining S\$2.4 million increase is attributed to other payables and accruals. In addition, there was an increase in liabilities held for sale amounting to S\$11.0 million. There is also an increase in loan and borrowings of S\$1 million and lease liabilities of S\$0.8 million. This was partially offset by a decrease in deferred revenue relating to Jobs Support Scheme of S\$1.3 million and decrease in current tax payable of S\$0.2 million.

The Group is in a net current liability position of S\$12.7 million as at 31 March 2022, and this net current liabilities will be reduced upon conversion of approximately S\$20.8 million of current trade payable relating to the purchase of cranes to hire purchase financing when it is due. The Board confirms that the Group has sufficient financial resources and cashflow remains healthy and has sufficient unutilised bank facilities to meet its working capital needs.

Review of Cash flow Statement

The Group's net cash from operating activities for FY2022 decreased by S\$3.3 million as compared to FY2021 due to lower operating profit before changes in working capital of S\$0.4 million and higher net working capital outflow of S\$2.9 million.

The Group's net cash used in investing activities for FY2022 increased by S\$3.1 million as compared to FY2021. This was mainly due to an increase in acquisition of property, plant and equipment of S\$1.6 million and decrease in proceeds from the disposal of property, plant and equipment of S\$1.5 million.

The Group's net cash used in financing activities in FY2022 increased by S\$2.6 million compared to FY2021. This was mainly due to higher repayment of the lease liabilities of S\$1.3 million, bank borrowings and interest of S\$3.6 million. This was partially offset by higher proceeds from loans and borrowings of S\$2.3 million and lower interest expense of S\$30,000.

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

The financial results of the Group for the financial year ended 31 March 2022 was principally in line with the commentary stated in paragraph 8 of the previous result announcement for the six months period ended 30 September 2021 of the Group dated 11 November 2021.

4. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditor.

Other information required by Listing Rule Appendix 7C (cont'd)

- 5. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).**

Not applicable. The figures have not been audited or reviewed by the Company's auditor.

- 6. A breakdown of sales**

		Group	
	FY2022	FY2021	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue reported for first half year	33,487	18,507	80.9
Loss after tax before deducting minority interests reported for first half year	(211)	(2,597)	(91.9)
Revenue reported for second half year	34,579	35,819	(3.5)
Profit after tax before deducting minority interests reported for second half year	1,820	2,262	(19.5)

- 7. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows: -**

Not applicable.

- 8. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 March 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

Other information required by Listing Rule Appendix 7C (cont'd)

- 9. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group			
	6 months ended 31 March 2022	6 months ended 31 March 2021	12 months ended 31 March 2022	12 months ended 31 March 2021
Profit/(loss) attributable to the owners of the Group (S\$'000)	1,820	2,262	1,608	(335)
Weighted average number of ordinary shares in issue	308,065	308,065	308,065	308,065
Basic and fully diluted loss per share (SG cents)	0.59	0.73	0.52	(0.11)

The Company does not have any potential dilutive ordinary shares in existence for the current financial year and previous financial year.

- 10. A commentary at the date of the 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.**

Generally, the business outlook remains challenging in the next 6 to 12 months due to the economic uncertainty caused by the COVID-19 pandemic, tight labour supply, global inflation as well as the expected increase in borrowing costs.

Nevertheless, with the further easing of the COVID-19 measures as well as the opening of borders in Singapore, the Group is cautiously optimistic with the outlook for its lifting and haulage services projects in Singapore. As for Malaysia, despite the recent reopening of its border, the Group will continue to remain cautious and vigilant in its investment.

For the port services business, the risk of worldwide port congestion amid the Pandemic due to delayed shipments and reduced manpower remains a concern. The Group will continue to work with PSA Corporation Limited and to monitor the port situation closely.

Other information required by Listing Rule Appendix 7C (cont'd)

- 11. 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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Gwee Sze Hoe Jeremy	40	Nephew of Executive Chairman, Ong Teck Meng	Director of Hiap Tong Crane & Transport Pte Ltd, a subsidiary company since December 2015. Main duties include sales for crane leasing business.	No changes
Ong Chuan Hock	63	Brother of Executive Chairman, Ong Teck Meng	Manager since 23 October 1992. Main duties include control and supervision of operators' payroll.	No changes
Wang Wenshen	40	Son of Mr Ong Lim San, Executive Director and substantial shareholder of the Company	Manager since 1 March 2013. Main duties include sales and operations of the Group, in particular the ExxonMobil project in Singapore.	No changes
Ong Hwee Cheng	41	Daughter of Executive Chairman, Ong Teck Meng	Business Development Manager since 1 April 2014.	No changes
Wang Wenxin	35	Son of Mr Ong Lim San, Executive Director and substantial shareholder of the Company	Workshop Manager since 1 January 2018	Resigned during the year
Ong Jun Xiong	34	Nephew of Executive Chairman, Ong Teck Meng	Manager since 3 December 2018	No changes

Other information required by Listing Rule Appendix 7C (cont'd)

- 12. 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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ng Eng Joo	53	Cousin of Executive Chairman, Ong Teck Meng	Head of operations and holds directorship in some of Hiap Tong Group's subsidiaries since January 2008. Main duties include sales and head of operations of the Group.	No changes

13. Dividend information

If a decision regarding dividend has been made:-

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

Nil.

- (b) (i) Amount per share (cents)**
(Optional) Rate (%)

Not applicable.

- (b) (ii) Previous corresponding period (cents)**
(Optional) Rate (%)

Not applicable.

- (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.

Other information required by Listing Rule Appendix 7C (cont'd)

13. Dividend information (cont'd)

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

14. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared as the Board wishes to conserve cash in view of the post-pandemic and geopolitical uncertainties.

15. If the group has obtained a general mandate from shareholders for 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 Company does not have a general mandate from shareholders for interested person transactions. The details of the IPT entered into FY2022 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPT transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000
Transworld International Pte Ltd	A company in which Mr Ong Teck Meng's sibling has an interest of at least 30% or more.	1,267	Nil

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company hereby confirms that it has procured all the required undertakings from all its Directors and executive officers (in the format as set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

Other information required by Listing Rule Appendix 7C (cont'd)

17. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules

During the year ended 31 March 2022, the Company incorporated a wholly owned subsidiary, Hiap Tong Construction Pte. Ltd. For details, please refer to the Company's announcement made on 30 September 2021.

18. Segmented revenue and result for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to "Notes to the condensed interim consolidated financial statements" – Note 4.

19. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 2.

BY ORDER OF THE BOARD

Ong Lim Wan @ Ong Teck Meng
Executive Chairman and Chief Executive Officer

Ong Boon Tat
Executive Director

27 May 2022

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg