

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

Announcement of Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 September 2022

Table of Contents	Page
A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
B. Condensed Interim Consolidated Statement of Financial Position	3
C. Condensed Interim Statements of Changes in Equity	4
D. Condensed Interim Consolidated Statement of Cash Flows	7
E. Notes to the Interim Consolidated Financial Statements	9
F. Other information required by Listing Rule Appendix 7C	18

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group 6 months ended 30 September		Change %
		2022 \$'000	2021 \$'000	
Revenue	4	50,645	33,487	51.2
Cost of sales		(35,272)	(31,580)	11.7
Gross profit		15,373	1,907	706.1
Other income		1,901	3,439	(44.7)
Distribution expenses		(191)	(58)	229.3
Administrative expenses		(5,163)	(4,211)	22.6
Other expenses		(2,699)	(194)	1,291.2
Net change in fair value of investment property		(700)	—	100.0
Results from operating activities		8,521	883	865.0
Finance income		—*	1	NM
Finance costs		(1,522)	(1,011)	50.5
Net finance costs		(1,522)	(1,010)	50.7
Profit/(loss) before taxation	5	6,999	(127)	NM
Tax expense	7	(1,406)	(84)	1,573.8
Profit/(loss) for the financial period		5,593	(211)	NM
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences relating to foreign operations		201	(12)	NM
Other comprehensive income, net of tax**		201	(12)	NM
Total comprehensive income/(loss) for the period		5,794	(223)	NM
Earnings per share				
Basic and diluted earnings/(loss) (cents)		1.82	(0.07)	

* Amount less than \$1,000

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

NM: not meaningful

Condensed Interim Consolidated Statement of Financial Position

		Group		Company	
	Note	30 September 2022 (Unaudited) \$'000	31 March 2022 (Audited) \$'000	30 September 2022 (Unaudited) \$'000	31 March 2022 (Audited) \$'000
Non-current assets					
Property, plant and equipment	9	139,826	127,237	21,039	13,033
Investment properties	10	7,730	730	7,000	–
Investment in subsidiaries		–	–	3,600	3,600
Other financial assets		250	250	–	–
		147,806	128,217	31,639	16,633
Current assets					
Asset held for sale	11	–	17,000	–	17,000
Other non-financial assets		1,174	1,038	145	129
Financial assets – derivatives		320	4	–	–
Trade and other receivables		24,225	21,934	2,336	2,129
Cash and cash equivalents		9,749	10,098	251	317
		35,468	50,074	2,732	19,575
Total assets		183,274	178,291	34,371	36,208
Equity attributable to owners of the Company					
Share capital	15	24,450	24,450	24,450	24,450
Retained earnings		62,239	56,646	(4,333)	(3,410)
Other reserves		(1,320)	(1,521)	–	–
Total equity		85,369	79,575	20,117	21,040
Non-current liabilities					
Deferred tax liabilities	12	9,801	8,537	–	–
Loans and borrowings	12	4,776	5,924	–	–
Lease liabilities	13	39,841	19,634	13,045	3,019
Trade and other payables		1,109	1,809	–	–
		55,527	35,904	13,045	3,019
Current liabilities					
Liabilities held for sale	11	–	11,029	–	11,029
Income tax payable		149	149	–	–
Loans and borrowings	12	5,282	6,563	–	349
Lease liabilities	13	17,279	13,988	1,001	479
Trade and other payables		19,668	31,083	208	292
		42,378	62,812	1,209	12,149
Total liabilities		97,905	98,716	14,254	15,168
Total equity and liabilities		183,274	178,291	34,371	36,208

Condensed Interim Statements of Changes in Equity

	Note	Attributable to owners of the Company					
		Share capital \$'000	Merger reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total equity \$'000
The Group							
At 1 April 2022		24,450	(1,670)	50	99	56,646	79,575
Total comprehensive income for the period							
Profit for the period		—	—	—	—	5,593	5,593
Foreign currency translation differences relating to foreign subsidiaries		—	—	—	201	—	201
Total other comprehensive income		—	—	—	201	—	201
Total comprehensive income for the period		—	—	—	201	5,593	5,794
At 30 September 2022		24,450	(1,670)	50	300	62,239	85,369

Condensed Interim Statements of Changes in Equity (cont'd)

	Note	Attributable to owners of the Company					
		Share capital \$'000	Merger reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits/(loss) \$'000	Total equity \$'000
The Group							
At 1 April 2021		24,450	(1,670)	50	72	55,038	77,940
Total comprehensive income for the period							
Loss for the period		—	—	—	—	(211)	(211)
Foreign currency translation differences relating to foreign subsidiaries		—	—	—	(12)	—	(12)
Total other comprehensive income		—	—	—	(12)	—	(12)
Total comprehensive loss for the period		—	—	—	(12)	(211)	(223)
At 30 September 2021		24,450	(1,670)	50	60	54,827	77,717

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 2022	24,450	(3,410)	21,040
Total comprehensive loss for the period			
Loss for the period	—	(923)	(923)
Total comprehensive loss for the period	—	(923)	(923)
At 30 September 2022	24,450	(4,333)	20,117
At 1 April 2021	24,450	(2,925)	21,525
Total comprehensive loss for the period			
Loss for the period	—	(247)	(247)
Total comprehensive loss for the period	—	(247)	(247)
At 30 September 2021	24,450	(3,172)	21,278

Condensed Interim Consolidated Statement of Cash Flows

	Group	
	6 months ended 30 September	
Note	2022	2021
	\$'000	\$'000
Cash flows from operating activities		
Profit/(loss) for the period	5,593	(211)
Adjustments for:		
Depreciation	7,410	6,808
Gain on disposal of property, plant and equipment	(170)	(67)
Net change in fair value of investment properties	700	—
Net change in fair value of financial derivatives	(318)	5
Provision/(reversal) for loss allowances on trade and other receivables	2,602	(137)
Impairment losses on property, plant and equipment	24	—
Interest expense	959	910
Interest income	—*	(1)
Tax expense	1,406	84
	<u>18,206</u>	<u>7,391</u>
Changes in:		
Trade and other receivables	(5,028)	2
Trade and other payables	(2,330)	(1,419)
Income tax paid	(142)	—
Net cash from operating activities	<u>10,706</u>	<u>5,974</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,068)	(999)
Interest received	—*	1
Proceeds from sale of property, plant and equipment	445	72
Net cash used in investing activities	<u>(623)</u>	<u>(926)</u>
Cash flows from financing activities		
Interest paid	(959)	(910)
Payments of lease liabilities	(7,321)	(6,952)
Proceeds from loans and borrowings	2,000	4,300
Repayment of loans and borrowings	(4,429)	(4,834)
Net cash used in financing activities	<u>(10,709)</u>	<u>(8,396)</u>

* Amount less than \$1,000

Condensed Interim Consolidated Statement of Cash Flows (cont'd)

	Group	
	6 months ended 30 September	
	2022	2021
	\$'000	\$'000
Net decrease in cash and cash equivalents	(626)	(3,348)
Cash and cash equivalents at beginning of the period	10,098	12,880
Effect of exchange rate changes on balances held in foreign currencies	277	(18)
Cash and cash equivalents at end of the period	9,749	9,514

Significant non-cash transactions

During the financial period, the Group acquired property, plant and equipment totalling \$11,073,000 (30 September 2021: \$13,661,000), of which nil (30 September 2021: \$3,308,000) was acquired under new leases and \$9,963,000 (30 September 2021: \$9,354,000) 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 interim consolidated financial statements of the Group as at and for the six months ended 30 September 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 interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standard Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2022.

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 interim 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 2022, 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 2022. 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 interim 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 2022.

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				Lifting and haulage services			
	Port services	Others	Total		Port services	Others	Total	
	6 months ended 30 September				6 months ended 30 September			
	2022	2022	2022	2022	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	35,690	11,505	3,450	50,645	19,810	12,166	1,511	33,487
Interest income	—*	16	—	16	1	—	—	1
Interest expense	(929)	(30)	—	(959)	(666)	(38)	(206)	(910)
Depreciation	(6,986)	(390)	(34)	(7,410)	(5,981)	(489)	(338)	(6,808)
Reportable segment profit/(loss) before tax	7,235	(22)	(214)	6,999	1,722	(2,050)	201	(127)
Other material non-cash items:								
- (Provision)/reversal for loss allowances on trade and other receivables	(2,602)	—	—	(2,602)	137	—	—	137
- Net change in fair value of investment properties	(700)	—	—	(700)				
- Impairment losses on property, plant and equipment and right-of-use assets	(24)	—	—	(24)				
Reportable segment assets	169,055	4,050	10,169	183,274	137,251	7,129	18,087	162,467
Capital expenditure	10,968	22	83	11,073	13,283	378	—	13,440
Reportable segment liabilities	89,007	4,801	2,833	96,641	67,651	5,838	11,261	84,750

* Amount less than \$1,000

4 Segment and revenue information (cont'd)

4.2 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	
			6 months ended 30 September					
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Singapore	35,174	19,392	11,505	12,166	3,450	1,511	50,129	33,069
Malaysia	516	418	—	—	—	—	516	418
	<u>35,690</u>	<u>19,810</u>	<u>11,505</u>	<u>12,166</u>	<u>3,450</u>	<u>1,511</u>	<u>50,645</u>	<u>33,487</u>
Non-current assets								
Singapore	137,082	111,861	1,111	1,906	7,864	18,087	146,057	131,854
Malaysia	1,749	2,352	—	—	—	—	1,749	2,352
	<u>138,831</u>	<u>114,213</u>	<u>1,111</u>	<u>1,906</u>	<u>7,864</u>	<u>18,087</u>	<u>147,806</u>	<u>134,206</u>

Major customer

Revenue from one customer of the Group's lifting and haulage services and port services segments represents \$15,655,000 (30 September 2021: \$2,668,000) and \$10,864,000 (30 September 2021: \$12,166,000) 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:

	6 months ended 30 September	
	2022	2021
	\$'000	\$'000
Depreciation expense	(7,410)	(6,808)
(Provision)/reversal for loss allowances on trade and other receivables	(2,602)	137
Interest income	—*	1
Interest expense	(959)	(910)
Net exchange loss	(860)	(91)
Gain on disposal of property, plant and equipment	170	67
Net change in fair value of investment properties	700	—
Government grant income	713	1,807

* Amount less than \$1,000

6 Related party transactions

Key management personnel compensation

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

	6 months ended 30 September	
	2022	2021
	\$'000	\$'000
Salaries and other short-term employee benefits	1,181	1,018
Employer's contribution to defined contribution plans, including Central Provident Fund	91	48
	1,272	1,066

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 30 September	
	2022	2021
	\$'000	\$'000
Current tax expense	142	—
Deferred tax expense	1,264	84
Total income tax expense	1,406	84

8 Net asset value

	Group		Company	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of the period/year	28.02	25.83	6.53	6.83

The net assets value per ordinary share of the Group and the Company as at 30 September 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 period ended 30 September 2022, the Group acquired assets amounting to \$11,073,000 (6 months ended 30 September 2021: \$13,661,000) and disposed of assets amounting to \$2,103,000 (6 months ended 30 September 2021: \$6,808,000).

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	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	\$'000	\$'000	\$'000	\$'000
At beginning of financial period	730	8,450	—	7,700
Less: asset held for sale	—	(7,700)	—	(7,700)
Add: reversal of asset held for sale	7,700	—	7,700	—
Net change in fair value	(700)	(20)	(700)	—
At end of financial period	<u>7,730</u>	<u>730</u>	<u>7,000</u>	<u>—</u>

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, the initial proposed sale of the property at 8 Tuas South Street 10, Singapore 636943 has been cancelled. This investment property has been reclassified from asset held for sale under current assets to investment properties under non-current assets.

11 Asset held for sale

	Group and Company	
	30.09.2022	31.03.2022
	\$'000	\$'000
Asset held for sale:		
Investment properties	—	7,700
Right-of-use assets	—	9,300
Subtotal for assets	<u>—</u>	<u>17,000</u>
Liabilities associated with asset classified as held for sale:		
Lease liabilities	—	(11,029)
Subtotal for liabilities	<u>—</u>	<u>(11,029)</u>
Net asset held for sale	<u>—</u>	<u>5,971</u>

12 Loans and borrowings

	Group		Company	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	\$'000	\$'000	\$'000	\$'000
Non-current				
Secured bank loans	188	244	—	—
Unsecured bank loan	4,588	5,680	—	—
	<u>4,776</u>	<u>5,924</u>	<u>—</u>	<u>—</u>
Current				
Secured bank loans	110	1,458	—	349
Unsecured bank loan	5,172	5,105	—	—
	<u>5,282</u>	<u>6,563</u>	<u>—</u>	<u>349</u>
Total loans and borrowings	<u>10,058</u>	<u>12,487</u>	<u>—</u>	<u>349</u>

Details of any collateral

- (i) As at 30 September 2022, total bank loans repayable of \$298,490 (31 March 2022: \$1,702,000) was secured by fixed charges over investment properties of the Group with a carrying amount of \$730,000 (31 March 2022: \$10,682,000) and corporate guarantees executed by the Company.

13 Lease liabilities

	Group		Company	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	\$'000	\$'000	\$'000	\$'000
Non-current	39,841	19,634	13,045	3,019
Current	17,279	13,988	1,001	479
Total lease liabilities	<u>57,120</u>	<u>33,622</u>	<u>14,046</u>	<u>3,498</u>

The Group's finance lease liabilities of \$42,826,000 (31 March 2022: \$29,693,000) are secured by certain plant and equipment of the Group with carrying value of \$67,552,000 (31 March 2022: \$57,765,000).

During the year, the initial proposed sale of the property at 8 Tuas South Street 10, Singapore 636943 has been cancelled. The lease liabilities associated with asset classified as held for sale under current liabilities has been reclassified to non-current lease liabilities of \$10,500,000 and current lease liabilities of \$500,000.

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 30 September 2022 and 31 March 2022.

	Group		Company	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Other investments	250	250	—	—
Trade and other receivables*	24,929	22,765	2,469	2,250
Derivative financial instruments	320	4	—	—
Cash and cash equivalents	9,749	10,098	251	317
	<u>35,248</u>	<u>33,117</u>	<u>2,720</u>	<u>2,567</u>
Financial liabilities				
Trade and other payables **	15,942	24,902	44	51
Loans and borrowings***	10,058	12,487	—	349
Current tax liabilities	149	149	—	—
	<u>26,149</u>	<u>37,538</u>	<u>44</u>	<u>400</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 30 September 2022 and 31 March 2022	<u>308,065</u>	<u>24,450</u>

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 30 September 2022, 31 March 2022 and 30 September 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 interim consolidated statement of financial position of Hiap Tong Corporation Ltd. and its subsidiaries as at 30 September 2022 and the condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim 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 \$17.2 million or 51.2% from \$33.5 million for the six months ended 30 September 2021 (“HY2022”) to \$50.6 million for the six months ended 30 September 2022 (“HY2023”). This was mainly attributed to an increase in the revenue from the lifting and haulage segment and the work train operation services during the year.

Lifting and haulage services

Lifting and haulage revenue increased by \$15.9 million or 80.2% from \$19.8 million in HY2022 to \$35.7 million in HY2023. The increase was mainly due to the contribution from a new construction projects as well as the full resumption of business operations from the COVID-19 situation in HY2022.

Port services

Port services revenue decreased by \$0.7 million or 5.4% from \$12.2 million in HY2022 to \$11.5 million in HY2023. The decrease was mainly due to a decline in jobs available from PSA in the lashing, prime mover driving as well as inter-gateway and terminal transfers of containers as compared to prior year.

Others:

Trading business

Trading revenue decreased by \$0.2 million or 13.3% from \$1.5 million in HY2022 to \$1.3 million in HY2023 due to lower trading activities which were transacted on an ad hoc basis when favourable opportunities arose.

Work train operation services

With our newly incorporated subsidiary in September 2021, Hiap Tong Construction Pte. Ltd., which provided work train operation services to Land Transport Authority contributed \$2.2 million to the increase in the Group's revenue in HY2023.

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 \$3.7 million or 11.7% from \$31.6 million in HY2022 to \$35.3 million in HY2023, mainly due to an increase in labour related costs of \$1.1 million, increase in subcontractor expenses of \$1.2 million, higher fuel expenses of \$0.6 million, higher upkeep and maintenance expenses of \$0.2 million and higher depreciation of \$0.6 million.

Gross profit increased by \$13.5 million or 706.1% from \$1.9 million (representing a gross margin of 5.7%) in HY2022 to \$15.4 million (representing a gross margin of 30.4%) in HY2023.

The higher gross profit margin in HY2023 was mainly contributed by the lifting and haulage segment which has improved from 19.9% to 41.3% due to a general improvement in margins from the projects in Singapore. In addition, the port services segment gross profit margin also improved from a gross loss margin of 15.7% in HY2022 to 3.9% in HY2023 due to lower labour cost by employing more foreign workers after the lifting of the manpower restriction as a result of the COVID-19 pandemic (“**Pandemic**”).

Other income

Other income decreased by \$1.5 million or 44.7% from \$3.4 million in HY2022 to \$1.9 million in HY2023, mainly due to a decrease in government grants in relation to the Pandemic as well as lower handling and storage income.

Distribution expenses

Distribution expenses increased by \$0.1 million or 229.3% from \$0.1 million for HY2022 to \$0.2 million for HY2023, mainly due to an increase in commission expenses.

Administrative expenses

Administrative expenses increased by \$1 million or 22.6% from \$4.2 million in HY2022 to \$5.2 million in HY2023, mainly due to higher salary related expenses of \$0.5 million, increase in foreign worker levy of \$0.3 million and increase in course fees of \$0.2 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 increased by \$2.5 million from \$0.2 million in HY2022 to \$2.7 million in HY2023 mainly due to increase in provision for loss allowances on trade and other receivables of \$2.7 million. This was offset by lower food catering costs relating to the port services segment of \$0.2 million.

Net change in fair value of investment property

The net change in fair value of investment property of \$0.7 million in HY2023 was due to a lower valuation of an investment property.

Net finance costs

Net finance costs increased marginally by \$0.5 million mainly due to increase in exchange loss of \$0.8 million relating to revaluation of amount owing by a subsidiary in Malaysia and amount owing to overseas suppliers amounting to \$0.3 million and \$0.5 million respectively. This was offset by an increase in exchange gain from financial derivatives of \$0.3 million.

Income tax expense

Income tax expense increased from \$0.1 million in HY2022 to \$1.4 million in HY2023 mainly due to higher taxable income from the lifting and haulage segment.

Profit for the year

The Group was in a profit position of \$5.6 million in HY2023, as compared to a loss position of \$0.2 million in HY2022 as 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

Our non-current assets amounted to \$147.8 million or 80.6% of our total assets of \$183.3 million as at 30 September 2022. The increase in non-current assets of \$19.6 million or 15.3% compared to as at 31 March 2022 was mainly due to net increase in equipment and right-of-use assets ("ROU") of \$20.0 million, which included the reclassification of ROU assets of \$9.3 million from the cancelled asset held for sale. The increase was partially offset by depreciation charge of \$7.4 million.

In addition, there was an increase in investment properties of \$7.0 million, due to the reclassification of asset held for sale under current assets to non-current assets, as a result of the reasons explained in Note 10.

Current Assets

As at 30 September 2022, our current assets amounted to \$35.5 million or 19.4% of our total assets of \$183.3 million.

The decrease in current assets of \$14.6 million or 29.2% as compared to as at 31 March 2022 was mainly due to the abortion of a proposed sale of an investment property which resulted in the reclass of the asset held for sale of \$17.0 million to non-current asset and lease liability. Also, there was a decrease in cash and cash equivalents of \$0.3 million. However, this was partially offset by an increase in trade and other receivables of \$2.3 million which was in line with the increase in revenue in HY2023. There was also an increase in other non-financial assets and financial derivatives amounting to \$0.1 and \$0.3 million from the purchase of foreign currency forward contracts in HY2023.

Non-Current Liabilities

As at 30 September 2022, our non-current liabilities amounted to \$55.5 million or 56.7% of our total liabilities of \$97.9 million. The increase in non-current liabilities of \$19.6 million or 54.7% compared to as at 31 March 2022 was due to an increase in deferred tax liabilities of \$1.3 million, increase in finance lease liabilities amounting to \$10.2 million and increase in right-of-use lease liabilities amounting to \$10 million which includes reclassification of lease liabilities held for sale in view of the abortion of the proposed sale of investment property. However, this was partially offset by a decrease in loans and borrowings as well as trade and other payables by \$1.2 million and \$0.7 million respectively.

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 30 September 2022, our current liabilities amounted to \$42.4 million or 43.3% of our total liabilities of \$97.9 million.

The decrease in current liabilities of \$20.4 million as compared to as at 31 March 2022 was mainly due to the decrease in liabilities held for sale of \$11.0 million pertaining to the abortion of the proposed sale of the investment property which resulted in its reclassification to non-current assets, decrease in trade and other payables of \$11.4 million mainly due to the conversion of trust receipt and amount owing to supplier into hire purchase financing and a decrease in loans and borrowings of \$1.3 million. The decrease was offset by an increase in finance lease liabilities and right-of-use lease liabilities of \$3.3 million.

The Group was in a net current liability position of \$6.9 million as at 30 September 2022. This net current liabilities will be reduced upon conversion of approximately \$10.0 million of current trade payable relating to the purchase of cranes which will be converted into hire purchase financing when it is due. The Board confirms that the Group has sufficient financial resources to meet its short-term debt obligations when they fall due.

Review of Cash flow Statement

The Group's net cash from operating activities for HY2023 increased by \$4.7 million as compared to HY2022 due to higher operating profit before changes in working capital of \$10.8 million. This was partly offset by higher net working capital outflow of \$6.1 million.

The Group's net cash used in investing activities for HY2023 decreased by \$0.3 million as compared to HY2022. This was mainly due to an increase in acquisition of property, plant and equipment of \$0.1 million which was offset by an increase in proceeds from the sale of property, plant and equipment of \$0.4 million.

The Group's net cash used in financing activities for HY2023 increased by \$2.3 million compared to HY2022. This was mainly due to lower proceeds from loans and borrowings of \$2.3 million and higher repayment of the lease liabilities of \$0.4 million. This was partially offset by lower repayment of loans and borrowings of \$0.4 million.

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

- 3. 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

There was no change in the Company's share capital from 31 March 2022 to 30 September 2022.

The Company did not have any outstanding options or convertibles as at 30 September 2022 and 30 September 2021.

There was also no treasury shares or subsidiary holdings as at 30 September 2022 and 30 September 2021.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at end of immediately preceding year.

The total number of issued shares (excluding treasury shares) were 308,065,282 as at 30 September 2022 and 31 March 2022.

There were no treasury shares as at 30 September 2022 and 31 March 2022.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

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

The condensed consolidated statement of financial position of Hiap Tong Corporation Ltd and its subsidiaries as at 30 September 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 six months period then ended and certain explanatory notes have not been audited or reviewed.

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

4A. 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 latest financial statements as at 31 March 2022 have an unmodified opinion.

5. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Paragraph 6 below, the Group has applied the same accounting policies and methods of computation adopted in the financial statements for the current reporting period as those of the most recent audited financial statements for the financial year ended 31 March 2022.

6. 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.

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on 1 January 2022. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements for the current financial reporting period.

7. 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 30 September	
	2022	2021
Profit/(loss) attributable to the owners of the Group (S\$'000)	5,593	(211)
Weighted average number of ordinary shares in issue ('000)	308,065	308,065
Basic and fully diluted earnings/(loss) per share (Singapore cents)	1.82	(0.07)

The Company does not have any potential dilutive ordinary shares in existence for HY2023 and HY2022.

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

- 8. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
Net assets attributable to shareholders (S\$'000)	85,369	79,575	20,117	21,040
Net asset value per ordinary share based on issued share capital at the end of the period/year (Singapore cents)	27.71	25.83	6.53	6.83

The total number of issued shares (excluding treasury shares) were 308,065,282 as at 30 September 2022 and 31 March 2022.

- 9. 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 10 of the previous result announcement for year ended 31 March 2022 of the Group dated 27 May 2022.

- 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.**

The Group's lifting and haulage business continues to recover as the Group secures more upcoming construction projects in Singapore. We remain cautiously optimistic on the second half outlook for the lifting and haulage segment despite tight labour supply as well as other inflationary pressure.

For Malaysia, the Group has been able to scale down our operation and minimise exposure to geopolitical risk.

As for the port services segment, we will continue to work with PSA Singapore to improve productivity and manage the cost towards a breakeven level despite inflationary pressure.

Overall, the Group expects the full year results to be profitable and an improvement over the past financial year.

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

11. Dividend information

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended) for current financial period reported on;

Nil.

(b) Amount per share;

Not applicable.

(b) Previous corresponding period

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.

(d) The date the dividend is payable; and

Not applicable.

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

Not applicable.

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

No interim dividend has been declared for HY2023 as the Board wishes to review the full year financial performance of the Group before making any declaration or recommendation.

13. If the Group has obtained a general mandate from shareholders for Interested Party Transactions ("IPT"), 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 has not obtained a general mandate from shareholders for IPTs. There was no IPTs of \$100,000 and above being entered into by the Group during HY2023.

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

14. 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.

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

The Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

Confirmation by the Board pursuant to Catalist Rule 705 (5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim financial statements for the six-month period ended 30 September 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

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

Ong Boon Tat
Executive Director

11 November 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 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg