

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

Announcement of Unaudited Condensed Interim Financial Statements  
For the Six Months Ended 30 September 2023

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

	Note	Group 6 months ended 30 September		Change %
		2023 \$'000	2022 \$'000	
Revenue	4	43,164	50,645	(14.8)
Cost of sales		(34,949)	(35,272)	(0.9)
<b>Gross profit</b>		8,215	15,373	(46.6)
Other income		2,659	1,901	39.9
Distribution expenses		(438)	(191)	129.3
Administrative expenses		(6,410)	(5,163)	24.2
Other losses		(257)	(2,699)	(90.5)
Net change in fair value of investment property		–	(700)	(100.0)
<b>Results from operating activities</b>		3,769	8,521	(55.8)
Finance income		–*	–*	NM
Finance costs		(1,367)	(1,522)	(10.2)
<b>Net finance costs</b>		(1,367)	(1,522)	(10.2)
<b>Profit before taxation</b>	5	2,402	6,999	(65.7)
Tax expense	7	(575)	(1,406)	(59.1)
<b>Profit for the financial period</b>		1,827	5,593	(67.3)
<b>Other comprehensive income</b>				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences relating to foreign operations		184	201	(8.5)
<b>Other comprehensive income, net of tax**</b>		184	201	(8.5)
<b>Total comprehensive income for the period</b>		2,011	5,794	(65.3)
<b>Earnings per share</b>				
Basic and diluted earnings (cents)		0.59	1.82	

\* 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

	Note	Group		Company	
		30 September 2023 (Unaudited) \$'000	31 March 2023 (Audited) \$'000	30 September 2023 (Unaudited) \$'000	31 March 2023 (Audited) \$'000
<b>Non-current assets</b>					
Property, plant and equipment	9	158,540	150,652	18,860	19,884
Investment properties	10	7,580	7,580	6,900	6,900
Investment in subsidiaries		–	–	3,600	3,600
Other financial assets		112	112	–	–
		<u>166,232</u>	<u>158,344</u>	<u>29,360</u>	<u>30,384</u>
<b>Current assets</b>					
Other non-financial assets		1,760	1,304	383	235
Financial assets – derivatives		55	–	–	–
Trade and other receivables		23,973	25,825	11,511	11,500
Cash and cash equivalents		9,738	11,205	361	717
		<u>35,526</u>	<u>38,334</u>	<u>12,255</u>	<u>12,452</u>
<b>Total assets</b>		<u>201,758</u>	<u>196,678</u>	<u>41,615</u>	<u>42,836</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	14	25,566	24,450	25,566	24,450
Retained earnings		70,777	70,490	2,080	3,974
Other reserves		(1,151)	(1,335)	–	–
<b>Total equity</b>		<u>95,192</u>	<u>93,605</u>	<u>27,646</u>	<u>28,424</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities		10,278	10,037	–	–
Loans and borrowings	12	2,363	3,482	–	–
Lease liabilities	13	35,618	39,938	12,057	12,601
		<u>48,259</u>	<u>53,457</u>	<u>12,057</u>	<u>12,601</u>
<b>Current liabilities</b>					
Income tax payable		1,065	1,442	74	–
Financial liabilities - derivatives		–	45	–	–
Loans and borrowings	12	4,725	6,198	–	–
Lease liabilities	13	18,864	18,371	1,072	1,043
Trade and other payables		33,653	23,560	766	768
		<u>58,307</u>	<u>49,616</u>	<u>1,912</u>	<u>1,811</u>
<b>Total liabilities</b>		<u>106,566</u>	<u>103,073</u>	<u>13,969</u>	<u>14,412</u>
<b>Total equity and liabilities</b>		<u>201,758</u>	<u>196,678</u>	<u>41,615</u>	<u>42,836</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	
<b>The Group</b>							
<b>At 1 April 2023</b>		24,450	(1,670)	(88)	423	70,490	93,605
<b>Total comprehensive income for the period</b>							
Profit for the period		–	–	–	–	1,827	1,827
Foreign currency translation differences relating to foreign subsidiaries		–	–	–	184	–	184
<b>Total other comprehensive income</b>		–	–	–	184	–	184
<b>Total comprehensive income for the period</b>		–	–	–	184	1,827	2,011
<b>Transactions with owners, recognised directly in equity</b>							
<b>Distribution to owners</b>							
Issue of shares pursuant to scrip dividend scheme		1,116	–	–	–	(1,116)	–
Dividends paid		–	–	–	–	(424)	(424)
<i>Total distribution to owners</i>		1,116	–	–	–	(1,540)	(424)
<b>At 30 September 2023</b>		25,566	(1,670)	(88)	607	70,777	95,192

## 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 \$'000	Total equity \$'000
<b>The Group</b>							
<b>At 1 April 2022</b>		24,450	(1,670)	50	99	56,646	79,575
<b>Total comprehensive income for the period</b>							
Profit for the period		–	–	–	–	5,593	5,593
Foreign currency translation differences relating to foreign subsidiaries		–	–	–	201	–	201
<b>Total other comprehensive income</b>		–	–	–	201	–	201
<b>Total comprehensive profit for the period</b>		–	–	–	201	5,593	5,794
<b>At 30 September 2022</b>		24,450	(1,670)	50	300	62,239	85,369

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

	Attributable to owners of the Company		
The Company	Share capital S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b>At 1 April 2023</b>	24,450	4,284	28,734
<b>Total comprehensive loss for the period</b>			
Loss for the period	–	(664)	(664)
<b>Total comprehensive loss for the period</b>	–	(664)	(664)
<b>Transactions with owners, recognised directly in equity</b>			
<b>Distribution to owners</b>			
Issue of shares pursuant to scrip dividend scheme	1,116	(1,116)	–
Dividends paid	–	(424)	(424)
<i>Total distribution to owners</i>	1,116	(1,540)	(424)
<b>At 30 September 2023</b>	25,566	2,080	27,646
<b>At 1 April 2022</b>	24,450	(3,410)	21,040
<b>Total comprehensive loss for the period</b>			
Loss for the period	–	(923)	(923)
<b>Total comprehensive loss for the period</b>	–	(923)	(923)
<b>At 30 September 2022</b>	24,450	(4,333)	20,117

## Condensed Interim Consolidated Statement of Cash Flows

	Group	
	6 months ended 30 September	
	2023	2022
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	1,827	5,593
Adjustments for:		
Depreciation	8,398	7,410
Loss/(gain) on disposal of property, plant and equipment	224	(170)
Net change in fair value of investment properties	–	700
Net change in fair value of financial derivatives	(100)	(318)
(Reversal)/provision for loss allowances on trade and other receivables	(1,087)	2,602
Impairment losses on property, plant and equipment	33	24
Interest expense	1,049	959
Interest income	–*	–*
Tax expense	575	1,406
	10,919	18,206
Changes in:		
Trade and other receivables	2,484	(5,028)
Trade and other payables	516	(2,330)
Income tax paid	(712)	(142)
<b>Net cash from operating activities</b>	13,207	10,706
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,970)	(1,068)
Interest received	–*	–*
Proceeds from sale of property, plant and equipment	535	445
<b>Net cash used in investing activities</b>	(2,435)	(623)
<b>Cash flows from financing activities</b>		
Interest paid	(799)	(740)
Payments of lease liabilities	(8,657)	(7,540)
Proceeds from loans and borrowings	3,500	2,000
Repayment of loans and borrowings	(6,092)	(4,429)
Dividends paid	(424)	–
<b>Net cash used in financing activities</b>	(12,472)	(10,709)
<b>Net decrease in cash and cash equivalents</b>	(1,700)	(626)
Cash and cash equivalents at beginning of the period	11,205	10,098
Effect of exchange rate changes on balances held in foreign currencies	233	277
<b>Cash and cash equivalents at end of the period</b>	9,738	9,749

\* Amount less than \$1,000

### *Significant non-cash transactions*

During the financial period, the Group acquired property, plant and equipment totalling \$17,128,000 (30 September 2022: \$11,073,000), of which \$1,350,000 (30 September 2022: nil) was acquired under new leases and \$11,098,000 (30 September 2022: \$9,963,000) 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 2023 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 2023.

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 2023, 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 2023. 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 2023.

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 2023 and 2022.

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				Total
	6 months ended 30 September 2023				6 months ended 30 September 2022				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenue	27,750	11,583	3,831	43,164	35,690	11,505	3,450	50,645	
Interest income	—*	—*	—	—*	—*	16	—	16	
Interest expense	(987)	(61)	(1)	(1,049)	(929)	(30)	—	(959)	
Depreciation	(7,700)	(644)	(54)	(8,398)	(6,986)	(390)	(34)	(7,410)	
Reportable segment profit/(loss) before tax	955	1,180	267	2,402	7,235	(22)	(214)	6,999	
Other material non-cash items:									
- Reversal/(provision) for loss allowances on trade and other receivables	1,087	—	—	1,087	(2,602)	—	—	(2,602)	
- Net change in fair value of investment properties	—	—	—	—	(700)	—	—	(700)	
- Impairment losses on property, plant and equipment and right-of-use assets	(33)	—	—	(33)	(24)	—	—	(24)	
Reportable segment assets	185,234	7,257	9,267	201,758	169,055	4,050	10,169	183,274	
Capital expenditure	15,610	1,515	3	17,128	10,968	22	83	11,073	
Reportable segment liabilities	99,551	5,100	1,915	106,566	89,007	4,801	2,833	96,641	

#### 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.

	<b>Group</b>							
	<b>Lifting and haulage services</b>		<b>Port services</b>		<b>Others</b>		<b>Total</b>	
	<b>6 months ended 30 September</b>							
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>								
Singapore	26,766	35,174	11,583	11,505	3,831	3,450	42,180	50,129
Malaysia	984	516	–	–	–	–	984	516
	<b>27,750</b>	<b>35,690</b>	<b>11,583</b>	<b>11,505</b>	<b>3,831</b>	<b>3,450</b>	<b>43,164</b>	<b>50,645</b>
<b>Non-current assets</b>								
Singapore	155,098	137,082	1,919	1,111	7,658	7,864	164,675	146,057
Malaysia	1,557	1,749	–	–	–	–	1,557	1,749
	<b>156,655</b>	<b>138,831</b>	<b>1,919</b>	<b>1,111</b>	<b>7,658</b>	<b>7,864</b>	<b>166,232</b>	<b>147,806</b>

##### Major customer

Revenue from one customer of the Group's lifting and haulage services and port services segments represents \$4,036,000 (30 September 2022: \$15,655,000) and \$11,124,000 (30 September 2022: \$10,864,000) 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	
	2023	2022
	\$'000	\$'000
Depreciation expense	(8,398)	(7,410)
Reversal/(provision) for loss allowances on trade and other receivables	1,087	(2,602)
Interest income	—*	—*
Interest expense	(1,049)	(959)
Net exchange loss	(405)	(860)
(Loss)/gain on disposal of property, plant and equipment	(224)	170
Net change in fair value of investment properties	—	700
Government grant income	431	713

\* 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	
	2023	2022
	\$'000	\$'000
Salaries and other short-term employee benefits	1,420	1,181
Employer's contribution to defined contribution plans, including Central Provident Fund	88	91
	1,508	1,272

## 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	
	2023	2022
	\$'000	\$'000
Current tax expense	334	142
Deferred tax expense	241	1,264
<b>Total income tax expense</b>	<b>575</b>	<b>1,406</b>

## 8 Net asset value

	Group		Company	
	30.09.2023 (Unaudited) (cents)	31.03.2023 (Audited) (cents)	30.09.2023 (Unaudited) (cents)	31.03.2023 (Audited) (cents)
Net asset value per ordinary share based on issued share capital at the end of the period/year	29.99	30.38	8.71	9.23

The net assets value per ordinary share of the Group and the Company as at 30 September 2023 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 317,364,199 (31 March 2023: 308,065,282).

## 9 Property, plant and equipment

During the period ended 30 September 2023, the Group acquired assets amounting to \$17,128,000 (6 months ended 30 September 2022: \$11,073,000) and disposed of assets amounting to \$4,240,500 (6 months ended 30 September 2022: \$2,103,000).

## 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	
	30.09.2023 (Unaudited) \$'000	31.03.2023 (Audited) \$'000	30.09.2023 (Unaudited) \$'000	31.03.2023 (Audited) \$'000
At beginning of financial period	7,580	730	6,900	–
Add: transferred from asset held for sale	–	7,700	–	7,700
Net change in fair value	–	(850)	–	(800)
At end of financial period	7,580	7,580	6,900	6,900

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).

## 11 Loans and borrowings

	Group		Company	
	30.09.2023 (Unaudited) \$'000	31.03.2023 (Audited) \$'000	30.09.2023 (Unaudited) \$'000	31.03.2023 (Audited) \$'000
<b>Non-current</b>				
Secured bank loans	–	–	–	–
Unsecured bank loan	2,363	3,482	–	–
	<u>2,363</u>	<u>3,482</u>	<u>–</u>	<u>–</u>
<b>Current</b>				
Secured bank loans	–	–	–	–
Unsecured bank loan	4,725	6,198	–	–
	<u>4,725</u>	<u>6,198</u>	<u>–</u>	<u>–</u>
Total loans and borrowings	<u>7,088</u>	<u>9,680</u>	<u>–</u>	<u>–</u>

## 12 Lease liabilities

	Group		Company	
	30.09.2023 (Unaudited) \$'000	31.03.2023 (Audited) \$'000	30.09.2023 (Unaudited) \$'000	31.03.2023 (Audited) \$'000
Non-current	35,618	39,938	12,057	12,601
Current	18,864	18,371	1,072	1,043
Total lease liabilities	<u>54,482</u>	<u>58,309</u>	<u>13,129</u>	<u>13,644</u>

The Group's finance lease liabilities of \$39,563,000 (31 March 2023: \$44,100,000) are secured by certain plant and equipment of the Group with carrying value of \$67,413,500 (31 March 2023: \$68,454,000).

### 13 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 2023 and 31 March 2023.

	Group		Company	
	30.09.2023 (Unaudited) \$'000	31.03.2023 (Audited) \$'000	30.09.2023 (Unaudited) \$'000	31.03.2023 (Audited) \$'000
<b>Financial assets</b>				
Other investments	112	112	–	–
Trade and other receivables*	23,973	25,825	11,511	11,500
Derivative financial instruments	55	–	–	–
Cash and cash equivalents	9,738	11,205	361	717
	<u>33,878</u>	<u>37,142</u>	<u>11,872</u>	<u>12,217</u>
<b>Financial liabilities</b>				
Trade and other payables	33,653	23,560	766	768
Lease liabilities	54,482	58,309	13,129	13,644
Loans and borrowings	7,088	9,680	–	–
Derivative financial instruments	–	45	–	–
	<u>95,223</u>	<u>91,594</u>	<u>13,895</u>	<u>14,412</u>

\* Excludes deposits, prepayments and grant receivables

### 14 Share capital

	Group and Company	
	No. of shares '000	Issued and paid-up share capital \$'000
<b>Ordinary Shares</b>		
As at 31 March 2023	308,065	24,450
Add: scrip dividend issue of \$0.12 per share	9,299	1,116
As at 30 September 2023	<u>317,364</u>	<u>25,566</u>

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 30 September 2023, 31 March 2023 and 30 September 2022.

On 27 September 2023, the Company issued 9,298,917 shares amounting to \$1,115,870 as a result of the payment of scrip dividends.

All shares rank equally with regard to the Company's residual assets. All issued shares are fully paid with no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.



## 14 Share capital (cont'd)

### *Dividends*

The following tax exempt (one-tier) first and final dividends were declared and paid by the Group and the Company:

	<b>Group and Company</b>	
	<b>30.09.2023</b>	<b>31.03.2023</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>0.5 Singapore cents (31 March 2023: nil) per qualifying ordinary share</b>		
- cash	424	–
- scrip	1,116	–
	<hr/>	<hr/>
	1,540	–
	<hr/>	<hr/>

## 15 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 2023 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 decreased by \$7.5 million or 14.8% from \$50.6 million for the six months ended 30 September 2022 (“HY2023”) to \$43.2 million for the six months ended 30 September 2023 (“HY2024”). This was mainly attributed to a decrease in the revenue from the lifting and haulage segment.

##### Lifting and haulage services

Lifting and haulage revenue decreased by \$7.9 million or 22.1% from \$35.7 million in HY2023 to \$27.8 million in HY2024. The decrease was mainly due to the completion of certain projects. In addition, there were also delays in the progress of a few new projects during the period.

##### Port services

Port services revenue increased by \$0.1 million or 0.9% from \$11.5 million in HY2023 to \$11.6 million in HY2024. The slight increase was mainly due to an increase in jobs available from PSA in the lashing, prime movers driving as well as inter-gateway and terminal transfer of containers as compared to prior period.

##### Others:

##### Trading business

Trading revenue increased by \$0.2 million or 15.4% from \$1.3 million in HY2023 to \$1.5 million in HY2024 due to higher trading activities which were transacted on an ad hoc basis when favourable opportunities arose.

##### Work train operation services

Work train operation services revenue increased slightly by \$0.2 million or 9.1% from \$2.2 million on HY2023 to \$2.4 million in HY2024.

## **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 decreased by \$0.3 million or 0.9% from \$35.3 million in HY2023 to \$35.0 million in HY2024, mainly due to a decrease in rental expense of S\$0.5 million, a decrease in labour related costs of \$0.4 million, a decrease in crane rental expenses of \$0.3 million, and a decrease in fuel cost of S\$0.3 million. This was partially offset by an increase in maintenance expenses of \$0.3 million and higher depreciation expense of \$0.9 million.

Gross profit decreased by \$7.2 million or 46.6% from \$15.4 million (representing a gross margin of 30.4%) in HY2023 to \$8.2 million (representing a gross margin of 19.0%) in HY2024.

The lower gross profit margin in HY2024 was mainly attributed to the lifting and haulage segment which has declined from 41.3% to 22.1% due to the completion of certain projects in FY2023, which led to a general drop in margins of the segment.

However, it was partly offset by the port services segment gross profit margin which improved from 3.9% to 12.8% mainly due to higher pricing as well as lower labour cost.

##### **Other income**

Other income increased by \$0.8 million or 39.9% from \$1.9 million in HY2023 to \$2.7 million in HY2024, mainly due to a net reversal of S\$1.1 million for loss allowance on trade and other receivables in HY2024 due to the subsequent receipt of payment from a customer. This was partially offset by a loss on disposal of equipment of \$0.2 million and a decrease in sundry income and insurance of \$0.1 million.

##### **Distribution expenses**

Distribution expenses increased by \$0.2 million or 129.3% from \$0.2 million for HY2023 to \$0.4 million for HY2024, mainly due to an increase in commission expenses.

##### **Administrative expenses**

Administrative expenses increased by \$1.2 million or 24.2% from \$5.2 million in HY2023 to \$6.4 million in HY2024, mainly due to higher salary related expenses of \$0.4 million, increase in foreign workers levy and related expenses of \$0.3 million, increase in insurance and medical fees of \$0.4 million, and increase in legal and professional fees of \$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 losses**

Other losses decreased by \$2.4 million from \$2.7 million in HY2023 to \$0.3 million in HY2024 mainly due to the absence of loss allowance on trade and other receivables in HY2024 as compared to a provision of \$2.6 million in HY2023. The decrease was partially offset by a loss on disposal of equipment of \$0.2 million.

##### **Net change in fair value of investment property**

There was no change in the fair value of investment property in HY2024 as compared to a net decrease in fair value of S\$0.7 million in HY2023.

##### **Net finance costs**

Net finance costs decreased marginally by \$0.2 million mainly due to decrease in exchange loss of \$0.4 million relating to revaluation of amount owing by a subsidiary in Malaysia as well as amount owing to overseas suppliers amounting to \$0.3 million and \$0.1 million respectively. This was offset by an increase in exchange gain from financial derivatives of \$0.2 million.

##### **Income tax expense**

Income tax expense decreased from \$1.4 million in HY2023 to \$0.6 million in HY2024 mainly due to lower taxable income from the lifting and haulage segment.

##### **Profit for the year**

The Group's profit decreased by \$3.8 million from \$5.6 million in HY2023 to \$1.8 million in HY2024 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**

Our non-current assets amounted to \$166.2 million or 82.4% of our total assets of \$201.8 million as at 30 September 2023. The increase in non-current assets of \$7.9 million or 5.0% compared to as at 31 March 2023 was mainly due to net increase in equipment and right-of-use (“ROU”) assets of \$17.2 million which included additions in ROU assets of \$1.7 million and additions in equipment of \$15.5 million. The increase was partially offset by depreciation charge of \$8.3 million and net disposal in equipment of \$1.0 million.

##### **Current Assets**

As at 30 September 2023, our current assets amounted to \$35.5 million or 17.6% of our total assets of \$201.8 million.

The decrease in current assets of \$2.8 million or 7.3% as compared to as at 31 March 2023 was due to a decrease in cash and cash equivalents of \$1.5 million as well as a decrease in trade and other receivables of \$1.9 million as a result of the decrease in revenue in HY2024. However, the decrease was partially offset by an increase in other non-financial assets relating to deposits and prepayment of \$0.5 million and financial derivatives relating to forward contract of \$0.1 million which was entered into purchasing of USD currency to hedge for future settlement for the purchase of cranes in foreign currency.

##### **Non-Current Liabilities**

As at 30 September 2023, our non-current liabilities amounted to \$48.3 million or 45.3% of our total liabilities of \$106.6 million. The decrease in non-current liabilities of \$5.2 million or 9.7% compared to as at 31 March 2023 was due to a decrease in ROU lease liabilities of \$0.1 million, decrease in finance lease liabilities amounting to \$4.2 million and decrease in loans and borrowings of \$1.1 million. The decrease was partially offset by an increase in deferred tax liabilities of \$0.2 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 30 September 2023, our current liabilities amounted to \$58.3 million or 54.7% of our total liabilities of \$106.6 million.

The increase in current liabilities of \$8.7 million as compared to as at 31 March 2023 was mainly contributed by an increase in lease liabilities of \$0.5 million and an increase in trade and other payables of \$10.1 million due to amount owing to suppliers of cranes which would be converted into hire purchase financing. The increase was partially offset by a decrease in loans and borrowings of \$1.5 million due to repayment and decrease in income tax payable of \$0.4 million.

The Group was in a net current liability position of \$22.8 million as at 30 September 2023. This net current liabilities will be reduced upon conversion of approximately \$22.4 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 HY2024 increased by \$2.5 million as compared to HY2023 due to higher net working capital inflow of \$9.8 million. This was partly offset by lower operating profit before changes in working capital of \$7.3 million.

The Group's net cash used in investing activities for HY2024 increased by \$1.8 million as compared to HY2023. This was mainly due to an increase in acquisition of property, plant and equipment of \$1.9 million which was offset by a decrease in proceeds from the sale of property, plant and equipment of \$0.1 million.

The Group's net cash used in financing activities for HY2023 increased by \$1.8 million as compared to HY2023. This was mainly due to higher payments of lease liabilities of \$1.1 million, higher repayment of the loans and borrowings of \$1.7 million and higher interest paid of \$0.1 million. In addition, there were also dividends payment of \$0.4 million in HY2024. This was partially offset by higher proceeds from loans and borrowings of \$1.5 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.**

	2023	2022
<b>Fully paid ordinary shares with no par value</b>		
Number of ordinary shares at 1 April	308,065,282	308,065,282
Shares allotted pursuant to Scrip Dividend Scheme	9,298,917	–
Number of ordinary shares at 30 September	317,364,199	308,065,282

The Company did not have any outstanding convertibles, treasury shares and subsidiary holdings 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.

**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 317,364,199 as at 30 September 2023 and 308,065,282 as at 31 March 2023.

**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 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 2023 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.

**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 2023 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 2023.

**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 2023. 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.



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

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:**

	<b>Group</b>	
	<b>6 months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
Profit attributable to the owners of the Group (S\$'000)	1,827	5,593
Weighted average number of ordinary shares in issue ('000)	308,219	308,065
Basic and fully diluted earnings per share (Singapore cents)	0.59	1.82

The Company does not have any potential dilutive ordinary shares in existence for HY2024 and HY2023.

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.**

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2023</b>	<b>31.03.2023</b>	<b>30.09.2023</b>	<b>31.03.2023</b>
Net assets attributable to shareholders (S\$'000)	95,192	93,605	27,646	28,424
Net asset value per ordinary share based on issued share capital at the end of the period/year (Singapore cents)	29.99	30.38	8.71	9.23

The total number of issued shares (excluding treasury shares) were 317,364,199 as at 30 September 2023 and 308,065,282 as at 31 March 2023.

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 2023 was principally in line with the commentary stated in paragraph 11 of the previous result announcement for year ended 31 March 2023 of the Group dated 26 May 2023.

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

- 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 remains challenging in the next 6 to 12 months due to the economic uncertainty, global inflation, tight labour market and higher borrowing costs.

As for the port services segment, the Group will continue to work with PSA Singapore to improve the productivity of the segment.

Nevertheless, the Group will continue to be vigilant with its business operation and investments both in Singapore and Malaysia.

## **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 HY2024 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 HY2024.

## **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 2023 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 Vice Chairman**

**9 November 2023**

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*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.*

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