



HIAP TONG CORPORATION LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200800657N)

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020**

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a)(i) Consolidated statement of comprehensive income, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	FY2020	FY2019*	Change
	S\$'000	S\$'000	%
Revenue	58,758	54,221	8.4
Cost of sales	(49,217)	(43,396)	13.4
			(11.9)
Gross profit	9,541	10,825	
Other income	2,242	2,469	(9.2)
Distribution expenses	(214)	(205)	4.4
Administrative expenses	(7,726)	(8,303)	(6.9)
Other expenses	(154)	-	NM
Impairment losses on property, plant and equipment and right-of- use assets	(8,000)	-	NM
Net change in fair value of investment properties	(850)	(1,146)	(25.8)
Results from operating activities	(5,161)	3,640	NM
Finance income	7	1	>100
Finance costs	(2,596)	(2,069)	25.5
Net finance costs	(2,589)	(2,068)	25.2
Profit before income tax	(7,750)	1,572	NM
Tax (expense)/credit	(369)	654	NM
(Loss)/Profit for the year	(8,119)	2,226	NM
Profit attributable to:			
Owners of the company	(8,119)	2,248	NM
Non-controlling interest	-	(22)	NM
(Loss)/Profit for the year	(8,119)	2,226	NM

* Audited
 NM: Not Meaningful

Consolidated Statement of Comprehensive Income

	Group		Change %
	FY2020 S\$'000	FY2019* S\$'000	
(Loss)/Profit for the year	(8,119)	2,226	NM
Other comprehensive (loss)/income:			
<i>Items that are or may be classified subsequently to profit or loss:</i>			
Foreign currency translation differences relating to foreign operations	10	10	NM
Other comprehensive income, net of tax	10	10	NM
Total comprehensive income for the year	(8,109)	2,236	NM
Total comprehensive income attributable to:			
Owners of the company	(8,109)	2,258	NM
Non-controlling interest	-	(22)	NM
Total comprehensive income for the year	(8,109)	2,236	NM

1(a)(ii) Notes to the consolidated statement of comprehensive income.

The following items have been charged or (credited) in arriving at profit for the year:

	Group		Change %
	FY2020 S\$'000	FY2019* S\$'000	
Interest income	(7)	***	NM
Interest expense	2,115	1,440	46.9
Depreciation of property, plant and equipment	12,119	11,521	5.2
Depreciation of right-of-use assets	1,915	-	NM
Net allowance for impairment on trade and other receivables	134	230	(41.7)
Loss on liquidation of subsidiary	154	-	NM
Net exchange loss	321	358	(10.3)
Gain on disposal of property, plant and equipment	(205)	(314)	(34.7)
Recovery of bad debts	-	(33)	NM
Impairment loss on property, plant and equipment	8,000	-	NM
Net change in fair value of investment properties	850	1,146	(25.8)

* Audited

*** Amount less than \$1,000

NM: Not Meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.03.2020	31.03.2019*	31.03.2020	31.03.2019*
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	110,852	122,225	13,071	15,296
Investment properties	8,750	9,600	8,000	8,800
Right-of-use assets	15,838	-	14,921	-
Other investment	200	-	-	-
Subsidiaries	-	-	3,500	3,500
	135,640	131,825	39,492	27,596
Current assets				
Trade and other receivables	18,695	16,900	4,519	5,131
Cash and cash equivalents	6,652	5,777	302	376
	25,347	22,677	4,821	5,507
Total assets	160,987	154,502	44,313	33,103
Equity attributable to owners of the Company				
Share capital	24,450	24,450	24,450	24,450
Merger reserve	(1,670)	(1,670)	-	-
Foreign currency translation reserve	20	10	-	-
Accumulated profits/(losses)	55,373	63,646	(1,775)	679
	78,173	86,436	22,675	25,129
Non-controlling interests	-	(147)	-	-
Total equity	78,173	86,289	22,675	25,129
Non-current liabilities				
Loans and borrowings	22,089	30,538	1,587	3,650
Lease liabilities	15,872	-	15,447	-
Deferred tax liabilities	9,341	9,515	-	-
Trade and other payables	1,809	2,309	-	-
	49,111	42,362	17,034	3,650
Current liabilities				
Trade and other payables	14,230	6,401	257	638
Deferred revenue	1,487	27	43	-
Loans and borrowings	16,051	19,423	3,434	3,686
Lease liabilities	1,392	-	870	-
Current tax payable	543	-	-	-
	33,703	25,851	4,604	4,324
Total liabilities	82,814	68,213	21,638	7,974
Total equity and liabilities	160,987	154,502	44,313	33,103

* Audited

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

Amount repayable in one year or less, or on demand

<u>As at 31.03.2020</u>		<u>As at 31.03.2019*</u>	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
15,051	1,000	16,423	3,000

Amount repayable after one year

<u>As at 31.03.2020</u>		<u>As at 31.03.2019*</u>	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
22,089	-	30,538	-

Details of any collateral

- 1) As at 31 March 2020, term loans payable of approximately S\$9.5 million (FY2019: S\$16.6 million) was secured by fixed charges over certain property, plant and equipment and investment properties of the Group with a carrying amount of approximately S\$22.7 million and corporate guarantees executed by the Company.
- 2) The remaining secured borrowings of approximately S\$27.6 million (FY2019: S\$30.3 million) relate to finance lease liabilities which are secured by the following:
 - a) Certain plant & machinery of the Group with carrying value of approximately S\$48.4million.
 - b) Corporate guarantees executed by the Company and a subsidiary.

* Audited

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

	FY2020 S\$'000	FY2019* S\$'000
Cash flows from operating activities		
(Loss)/Profit for the year	(8,119)	2,226
Adjustments for:		
Depreciation	14,034	11,521
Gain on disposal of property, plant and equipment	(205)	(314)
Loss on liquidation of subsidiary	154	-
Net change in fair value of investment properties	850	1,146
Net change in fair value of financial derivatives	9	-
Property, plant and equipment written off	4	***
Impairment loss on trade and other receivables	134	230
Impairment losses on property, plant and equipment and right-of-use assets	8,000	-
Interest income	(7)	***
Interest expense	2,115	1,440
Tax expense/(credit)	369	(654)
	17,338	15,595
Changes in working capital:		
Trade and other receivables	(1,932)	(4,828)
Trade and other payables	1,833	883
Income tax paid	-	(7)
	17,239	11,643
Net cash from operating activities	17,239	11,643
Cash flows from investing activities		
Acquisition of property, plant and equipment	(344)	(5,948)
Other investment	(200)	-
Proceeds from deregister of a subsidiary	4	-
Interest income	7	***
Proceeds from disposal of property, plant and equipment	205	474
	(328)	(5,474)
Net cash used in investing activities	(328)	(5,474)
Cash flows from financing activities		
Interest paid	(2,115)	(1,440)
Payments of finance lease liabilities	(10,449)	(16,793)
Proceeds from loans and borrowings	8,430	23,923
Principal elements of lease payment	(1,493)	-
Dividends paid	(154)	-
Repayment of loans and borrowings	(10,279)	(9,764)
	(16,060)	(4,074)
Net cash used in financing activities	(16,060)	(4,074)
Net increase in cash and cash equivalents	851	2,095
Cash and cash equivalents at beginning of year	5,777	3,451
Effects of exchange rate changes on balances held in foreign currencies	24	231
	6,652	5,777
Cash and cash equivalents at end of year	6,652	5,777

* Audited

*** Amount less than \$1,000

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Merger reserve	Foreign currency translation reserve	Accumulated profits	Total attributable to equity holders of the Company	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2019	24,450	(1,670)	10	63,646	86,436	(147)	86,289
Total comprehensive income for the year							
Loss for the year	-	-	-	(8,119)	(8,119)	-	(8,119)
Other comprehensive income							
Foreign currency translation differences relating to foreign subsidiaries	-	-	10	-	10	-	10
Total comprehensive income for the year	-	-	10	(8,119)	(8,109)	-	(8,109)
Transactions with owners, recognised directly in equity							
Contribution by and distribution to owners							
Dividend paid	-	-	-	(154)	(154)	-	(154)
Liquidation of subsidiary	-	-	-	-	-	147	147
<i>Total transaction with the owners of the company</i>	-	-	-	(154)	(154)	147	(7)
At 31 March 2020	24,450	(1,670)	20	55,373	78,173	-	78,173
At 1 April 2018	24,450	(1,670)	-	61,398	84,178	(125)	84,053
Total comprehensive income for the year							
Profit for the year	-	-	-	2,248	2,248	(22)	2,226
Other comprehensive income							
Foreign currency translation differences relating to foreign subsidiaries	-	-	10	-	10	-	10
Total comprehensive income for the year	-	-	10	2,248	2,258	(22)	2,236
At 31 March 2019	24,450	(1,670)	10	63,646	86,436	(147)	86,289

Company	Share capital S\$'000	Accumulated profit / (loss) S\$'000	Total attributable to equity holders of the Company S\$'000
At 1 April 2019	24,450	679	25,129
Total comprehensive income for the year			
Loss for the year	-	(2,300)	(2,300)
Total comprehensive income for the year	-	(2,300)	(2,300)
Transactions with owners, recognised directly in equity			
Contribution by and distribution to owners			
Dividend paid	-	(154)	(154)
<i>Total transaction with the owners of the company</i>	-	(2,454)	(2,454)
At 31 March 2020	<u>24,450</u>	<u>(1,775)</u>	<u>22,675</u>
At 1 April 2018	24,450	(979)	23,471
Total comprehensive income for the year			
Profit for the year	-	1,658	1,658
Total comprehensive income for the year	-	1,658	1,658
At 31 March 2019	<u>24,450</u>	<u>679</u>	<u>25,129</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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.

	FY2020	FY2019
Fully paid ordinary shares with no par value		
Number of ordinary shares at 30 September 2019	308,065,282	308,065,282
Number of ordinary shares at 31 March 2020	308,065,282	308,065,282

As at 31 March 2020, 30 September 2019 and 31 March 2019, the Company did not have any outstanding convertibles, treasury shares or subsidiary holdings.

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

	31.03.2020 No. of shares	31.03.2019 No. of shares
Total number of issued shares (excluding treasury shares) of the Company	308,065,282	308,065,282

The Company had no treasury shares as at 31 March 2020 and 31 March 2019.

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 as the Company does not have any treasury shares.

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 as the Company does not have any subsidiary holdings.

2. 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 independent auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3A. 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 Company's latest financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. 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 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 March 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

SFRS(I) 16

In the adoption of SFRS(I) 16 for the Group financial results beginning on 1 April 2019, the Group has used modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be no adjustment to the opening balance of accumulated profits at 1 April 2019, with no restatement comparative amounts for the year prior to the first adoption.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and impairment loss, if any, subsequent to initial recognition. The carrying amount for the lease liabilities subsequent to initial recognition would take into account interest on the least liabilities, lease payments made and any reassessment or lease modifications.

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

	Group	
	FY2020 (cents)	FY2019 (cents)
Earnings per ordinary share for the year after deducting any provision for preference dividends:		
(a) Based on weighted average number of ordinary shares in issue	(2.64)	0.73
(b) On a fully diluted basis	(2.64)	0.73

Basic earnings per share and fully diluted earnings per share for FY2020 were computed based on net loss/profit attributable to shareholders of S\$8,119,691 (FY2019: S\$2,248,491) and weighted average number of shares of 308,065,282 (FY2019: 308,065,282) respectively.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	31.3.2020 (cents)	31.3.2019 (cents)	31.3.2020 (cents)	31.3.2019 (cents)
Net asset value per ordinary share based on issued share capital at the end of the year	25.38	28.06	7.96	8.16

As at 31 March 2020, the number of issued ordinary shares is 308,065,282 (FY2019: 308,065,282).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance

The Group has two reportable segments (i) Leasing- provision of lifting and haulage services and (ii) Port Services- provision of labour supply for container lashing/unlashing, prime mover driving services and ancillary works at PSA Singapore.

Revenue

Revenue increased by approximately S\$4.6 million or 8.4% from approximately S\$54.2 million for FY2019 to approximately S\$58.8 million for FY2020. The increase was mainly attributed to an increase in the port services revenue during the year.

Leasing business

Leasing revenue decreased by approximately S\$0.4 million or 1.2% from approximately S\$39.4 million for FY2019 to approximately S\$39.0 million for FY2020. The decrease was mainly due to the competitive environment as well as lower utilisation rate for certain category of cranes in particular higher tonnage cranes.

Port Services business

Port services revenue increased by approximately S\$4.5 million or 30.5% from approximately S\$14.8 million for FY2019 to approximately S\$19.3 million for FY2020. The increase was mainly due to higher manpower services for lashing, prime mover driving as well as inter-gateway and terminal transfers of containers.

Trading business

Trading income of approximately S\$0.5 million in FY2020 relates to trading of cranes. There was no trading income in FY2019.

Cost of sales and gross profit

Cost of sales increased by approximately S\$5.8 million or 13.4% from approximately S\$43.4 million for FY2019 to approximately S\$49.2 million for FY2020, mainly due to higher labour related costs of approximately S\$3.9 million contributed by the increase in manpower for the port services business, higher upkeep and maintenance expenses of approximately S\$0.2 million and higher depreciation of approximately S\$2.4 million of which S\$1.9 million relates to the adoption of SFRS(I)16 on 1 April 2019. This was partly offset by a decrease in rent expenses of approximately S\$1.1 million.

Gross profit decreased by approximately S\$1.3 million or 11.9% from approximately S\$10.8 million (representing a gross margin of 20.0%) for FY2019 to approximately S\$9.5 million (representing a gross margin of 16.2%) for FY2020. The decrease in gross profit margin was mainly from the leasing segment.

Other income

Other income decreased by approximately S\$0.2 million or 9.2% from approximately S\$2.5 million for FY2019 to approximately S\$2.2 million for FY2020. The decrease was mainly due to a decrease in gain on disposal of property, plant and equipment of approximately S\$0.1 million and handling and storage income of approximately S\$0.1 million.

Distribution expenses

Distribution expenses increased by approximately S\$9,000 or 4.4% from approximately S\$205,000 for FY2019 to approximately S\$214,000 for FY2020, mainly due to an increase in commission expenses.

Administrative expenses

Administrative expenses decreased by approximately S\$0.6 million or 6.9% from approximately S\$8.3 million for FY2019 to approximately S\$7.7 million for FY2020. The decrease was mainly due to a decrease in rent expenses of approximately S\$0.3 million and decrease in renovation expenses of approximately S\$0.2 million.

Other expenses

Other expenses of approximately S\$0.1 million in FY2020 relates to loss on liquidation of a subsidiary. No other expenses were incurred in FY2019.

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

Impairment losses on property, plant and equipment and right-of-use assets of approximately S\$8.0 million in FY2020 comprises of impairment loss on property, plant and equipment of approximately S\$7.0 million and impairment loss on right-of-use assets of approximately S\$1.0 million, as a result of the expected weak operating environment of the leasing business. No impairment losses were incurred in FY2019.

Net change in fair value of investment properties

The fair value of investment properties in FY2020 decreased by approximately S\$0.9 million due to lower valuation. In FY2019, the fair value of the investment properties decreased by approximately S\$1.1 million.

Net finance costs

Net finance costs increased by approximately S\$0.5 million or 25.2% from approximately S\$2.1 million for FY2019 to approximately S\$2.6 million for FY2020, mainly due to an increase in interest expense of approximately S\$0.7 million of which about S\$0.5 million relates to the adoption of SFRS(I)16 on 1 April 2019. This was partly offset by a decrease in impairment loss on trade receivables of approximately S\$0.1 million and a decrease in exchange loss of approximately S\$0.1 million.

Income tax

Income tax expenses was approximately S\$0.4 million in FY2020. In FY2019, there was a tax credit of approximately S\$0.7 million due to utilisation of deferred tax liabilities.

(Loss)/Profit for the year

The Group incurred a net loss of S\$8.1 million in FY2020 as compared to a profit of S\$2.2 million in FY2019 due to impairment loss on property, plant and equipment and right-of-use assets as explained above.

Review of Financial Position

Non-current assets

Our non-current assets amounted to approximately S\$135.7 million or 84.3% of our total assets of approximately S\$161.0 million as at 31 March 2020. The increase in non-current assets of approximately S\$3.8 million or 2.9% compared to as at 31 March 2019 was due to an increase in right-of-use assets of approximately S\$15.8 million arising from the adoption of SFRS(I) 16 on 1 April 2019 and an investment of convertible notes of approximately S\$0.2 million during the year. This was partly offset by a decrease in property, plant and equipment of approximately S\$11.3 million which relates to impairment loss of approximately S\$7.0 million, depreciation of approximately S\$12.1 million and offset by addition of property, plant and equipment of approximately S\$7.8 million. In addition, there was a decrease in fair value of investment properties of approximately S\$0.9 million.

Current assets

As at 31 March 2020, our current assets amounted to approximately S\$25.3 million or 15.7% of our total assets of approximately S\$161.0 million.

The increase in current assets of approximately S\$2.7 million or 11.8% compared to as at 31 March 2019 was mainly due to an increase in grant receivables such as jobs support scheme and property tax rebate of approximately S\$1.8 million and an increase in cash and cash equivalents of approximately S\$0.9 million.

Non-current liabilities

As at 31 March 2020, our non-current liabilities amounted to approximately S\$49.1 million or 59.3% of our total liabilities of approximately S\$82.8 million. The increase in non-current liabilities of approximately S\$6.7 million or 15.9% compared to as at 31 March 2019 was due to an increase in lease liabilities of approximately S\$15.9 million arising from the adoption of SFRS(I)16 on 1 April 2019. This was partly offset by a decrease in loans and borrowings of approximately S\$8.5 million, decrease in deferred tax liabilities of approximately S\$0.2 million and decrease in trade and other payables of approximately S\$0.5 million.

Current liabilities

As at 31 March 2020, our current liabilities amounted to approximately S\$33.7 million or 40.7% of our total liabilities of approximately S\$82.8 million. The increase in current liabilities of approximately S\$7.9 million or 30.4% compared to as at 31 March 2019 was mainly due to an increase in trade and other payables of approximately S\$7.8 million due to purchase of cranes, an increase in lease liabilities of approximately S\$1.5 million arising from the adoption of SFRS(I) 16 on 1 April 2019, increase in tax payable of approximately S\$0.5 million and increase in deferred revenue of approximately S\$1.5 million. This was partly offset by a decrease in loans and borrowings of approximately S\$3.4 million.

Our net current liabilities increased from approximately S\$3.2 million as at 31 March 2019 to approximately S\$8.4 million as at 31 March 2020 mainly due to higher trade payable relating to the purchase of cranes which would be converted to hire purchase financing when it is due.

Review of Cash flows Statement

The Group's net cash from operating activities for FY2020 increased by approximately S\$5.6 million as compared to FY2019 due to lower net working capital outflow of approximately \$3.9 million as well as higher operating profit before working capital changes of approximately S\$1.7 million.

The Group's net cash used in investing activities for FY2020 decreased by approximately S\$5.1 million as compared to FY2019. This was mainly due to a decrease in acquisition of property, plant and equipment of approximately S\$5.6 million. This was partly offset by a decrease in proceeds from disposal of property, plant and equipment of approximately S\$0.3 million and an increase in other investment of convertibles notes approximately S\$0.2 million.

The Group's net cash used in financing activities in FY2020 increased by approximately S\$12.0 million compared to FY2019. This was mainly due to lower proceeds from loans and borrowings of approximately S\$15.5 million, higher principal elements of lease payment of approximately S\$1.5 million and dividends paid of approximately S\$0.2 million. This was partly offset by lower repayment of the net finance lease liabilities, bank borrowings and interest of approximately S\$5.2 million.

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 2020 was principally in line with the commentary stated in paragraph 10 of the previous result announcement for the six months period ended 30 September 2019 of the Group dated 11 November 2019 and also profit warning on 23 July 2020.

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.

In view of the economic uncertainty brought about by the COVID-19 pandemic to Singapore and the circuit breaker measures introduced from April to June 2020, the Group expects the Leasing business to be significantly affected in the Singapore and Malaysia market. However, we remain cautiously optimistic that the COVID-19 support measures introduced by the Singapore and Malaysia government and its effort to support the businesses in Singapore and Malaysia will lead to an eventual recovery of this market in the long term.

As for the Port Services business, it is considered an essential service in Singapore. As such, there is minimal impact from the COVID-19 pandemic and the segment is expected to contribute positively to the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

(c) Whether the dividend is before tax, net of tax, or tax exempt.

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend has been declared as the Group is loss-making in FY2020.

13. 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.

14. Confirmation by the Issuer under Rule 720(1) of the Catalyst Rules.

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

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**15. Segmented revenue and results 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.**

The Group has two reportable segments (i) Leasing- provision of lifting and haulage services and (ii) Port Services - provision of labour supply for container lashing/unlashing, prime mover driving services and ancillary works at PSA Singapore.

Other operations include the rental of investment properties. This segment does not meet any of the quantitative thresholds for determining reportable segments in 2020 and 2019.

Information about reportable segments:

	Leasing FY2020 \$'000	Port Services FY2020 \$'000	Others FY2020 \$'000	Total FY2020 \$'000	Leasing FY2019 \$'000	Port Services FY2019 \$'000	Others FY2019 \$'000	Total FY2019 \$'000
External revenue	38,950	19,309	499	58,758	39,420	14,801	-	54,221
Interest revenue	7	-	-	7	***	-	-	***
Interest expense	(1,361)	(60)	(694)	(2,115)	(1,324)	(16)	(100)	(1,440)
Depreciation	(13,206)	(828)	-	(14,034)	(11,402)	(119)	-	(11,521)
Reportable segment profit/(loss) before tax	(6,889)	372	(1,233)	(7,750)	2,802	80	(1,310)	1,572
Other material non-cash items:								
- Net allowance of impairment for trade and other receivables	(134)	-	-	(134)	(230)	-	-	(230)
- Net change in fair value of investment properties	-	-	(850)	(850)	-	-	(1,146)	(1,146)
- Impairment losses on property, plant and equipment and right-of- use assets	(8,000)	-	-	(8,000)	-	-	-	-
Reportable segment assets	153,908	7,079	8,750	160,987	139,641	5,261	9,600	154,502
Capital expenditure	7,645	123	-	7,769	18,365	2,123	196	20,684
Reportable segment liabilities	76,563	6,251	-	82,814	63,527	4,686	-	68,213

*** Amount less than \$1,000

16. 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 8 of the announcement for the review of the performance of the group.

17. A breakdown of sales

	Group		Increase/ (Decrease)
	FY2020 S\$'000	FY2019 S\$'000	%
Revenue reported for first half year	29,334	25,254	16.2
Profit after tax before deducting minority interests reported for first half year	752	820	(8.3)
Revenue reported for second half year	29,424	28,967	1.6
(Loss)/Profit after tax before deducting minority interests reported for second half year	(8,871)	1,406	NM

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total annual dividend (Refer to note 11 for the details).

	Latest full year(S\$'000)	Previous full year (S\$'000)
Ordinary	-	154

19. 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	38	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	61	Brother of Executive Chairman, Ong Teck Meng	Director of Hiap Tong Trading Pte Ltd, a subsidiary company, since 23 October 1992. Main duties include control and supervision of operators' payroll.	No changes
Wang Wenshen	38	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	39	Daughter of Executive Chairman, Ong Teck Meng	Business Development Manager since 1 April 2014.	No Changes
Wang Wenxin	33	Son of Mr Ong Lim San, Executive Director and substantial shareholder of the Company	Workshop Manager since 1 January 2018	No Changes
Ong Jun Xiong	32	Nephew of Executive Chairman, Ong Teck Meng	Manager since 3 December 2018	No Changes

BY ORDER OF THE BOARD

Ong Lim Wan @ Ong Teck Meng
Executive Chairman and Chief Executive Officer
30 July 2020

This document has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. This document has not been examined or approved by the SGX-ST and the SGX-ST 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 persons for the Sponsor are Mr Yee Chia Hsing, Head, Catalist, Investment Banking and Mr Ken Lee, Associate Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.