



# 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 2014

### 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

|                                          | FY2014         | Group<br>FY2013 | Change        |
|------------------------------------------|----------------|-----------------|---------------|
|                                          | S\$'000        | S\$'000         | %             |
| Revenue                                  | 45,726         | 38,513          | 18.7          |
| Cost of sales                            | (32,416)       | (25,018)        | 29.6          |
| Gross profit                             | 13,310         | 13,495          | (1.4)         |
| Other income                             | 2,855          | 1,849           | 54.4          |
| Distribution expenses                    | (307)          | (326)           | (5.8)         |
| Administrative expenses                  | (7,380)        | (5,482)         | 34.6          |
| Other expenses                           | (108)          | -               | NM            |
| <b>Results from operating activities</b> | <b>8,370</b>   | <b>9,536</b>    | <b>(12.2)</b> |
| Finance income                           | 278            | 7               | NM            |
| Finance costs                            | (2,984)        | (3,028)         | (1.5)         |
| <b>Net finance costs</b>                 | <b>(2,706)</b> | <b>(3,021)</b>  | <b>(10.4)</b> |
| <b>Profit before income tax</b>          | <b>5,664</b>   | <b>6,515</b>    | <b>(13.1)</b> |
| Income tax expense                       | (1,945)        | (1,918)         | 1.4           |
| <b>Profit for the year</b>               | <b>3,719</b>   | <b>4,597</b>    | <b>(19.1)</b> |
| <b>Profit attributable to:</b>           |                |                 |               |
| Owners of the company                    | 3,935          | 4,743           | 17.0          |
| Non-controlling interest                 | (216)          | (146)           | 47.9          |
| <b>Profit for the year</b>               | <b>3,719</b>   | <b>4,597</b>    | <b>(19.1)</b> |

NM: Not Meaningful

## Consolidated Statement of Comprehensive Income

|                                                                       | Group             |                   |               |
|-----------------------------------------------------------------------|-------------------|-------------------|---------------|
|                                                                       | FY2014<br>S\$'000 | FY2013<br>S\$'000 | Change<br>%   |
| <b>Profit for the year</b>                                            | <b>3,719</b>      | <b>4,597</b>      | <b>(19.1)</b> |
| <b>Other comprehensive income:</b>                                    |                   |                   |               |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |                   |                   |               |
| Foreign currency translation differences for foreign operations       | 92                | 13                | 607.7         |
| Other comprehensive income for the year, net of tax                   | 92                | 13                | 607.7         |
| <b>Total comprehensive income for the year</b>                        | <b>3,811</b>      | <b>4,610</b>      | <b>(17.3)</b> |
| <b>Total comprehensive income attributable to:</b>                    |                   |                   |               |
| Owners of the company                                                 | 4,010             | 4,752             | (15.6)        |
| Non-controlling interest                                              | (199)             | (142)             | 40.1          |
| <b>Total comprehensive income for the year</b>                        | <b>3,811</b>      | <b>4,610</b>      | <b>(17.3)</b> |

### 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             |                   |             |
|----------------------------------------------------------------------------|-------------------|-------------------|-------------|
|                                                                            | FY2014<br>S\$'000 | FY2013<br>S\$'000 | Change<br>% |
| Interest income                                                            | (6)               | (5)               | 20          |
| Interest expense                                                           | 2,033             | 1,705             | 19.2        |
| Depreciation of property, plant and equipment                              | 10,850            | 8,580             | 26.5        |
| Net (reversal of)/ allowance for impairment on trade and other receivables | (297)             | 307               | NM          |
| Impairment loss on property, plant and equipment                           | 108               | -                 | NM          |
| Net exchange loss                                                          | 568               | 326               | 74.2        |
| Gain on disposal of property, plant and equipment                          | (1,425)           | (1,240)           | 14.9        |
| Net change in fair value of financial derivatives                          | (273)             | 680               | NM          |
| Bad debts written off/ (recovered)                                         | 673               | (3)               | NM          |
| Under provision of income tax expenses in prior years                      | 716               | 302               | (137.1)     |

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.**

|                                                             | <b>G r o u p</b>  |                   | <b>C o m p a n y</b> |                   |
|-------------------------------------------------------------|-------------------|-------------------|----------------------|-------------------|
|                                                             | <b>31.03.2014</b> | <b>31.03.2013</b> | <b>31.03.2014</b>    | <b>31.03.2013</b> |
|                                                             | <b>S\$'000</b>    | <b>S\$'000</b>    | <b>S\$'000</b>       | <b>S\$'000</b>    |
| <b>Non-current assets</b>                                   |                   |                   |                      |                   |
| Property, plant and equipment                               | 147,738           | 106,595           | 18,280               | -                 |
| Deposit                                                     | 257               | -                 | -                    | -                 |
| Subsidiaries                                                | -                 | -                 | 7,476                | 7,515             |
|                                                             | <u>147,995</u>    | <u>106,595</u>    | <u>25,756</u>        | <u>7,515</u>      |
| <b>Current assets</b>                                       |                   |                   |                      |                   |
| Inventories                                                 | 1,041             | -                 | -                    | -                 |
| Trade and other receivables                                 | 16,241            | 16,641            | 17,017               | 10,779            |
| Cash and cash equivalents                                   | 3,575             | 5,796             | 704                  | 145               |
|                                                             | <u>20,857</u>     | <u>22,437</u>     | <u>17,721</u>        | <u>10,924</u>     |
| <b>Total assets</b>                                         | <u>168,852</u>    | <u>129,032</u>    | <u>43,477</u>        | <u>18,439</u>     |
| <b>Equity attributable to equity holders of the Company</b> |                   |                   |                      |                   |
| Share capital                                               | 24,450            | 13,864            | 24,450               | 13,864            |
| Merger reserve                                              | (1,670)           | (1,670)           | -                    | -                 |
| Translation reserve                                         | 10                | (65)              | -                    | -                 |
| Retained earnings                                           | 50,973            | 49,194            | 3,787                | 3,579             |
|                                                             | <u>73,763</u>     | <u>61,323</u>     | <u>28,237</u>        | <u>17,443</u>     |
| <b>Non-controlling interests</b>                            | <u>860</u>        | <u>1,059</u>      | <u>-</u>             | <u>-</u>          |
| <b>Total equity</b>                                         | <u>74,623</u>     | <u>62,382</u>     | <u>28,237</u>        | <u>17,443</u>     |
| <b>Non-current liabilities</b>                              |                   |                   |                      |                   |
| Loans and borrowings                                        | 49,786            | 25,671            | 13,151               | -                 |
| Provision                                                   | 100               | 100               | -                    | -                 |
| Deferred tax liabilities                                    | 7,908             | 6,679             | -                    | -                 |
|                                                             | <u>57,794</u>     | <u>32,450</u>     | <u>13,151</u>        | <u>-</u>          |
| <b>Current liabilities</b>                                  |                   |                   |                      |                   |
| Trade and other payables                                    | 8,087             | 9,313             | 196                  | 985               |
| Loans and borrowings                                        | 28,347            | 24,876            | 1,892                | -                 |
| Current tax payable                                         | 1                 | 11                | 1                    | 11                |
|                                                             | <u>36,435</u>     | <u>34,200</u>     | <u>2,089</u>         | <u>996</u>        |
| <b>Total liabilities</b>                                    | <u>94,229</u>     | <u>66,650</u>     | <u>15,240</u>        | <u>996</u>        |
| <b>Total equity and liabilities</b>                         | <u>168,852</u>    | <u>129,032</u>    | <u>43,477</u>        | <u>18,439</u>     |

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

**Amount repayable in one year or less, or on demand**

| <b>As at 31.03.2014</b> |                  | <b>As at 31.03.2013</b> |                  |
|-------------------------|------------------|-------------------------|------------------|
| <b>Secured</b>          | <b>Unsecured</b> | <b>Secured</b>          | <b>Unsecured</b> |
| <b>S\$'000</b>          | <b>S\$'000</b>   | <b>S\$'000</b>          | <b>S\$'000</b>   |
| 28,347                  | -                | 13,839                  | 11,037           |

**Amount repayable after one year**

| <b>As at 31.03.2014</b> |                  | <b>As at 31.03.2013</b> |                  |
|-------------------------|------------------|-------------------------|------------------|
| <b>Secured</b>          | <b>Unsecured</b> | <b>Secured</b>          | <b>Unsecured</b> |
| <b>S\$'000</b>          | <b>S\$'000</b>   | <b>S\$'000</b>          | <b>S\$'000</b>   |
| 49,786                  | -                | 25,671                  | -                |

**Details of any collateral**

- 1) As at 31 March 2014, term loans payable of approximately S\$25.3 million (31.3.2013: S\$16.3 million) was secured by fixed charges over certain property, plant and equipment of the Group with a carrying amount of approximately S\$43.7 million and corporate guarantees executed by the Company.
- 2) The remaining secured borrowings of approximately S\$52.8 million (31.3.2013: S\$23.2 million) relate to finance lease liabilities which are secured by one or more of the followings:
  - a) Certain plant & machinery of the Group with carrying value of approximately S\$61.6 million
  - b) Corporate guarantees executed by the Company and a subsidiary

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

|                                                                         | <b>FY2014</b><br><b>S\$'000</b> | <b>FY2013</b><br><b>S\$'000</b> |
|-------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Operating activities</b>                                             |                                 |                                 |
| Profit for the year                                                     | <b>3,719</b>                    | <b>4,597</b>                    |
| <b>Adjustments for:</b>                                                 |                                 |                                 |
| Depreciation                                                            | 10,850                          | 8,580                           |
| Gain on disposal of property, plant and equipment                       | (1,425)                         | (1,240)                         |
| Loss on sale of available for sale equity securities                    | -                               | 1                               |
| Debts written off                                                       | 673                             | -                               |
| Reversal of impairment loss on trade and other receivables              | -                               | (351)                           |
| (Reversal)/Impairment on trade and other receivables                    | (297)                           | 307                             |
| Impairment loss on property, plant and equipment                        | 108                             | -                               |
| Interest income                                                         | (6)                             | (5)                             |
| Interest expense                                                        | 2,033                           | 1,705                           |
| Net change in fair value of financial derivatives                       | (273)                           | 680                             |
| Income tax expense                                                      | 1,945                           | 1,918                           |
|                                                                         | <b>17,327</b>                   | <b>16,192</b>                   |
| <b>Changes in working capital:</b>                                      |                                 |                                 |
| Inventories                                                             | (1,041)                         | -                               |
| Trade and other receivables                                             | 24                              | (2,849)                         |
| Trade and other payables                                                | 769                             | 2,267                           |
| Cash generated from operations                                          | 17,079                          | 15,610                          |
| Income taxes refund                                                     | -                               | 17                              |
| Income taxes paid                                                       | (726)                           | (736)                           |
| <b>Net cash from operating activities</b>                               | <b>16,353</b>                   | <b>14,891</b>                   |
| <b>Cash flows from investing activities</b>                             |                                 |                                 |
| Interest received                                                       | 6                               | 5                               |
| Deposits of property, plant and equipment                               | (257)                           | -                               |
| Purchase of property, plant and equipment                               | (16,683)                        | (9,625)                         |
| Proceeds from disposal of property, plant and equipment                 | 2,173                           | 1,839                           |
| <b>Net cash used in investing activities</b>                            | <b>(14,761)</b>                 | <b>(7,781)</b>                  |
| <b>Financing activities</b>                                             |                                 |                                 |
| Interest paid                                                           | (2,033)                         | (1,705)                         |
| Balances with related parties (non-trade)                               | (1,184)                         | (2,929)                         |
| Decrease in deposit pledged                                             | -                               | 100                             |
| Repayment of finance lease liabilities                                  | (12,545)                        | (8,176)                         |
| Dividends paid                                                          | (2,156)                         | (274)                           |
| Proceeds from issuance of new share, net of expenses                    | 10,586                          | -                               |
| Proceeds from borrowings                                                | 10,106                          | 13,197                          |
| Repayment of borrowings                                                 | (6,577)                         | (5,902)                         |
| <b>Net cash used in financing activities</b>                            | <b>(3,803)</b>                  | <b>(5,689)</b>                  |
| <b>Net (decrease)/increase in cash and cash equivalents</b>             | <b>(2,211)</b>                  | <b>1,421</b>                    |
| Cash and cash equivalents at beginning of year                          | 5,796                           | 4,379                           |
| Effects of exchange rate changes on balances held in foreign currencies | (10)                            | (4)                             |
| <b>Cash and cash equivalents at end of year</b>                         | <b>3,575</b>                    | <b>5,796</b>                    |

**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 | Currency Translation reserve | Retained Earnings | 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      |
| <b>At 1 April 2013</b>                                       | 13,864        | (1,670)        | (65)                         | 49,194            | 61,323                                              | 1,059                    | 62,382       |
| <b>Total comprehensive income for the year</b>               |               |                |                              |                   |                                                     |                          |              |
| <b>Profit for the year</b>                                   | -             | -              | -                            | 3,935             | 3,935                                               | (216)                    | 3,719        |
| <b>Other comprehensive income</b>                            |               |                |                              |                   |                                                     |                          |              |
| Foreign currency translation differences                     | -             | -              | 75                           | -                 | 75                                                  | 17                       | 92           |
| <b>Total other comprehensive income, net of tax</b>          | -             | -              | 75                           | -                 | 75                                                  | 17                       | 92           |
| <b>Total comprehensive income for the year</b>               | -             | -              | 75                           | 3,935             | 4,010                                               | (199)                    | 3,811        |
| <b>Transactions with owners, recorded directly in equity</b> |               |                |                              |                   |                                                     |                          |              |
| <b>Contribution by and distribution to owners</b>            |               |                |                              |                   |                                                     |                          |              |
| Issue of ordinary shares, net of expenses                    | 10,586        | -              | -                            | -                 | 10,586                                              | -                        | 10,586       |
| Dividends paid                                               | -             | -              | -                            | (2,156)           | (2,156)                                             | -                        | (2,156)      |
| <b>Total transactions with owners</b>                        | 10,586        | -              | -                            | (2,156)           | 8,430                                               | -                        | 8,430        |
| <b>At 31 March 2014</b>                                      | 24,450        | (1,670)        | 10                           | 50,973            | 73,763                                              | 860                      | 74,623       |
| <b>At 1 April 2012</b>                                       | 12,898        | (1,670)        | (74)                         | 45,691            | 56,845                                              | 1,201                    | 58,046       |
| <b>Total comprehensive income for the year</b>               |               |                |                              |                   |                                                     |                          |              |
| <b>Profit for the year</b>                                   | -             | -              | -                            | 4,743             | 4,743                                               | (146)                    | 4,597        |
| <b>Other comprehensive income</b>                            |               |                |                              |                   |                                                     |                          |              |
| Foreign currency translation differences                     | -             | -              | 9                            | -                 | 9                                                   | 4                        | 13           |
| <b>Total other comprehensive income, net of tax</b>          | -             | -              | 9                            | -                 | 9                                                   | 4                        | 13           |
| <b>Total other comprehensive income for the year</b>         | -             | -              | 9                            | 4,743             | 4,752                                               | (142)                    | 4,610        |
| <b>Transactions with owners, recorded directly in equity</b> |               |                |                              |                   |                                                     |                          |              |
| <b>Contribution by and distribution to owners</b>            |               |                |                              |                   |                                                     |                          |              |
| Issue of ordinary shares                                     | 966           | -              | -                            | (966)             | -                                                   | -                        | -            |
| Dividends paid                                               | -             | -              | -                            | (274)             | (274)                                               | -                        | (274)        |
| <b>Total transactions with owners</b>                        | 966           | -              | -                            | (1,240)           | (274)                                               | -                        | (274)        |
| <b>At 31 March 2013</b>                                      | 13,864        | (1,670)        | (65)                         | 49,194            | 61,323                                              | 1,059                    | 62,382       |

| Company                                                      | Share capital<br>S\$'000 | Retained<br>Earnings<br>S\$'000 | Total attributable<br>to equity holders<br>of the Company<br>S\$'000 |
|--------------------------------------------------------------|--------------------------|---------------------------------|----------------------------------------------------------------------|
| <b>At 1 April 2013</b>                                       | 13,864                   | 3,579                           | 17,443                                                               |
| <b>Total comprehensive income for the year</b>               |                          |                                 |                                                                      |
| Profit for the year                                          | -                        | 2,364                           | 2,364                                                                |
| <b>Total comprehensive income for the year</b>               | -                        | 2,364                           | 2,364                                                                |
| <b>Transactions with owners, recorded directly in equity</b> |                          |                                 |                                                                      |
| <b>Contribution by and distributions to owners</b>           |                          |                                 |                                                                      |
| Issue of ordinary shares                                     | 10,586                   | -                               | 10,586                                                               |
| Dividends paid                                               | -                        | (2,156)                         | (2,156)                                                              |
| <b>Total transactions with owners</b>                        | 10,586                   | (2,156)                         | 8,430                                                                |
| <b>At 31 March 2014</b>                                      | 24,450                   | 3,787                           | 28,237                                                               |
| <b>At 1 April 2012</b>                                       | 12,898                   | 1,472                           | 14,370                                                               |
| <b>Total comprehensive income for the year</b>               |                          |                                 |                                                                      |
| Profit for the year                                          | -                        | 3,347                           | 3,347                                                                |
| <b>Total comprehensive income for the year</b>               | -                        | 3,347                           | 3,347                                                                |
| <b>Transactions with owners, recorded directly in equity</b> |                          |                                 |                                                                      |
| <b>Contribution by and distributions to owners</b>           |                          |                                 |                                                                      |
| Issue of ordinary shares                                     | 966                      | (966)                           | -                                                                    |
| Dividends paid                                               | -                        | (274)                           | (274)                                                                |
| <b>Total transactions with owners</b>                        | 966                      | (1,240)                         | (274)                                                                |
| <b>At 31 March 2013</b>                                      | 13,864                   | 3,579                           | 17,443                                                               |

**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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

|                                                                 | <b>FY2014</b> | <b>FY2013</b> |
|-----------------------------------------------------------------|---------------|---------------|
| <b>Fully paid ordinary shares with no par value</b>             |               |               |
| Number of ordinary shares at 1 April                            | 258,065,282   | 248,000,060   |
| Shares allotted pursuant to Scrip Dividend Scheme               | -             | 10,065,222    |
| Issuance of new shares pursuant to a private placement exercise | 50,000,000    | -             |
| Number of ordinary shares at 31 March                           | 308,065,282   | 258,065,282   |

As at 31 March 2014 and 31 March 2013, the Company did not have any outstanding options or convertibles.

**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.**

|                                                                          | <b>31.03.2014<br/>No. of shares</b> | <b>31.03.2013<br/>No. of shares</b> |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Total number of issued shares (excluding treasury shares) of the Company | 308,065,282                         | 258,065,282                         |

The Company had no treasury shares as at 31 March 2014 and 31 March 2013.

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

Not applicable as the Company does not have any treasury shares.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

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 matter)**

Not applicable.

**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 year ended 31 March 2013.

**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**

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 April 2013. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

**6. Earnings/(losses) 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             |                   |
|--------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                  | FY2014<br>(cents) | FY2013<br>(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                                 | 1.33              | 1.87              |
| (b) On a fully diluted basis                                                                     | 1.33              | 1.87              |

Basic earnings per share and fully diluted earnings per share for FY2014 were computed based on net profit attributable to shareholders of S\$3,935,200 (FY2013: S\$4,742,700) and weighted average number of shares of 296,010,487 (FY2013: 253,184,339) respectively.

**7. Net asset value (for the issuer and group) per ordinary share based on the 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              |                       |
|-------------------------------------------------------------------------------------------|----------------------|-----------------------|----------------------|-----------------------|
|                                                                                           | 31.3.2014<br>(cents) | 31.03.2013<br>(cents) | 31.3.2014<br>(cents) | 31.03.2013<br>(cents) |
| Net asset value per ordinary share based on issued share capital at the end of the period | 23.94                | 23.76                 | 9.17                 | 6.76                  |

As at 31 March 2014, the number of issued ordinary shares is 308,065,282 (31 March 2013: 258,065,282).

**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**

**Revenue**

Revenue increased by approximately S\$7.2 million or 18.7% from approximately S\$38.5 million for FY2013 to approximately S\$45.7 million for FY2014. The increase was mainly attributed to increase in our leasing income during the year.

**Leasing business**

Leasing income for FY2014 was higher than the comparative year mainly due to increase in our lifting and

haulage equipment fleets during the year. Our lifting fleet increased from 127 cranes in FY2013 to 132 cranes in FY2014. Our haulage fleet increased from 143 vehicles in FY2013 to 170 vehicles in FY2014.

#### Trading business

Revenue was approximately S\$0.7 million for FY2014 due to demand from overseas market. There was no trading income in FY2013.

#### **Cost of sales and gross profit**

Cost of sales increased by approximately S\$7.4 million or 29.6% from approximately S\$25.0 million for FY2013 to approximately S\$32.4 million for FY2014. This was mainly due to an increase in payroll and related expenses of approximately S\$2.5 million, an increase in depreciation expense of approximately S\$2.0 million due to increase in our property, plant and equipment, an increase in rental expenses of approximately S\$1.0 million, an increase in crane rental expense of approximately S\$0.8 million and an increase in maintenance expenses of approximately S\$0.5 million.

Gross profit decreased by approximately S\$185,000 or 1.4% from approximately S\$13.5 million (representing a gross margin of 35.0%) for FY2013 to approximately S\$13.3 million (representing a gross margin of 29.1%) for FY2014. The decrease in gross profit margin was mainly due to the increase in cost of sales as explained above.

#### **Other income**

Other income increased by approximately S\$1.1 million or 54.4% from approximately S\$1.8 million for FY2013 to approximately S\$2.9 million for FY2014. The increase was mainly due to an increase in sundry income of approximately S\$0.9 million and an increase in net gain in disposal of property, plant and equipment of approximately S\$0.2 million.

#### **Distribution expenses**

Distribution expenses decreased by approximately S\$19,000 or 5.8% from approximately S\$326,000 for FY2013 to approximately S\$307,000 for FY2014, mainly due to a decrease in commission expenses of approximately S\$90,000. This was partly offset by higher entertainment expenses of approximately S\$71,000.

#### **Administrative expenses**

Administrative expenses increased by approximately S\$1.9 million or 34.6% from approximately S\$5.5 million for FY2013 to approximately S\$7.4 million for FY2014. The increase was mainly due to an increase in salary and related expenses of approximately S\$1.1 million, an increase in rental expense of approximately S\$0.5 million as well as increase in depreciation expenses of approximately S\$0.2 million.

#### **Finance income**

Finance income increased by approximately S\$271,000 from approximately S\$7,000 for FY2013 to approximately S\$278,000 for FY2014. This is mainly due to increase in net change in fair value of financial derivatives of approximately S\$273,000.

#### **Finance costs**

Finance costs decreased by approximately S\$44,000 or 1.5% mainly due to decrease in the net change in the fair value of financial derivative of approximately S\$680,000 and decrease in impairment on trade receivables of approximately S\$604,000. This was partly offset by higher exchange rate loss of approximately S\$242,000, higher debts written off of approximately S\$673,000 and higher interest expense of approximately S\$328,000.

## **Income tax**

Income tax expense increased by approximately S\$27,000 or 1.4% mainly due to an increase in under provision of income tax expenses in prior year of approximately S\$413,000, which was partly offset by a decrease in deferred tax expenses of approximately S\$386,000.

## **Profit for the year**

Profit for the year decreased by approximately S\$0.9 million or 19.1% from approximately S\$4.6 million for FY2013 to approximately S\$3.7 million for FY2014 due to the reasons explained above.

## **Review of Financial Position**

### **Non-Current Assets**

Our non-current assets amounted to approximately S\$148.0 million or 87.6% of our total assets of approximately S\$168.9 million as at 31 March 2014. The increase in non-current assets of approximately S\$41.4 million or 38.8% was mainly due to an increase in property, plant and equipment of approximately S\$52.8 million due to the addition of new equipment for leasing during the year.

### **Current Assets**

As at 31 March 2014, our current assets amounted to approximately S\$20.9 million or 12.4% of our total assets of approximately S\$168.9 million.

The decrease in current assets of approximately S\$1.6 million or 7.0% was mainly due to a decrease in cash and cash equivalents of approximately S\$2.2 million and decrease in trade and other receivables of approximately S\$0.4 million. This was partly offset by an increase in inventories of approximately S\$1.0 million.

### **Non-Current Liabilities**

As at 31 March 2014, our non-current liabilities amounted to approximately S\$57.8 million or 61.4% of our total liabilities of approximately S\$94.2 million. The increase in non-current liabilities of approximately S\$25.3 million or 78.1% was mainly due to an increase in loans and borrowings of approximately S\$24.1 million and an increase in deferred tax liabilities of approximately S\$1.2 million.

### **Current Liabilities**

As at 31 March 2014, our current liabilities amounted to approximately S\$36.4 million or 38.6% of our total liabilities of approximately S\$94.2 million. The increase in current liabilities of approximately S\$2.2 million was mainly due to an increase in loans and borrowings of approximately S\$3.5 million. This was partly offset by a decrease in trade and other payables of approximately S\$1.2 million.

Our net current liabilities increased from approximately S\$11.8 million in FY2013 to approximately S\$15.6 million in FY2014 mainly due to increase in loans and borrowings which included trust receipts of approximately S\$5.6 million relating to the purchase of leasing equipment. The trust receipts will be converted to hire purchase financing upon its maturity.

## **Review of Cash flow Statement**

The Group's net cash from operating activities for FY2014 increased by approximately S\$1.5 million as compared to FY2013.

The Group's net cash used in investing activities in FY2014 increased by approximately S\$7.0 million as compared to FY2013. This was mainly due to increase in cashflow used for purchase and deposits of property, plant and equipment of approximately S\$7.0 million and approximately S\$0.3 million respectively during the year. This was partly offset by an increase in proceeds from disposal of property, plant and

equipment of approximately S\$0.3 million.

The Group's net cash used in financing activities in FY2014 decreased by approximately S\$1.8 million compared to that for FY2013. This was mainly due to a decrease in proceeds from borrowings of approximately S\$3.0 million, an increase in repayment of finance lease and borrowings of approximately S\$5.0 million, an increase in payment of interest of approximately S\$0.3 million and an increase in payment of dividends of approximately S\$1.9 million. This was partly offset by an increase in net proceeds from the issuance of new ordinary shares of approximately S\$10.6 million and a decrease in balances with related parties of approximately S\$1.7 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 2014 was principally in line with the commentary stated in paragraph 10 of the previous result announcement for the six months period ended 30 September 2013 of the Group dated 8 November 2013.

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

With the current excess of cranes situation in the market, the Group expects the industry in which it operates to remain competitive in the next 12 months. Operating cost is also expected to be higher due to the tight labour market condition. Nevertheless, the Group will continue to focus on strengthening its market position and will strive to improve on its operational efficiency. The Group's trading business is expected to remain weak for the current financial year.

The Group will continue to monitor its overseas operations as well as to explore any overseas growth opportunity which will enhance the Group's value.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

|                           |                                        |
|---------------------------|----------------------------------------|
| Name of dividend          | First and Final (One-tier tax exempt)  |
| Dividend Type             | Cash                                   |
| Dividend Amount per Share | 0.7 Singapore cents per ordinary share |

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

Not applicable as no dividend has been declared in respect of FY2014.

**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.

## **PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**14. Segmented revenue and results for business or geographical 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**

### **(a) Analysis by Business Segments**

Not applicable as the Group has only one operating segment which is the renting of cranes, prime movers, heavy machinery and equipment and trading of cranes and heavy equipment.

### **(b) Analysis by Geographical segments**

Not applicable as the Group only has significant operations in Singapore.

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable.

### **16. A breakdown of sales**

|                                                | <b>Group</b>   |                | <b>Increase/</b>  |
|------------------------------------------------|----------------|----------------|-------------------|
|                                                | <b>FY2014</b>  | <b>FY2013</b>  | <b>(Decrease)</b> |
|                                                | <b>S\$'000</b> | <b>S\$'000</b> | <b>%</b>          |
| Revenue reported for first half year           | 24,601         | 17,966         | 36.9%             |
| Profit after tax reported for first half year  | 2,691          | 2,979          | (9.7%)            |
| Revenue reported for second half year          | 21,125         | 20,547         | 2.8%              |
| Profit after tax reported for second half year | 1,028          | 1,618          | (36.5%)           |

**17. 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).

|            | <b>Latest full year (S\$'000)</b> | <b>Previous full year (S\$'000)</b> |
|------------|-----------------------------------|-------------------------------------|
| Ordinary   | -                                 | 2,156                               |
| Preference | -                                 | -                                   |
| Total:     | -                                 | 2,156                               |

**18. Interested party transaction**

Nil.

**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 |
|----------------|-----|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Ong Lay Suan   | 56  | Sister of Executive Chairman, Ong Teck Meng                            | Director of Hiap Tong Trading Pte Ltd, a subsidiary company since 31 December 1979.<br><br>Main duties include control and supervision of billings and accounts receivable matters and formulation of certain administrative policies. | No changes                                                              |
| Ong Chuan Hock | 55  | Brother of Executive Chairman, Ong Teck Meng                           | Director of Hiap Tong Trading Pte Ltd, a subsidiary company, since 23 October 1992.<br><br>Main duties include control and supervision of operators' payroll.                                                                          | No changes                                                              |
| Wang Wenshen   | 32  | Son of Mr Ong Lim San, Executive Director and substantial shareholder. | Manager since 1 March 2013.<br><br>Main duties include sales and operation of the Group, in particular the ExxonMobil project in Singapore.                                                                                            | No changes                                                              |

**BY ORDER OF THE BOARD**

**Ong Boon Tat**  
**Executive Director**  
**22 May 2014**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGXST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this*

*announcement.*

*The announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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