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PRESS RELEASE

Hiap Tong's FY2014 revenue rose 18.7% to hit S\$45.7 million

SINGAPORE– [22] May 2014– Singapore Catalist-listed Crane specialist Hiap Tong Corporation Ltd (“Hiap Tong”, “协通企业有限公司”, or the “Group”) registered S\$3.9 million in profit attributable to owners of the company, on the back of an 18.7% increase in its revenue to S\$45.7 million for the financial year ended 31 March 2014 (“FY2014”).

Financial Highlights

The increase in revenue for FY2014 was largely due to higher leasing income, which was brought about by a higher number of owned equipment. During the financial year, the Group's lifting fleet increased from 127 cranes to 132 cranes while its haulage fleet increased from 143 vehicles to 170 vehicles.

The Group also recorded contribution from its trading business of S\$0.7 million, which was absent in the financial year ended 31 March 2013 (“FY2013”), due to overseas demand.

Cost of sales increased 29.6% from S\$25.0 million for FY2013 to approximately S\$32.4 million for FY2014. Higher payroll and related expenses, higher depreciation expenses from the increase in the Group's leasing equipment, higher rental expenses, higher crane rental expenses and higher maintenance expenses were the main reasons for the increased cost of sales.

As a result of the increased cost of sales, gross profit decreased marginally by 1.4% to S\$13.3 million for FY2014. In tandem with lower gross profit, profit for the year also decreased by S\$0.9 million to S\$3.7 million for FY2014 from S\$4.6 million for FY2013.

Commenting on the Group's latest results, Mr Ong Teck Meng (王德明), Hiap Tong's Executive Chairman and Chief Executive Officer, said, ***"We are currently operating in a very challenging environment due to the current crane excess situation. However we will focus on strengthening our market position and will strive to improve on our operational efficiency."***

The Group recorded S\$3.9 million in profit attributable to shareholders in FY2014 compared to S\$4.6 million in FY2013.

Financial Position

As at 31 March 2014, the Group's non-current assets amounted to S\$148.0 million which is 87.6% of total assets of S\$168.9 million. The increase in non-current assets by S\$41.4 million was mainly due to the addition of new equipment for leasing during the year. Current assets decreased by approximately S\$1.6 million mainly due to a decrease in cash and cash equivalents of S\$2.2 million and a 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 increased approximately S\$25.3 million due to an increase in loans and borrowings of approximately S\$24.1 million and an increase in deferred tax liabilities of S\$1.2 million. The Group's current liabilities increased to S\$36.4 million as at 31 March 2014 due to an increase in loans and borrowings and was partly offset by a decrease in trade and other payables.

Outlook

The Group expects the crane industry to remain competitive as there is currently an excess supply. As labour market conditions continue to remain tight, operating costs and expenses are expected to increase. Nevertheless, the Group will continue to focus on strengthening its market position and strive to improve on its operational efficiency.

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

-End-

Note: This Press Release is to be read in conjunction with the results announcement issued on the SGX-Net on 22 May 2014

About Hiap Tong Corporation Ltd.

Hiap Tong Corporation Ltd. is a leading provider of hydraulic lifting and haulage services to the marine, petrochemical and construction industries in Singapore, for more than 30 years.

The Group has a combined lifting fleet and haulage fleet size of more than 300 vehicles. It offers the largest range of lifting capabilities in the hydraulic mobile crane category and is the only company in Singapore able to provide mobile lifting service with lifting capacities of up to 1,200 tonnes

With an established customer base of more than 200 customers, some of its notable customers include Sembawang Shipyards Pte Ltd, SMOE Pte Ltd and Keppel Corporation Limited in the marine industry; Sankyu (S) Pte. Ltd. and Singapore Takada Industries Pte. Ltd. in the petrochemical industry; as well as Yong Nam Engineering & Construction Pte Ltd, Dragages Singapore Pte Ltd and Sembawang Engineering & Construction Pte Ltd in the construction industry.

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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 (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities. The Sponsor has not independently verified the contents of this announcement.

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