

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

Condensed Interim Financial Statements  
For the six months ended 30 September 2021

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**Condensed interim consolidated statement of comprehensive income**

	Note	Group 6 months ended 30 September		Change  %
		2021	2020	
		\$'000	\$'000	
Revenue	4	33,487	18,507	80.9
Cost of sales		(31,580)	(21,346)	47.9
<b>Gross profit/(loss)</b>		<u>1,907</u>	<u>(2,839)</u>	NM
Other income		3,439	4,847	(29.0)
Distribution expenses		(58)	(39)	48.7
Administrative expenses		(4,211)	(3,599)	17.0
Other expenses		(331)	(19)	NM
<b>Results from operating activities</b>		<u>746</u>	<u>(1,649)</u>	NM
Finance income		1	165	(99.4)
Finance costs		(874)	(1,113)	(21.5)
<b>Net finance costs</b>		<u>(873)</u>	<u>(948)</u>	(7.9)
<b>Loss before taxation</b>	5	(127)	(2,597)	(95.1)
Tax expense	7	(84)	–	NM
<b>Loss for the financial period</b>		<u>(211)</u>	<u>(2,597)</u>	(91.9)
<b>Other comprehensive income</b>				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences relating to foreign operations		(12)	(1)	NM
<b>Other comprehensive income, net of tax**</b>		<u>(12)</u>	<u>(1)</u>	NM
<b>Total comprehensive income for the period</b>		<u>(223)</u>	<u>(2,598)</u>	(91.4)
<b>Earnings per share</b>				
Basic and diluted earnings (cents)		<u>(0.07)</u>	<u>(0.84)</u>	

\*\* *There was no tax effect on the components included in other comprehensive income.*  
*NM: not meaningful*

## Condensed interim statements of financial position

	Note	Group		Company	
		30 September 2021 (Unaudited) \$'000	31 March 2021 (Audited) \$'000	30 September 2021 (Unaudited) \$'000	31 March 2021 (Audited) \$'000
<b>Non-current assets</b>					
Property, plant and equipment	9	125,506	118,652	23,623	24,915
Investment properties	10	8,450	8,450	7,700	7,700
Subsidiaries		–	–	3,500	3,500
Other investment		250	250	–	–
		<u>134,206</u>	<u>127,352</u>	<u>34,823</u>	<u>36,115</u>
<b>Current assets</b>					
Trade and other receivables		18,732	18,596	2,425	3,989
Derivative financial instruments		15	21	–	–
Cash and cash equivalents		9,514	12,880	627	417
		<u>28,261</u>	<u>31,497</u>	<u>3,052</u>	<u>4,406</u>
<b>Total assets</b>		<u>162,467</u>	<u>158,849</u>	<u>37,875</u>	<u>40,521</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	14	24,450	24,450	24,450	24,450
Merger reserve		(1,670)	(1,670)	–	–
Translation reserve		60	72	–	–
Fair value reserve		50	50	–	–
Accumulated profits		54,827	55,038	(3,172)	(2,925)
<b>Total equity</b>		<u>77,717</u>	<u>77,940</u>	<u>21,278</u>	<u>21,525</u>
<b>Non-current liabilities</b>					
Loans and borrowings	11	9,645	8,033	–	825
Lease liabilities	12	30,236	32,683	14,046	14,526
Deferred tax liabilities		8,621	8,537	–	–
Trade and other payables		1,809	1,809	–	–
		<u>50,311</u>	<u>51,062</u>	<u>14,046</u>	<u>15,351</u>
<b>Current liabilities</b>					
Loans and borrowings	11	3,465	5,611	1,390	2,533
Lease liabilities	12	12,625	13,175	947	920
Trade and other payables		17,987	9,417	214	192
Deferred income		–	1,282	–	–
Current tax liabilities		362	362	–	–
		<u>34,439</u>	<u>29,847</u>	<u>2,551</u>	<u>3,645</u>
<b>Total liabilities</b>		<u>84,750</u>	<u>80,909</u>	<u>16,597</u>	<u>18,996</u>
<b>Total equity and liabilities</b>		<u>162,467</u>	<u>158,849</u>	<u>37,875</u>	<u>40,521</u>

**Condensed interim statement of changes in equity**

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

**Condensed interim statement of changes in equity (cont'd)**

	Note	Attributable to owners of the Company					Total equity \$'000
		Share capital \$'000	Merger reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits/(loss) \$'000	
<b>The Group</b>							
<b>At 1 April 2020</b>		24,450	(1,670)	–	20	55,373	78,173
<b>Total comprehensive income for the period</b>							
Loss for the period		–	–	–	–	(2,597)	(2,597)
Foreign currency translation differences relating to foreign subsidiaries		–	–	–	(1)	–	(1)
<b>Total other comprehensive income</b>		–	–	–	(1)	–	(1)
<b>Total comprehensive income for the period</b>		–	–	–	(1)	(2,597)	(2,598)
<b>At 30 September 2020</b>		24,450	(1,670)	–	19	52,776	75,575

**Condensed interim statement of changes in equity (cont'd)**

	<b>Attributable to owners of the Company</b>		
<b>The Company</b>	<b>Share capital</b>	<b>Accumulated loss</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>At 1 April 2021</b>	24,450	(2,925)	21,525
<b>Total comprehensive income for the period</b>			
Loss for the period	–	(247)	(247)
<b>Total comprehensive income for the period</b>	–	(247)	(247)
<b>At 30 September 2021</b>	24,450	(3,172)	21,278
<b>At 1 April 2020</b>	24,450	(1,775)	22,675
<b>Total comprehensive income for the period</b>			
Loss for the period	–	(148)	(148)
<b>Total comprehensive income for the period</b>	–	(148)	(148)
<b>At 30 September 2020</b>	24,450	(1,923)	22,527

**Condensed interim consolidated statement of cash flows**

Note	<b>Group</b>	
	<b>6 months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Loss for the period	(211)	(2,597)
Adjustments for:		
Depreciation	6,808	6,922
(Gain)/Loss on disposal of property, plant and equipment	(67)	9
Net change in fair value of financial derivatives	5	100
Impairment losses on property, plant and equipment	–	19
Interest expense	910	986
Interest income	(1)	(3)
Tax expense	84	–
	7,528	5,436
Changes in:		
Trade and other receivables	(135)	4,136
Trade and other payables	(1,419)	(3,729)
Income tax paid	–	(86)
<b>Net cash from operating activities</b>	<b>5,974</b>	<b>5,757</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(999)	(356)
Interest received	1	3
Proceeds from sale of property, plant and equipment	72	539
<b>Net cash (used in)/from investing activities</b>	<b>(926)</b>	<b>186</b>
<b>Cash flows from financing activities</b>		
Interest paid	(910)	(986)
Payments of lease liabilities	(6,952)	(5,667)
Proceeds from loans and borrowings	4,300	9,000
Repayment of loans and borrowings	(4,834)	(4,994)
<b>Net cash used in financing activities</b>	<b>(8,396)</b>	<b>(2,647)</b>

**Condensed interim consolidated statement of cash flows (cont'd)**

	<b>Group</b>	
	<b>6 months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(3,348)	3,296
Cash and cash equivalents at beginning of the period	12,880	6,652
Effect of exchange rate changes on balances held in foreign currencies	(18)	2
<b>Cash and cash equivalents at end of the period</b>	9,514	9,950

***Significant non-cash transactions***

During the financial period, the Group acquired property, plant and equipment totalling \$13,661,000 (30 September 2020: \$11,444,000), of which \$3,308,000 (30 September 2020: \$290,000) was acquired under new leases and \$9,354,000 (30 September 2020: \$10,798,000) was payable to an external supplier.

## **Notes to the condensed interim consolidated financial statements**

### **1 Corporate information**

Hiap Tong Corporation Ltd. (the “Company”) is a company incorporated in the Republic of Singapore. The address of the Company’s registered office is 22 Soon Lee Road, Singapore 628082.

The condensed interim consolidated financial statements of the Group as at and for the six months ended 30 September 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The Group is primarily involved in renting of cranes, prime movers, heavy machinery and equipment, trading of cranes and heavy equipment and supply labour for container lashing/unlashing, prime movers driving services and ancillary works.

The immediate and ultimate holding company is Tembusu Asia Holdings Pte. Ltd., a company incorporated in the Republic of Singapore.

### **2 Basis of preparation**

The condensed interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standard Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with the SFRS(I)s, except for adoption of the new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

#### **2.1 New and amended standards adopted by the Group**

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 March 2021, except for the adoption of new or revised SFRS(I) and Interpretations of SFRS(I) (“**INT SFRS(I)**”) that are mandatory for the financial year beginning on or after 1 January 2021. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

#### **2.2 Use of estimates and judgements**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### **3 Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### **4 Segment and revenue information**

The Group has two main operating segments – lifting and haulage services, and port services. Revenue and results are presented in accordance with the above mentioned business segments.

Other operations include trading revenue and the rental and management of investment properties, which do not meet any of the quantitative thresholds for determining reportable segments in 2021 and 2020.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

#### 4.1 Information about reportable segments

Group	Lifting and haulage services				Lifting and haulage services			
	Port services	Port services	Others	Total	Port services	Port services	Others	Total
	6 months ended 30 September 2021				6 months ended 30 September 2020			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	19,810	12,166	1,511	33,487	8,551	9,467	489	18,507
Interest income	1	–	–	1	3	–	–	3
Interest expense	(666)	(38)	(206)	(910)	(763)	(28)	(195)	(986)
Depreciation	(5,981)	(489)	(338)	(6,808)	(6,152)	(426)	(344)	(6,922)
Reportable segment loss before tax	1,722	(2,050)	201	(127)	(4,326)	1,666	63	(2,597)
Other material non-cash items:								
- Reversal/ (allowance) of impairment for trade and other receivables	137	–	–	137	(14)	–	–	(14)
Reportable segment assets	137,251	7,129	18,087	162,467	133,129	6,470	19,250	158,849
Capital expenditure	13,283	157	–	13,440	11,037	118	–	11,155
Reportable segment liabilities	67,651	5,838	11,261	84,750	65,233	3,976	11,700	80,909

#### 4.2 Sales by geographical segments

The lifting and haulage services, port services and others segments are managed primarily in Singapore and Malaysia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Group							
	Lifting and haulage services		Port services		Others		Total	
	6 months ended 30 September							
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Revenue</b>								
Singapore	17,806	7,878	12,166	9,467	1,511	489	31,483	17,834
Malaysia	418	673	–	–	–	–	418	673
	18,224	8,551	12,166	9,467	1,511	489	31,901	18,507
<b>Non-current assets</b>								
Singapore	111,861	115,320	1,906	2,230	18,087	19,250	131,854	136,800
Malaysia	2,352	2,790	–	–	–	–	2,352	2,790
	114,213	118,110	1,906	2,230	18,087	19,250	134,206	139,590

## Major customer

Revenue from one customer of the Group's lifting and haulage services and port services segments represents approximately \$2,668,000 (6 months ended 30 September 2020: \$1,297,000) and \$12,166,000 (6 months ended 30 September 2020: \$9,467,000) respectively of the Group's total revenue.

## 5 Loss before taxation

### 5.1 Significant items

The following items have been included in arriving at loss before taxation for the period:

	<b>Group</b>	
	<b>6 months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Net exchange (loss)/gain	(91)	160
Depreciation expense	(6,808)	(6,922)
Profit/(loss) on disposal of property, plant and equipment	67	(9)
Government grant income	1,807	3,927
Reversal/ (impairment loss) on trade receivables	137	(14)
	<u>137</u>	<u>(14)</u>

## 6 Related party transactions

### Key management personnel compensation

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

	<b>Group</b>	
	<b>6 months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	916	911
Contributions to defined contribution plans	48	48
	<u>964</u>	<u>959</u>

## 7 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>Group</b>	
	<b>6 months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Current tax expense	–	–
Deferred tax expenses	84	–
<b>Total income tax expense</b>	<b>84</b>	<b>–</b>

## 8 Net asset value

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2021</b>	<b>31.3.2021</b>	<b>30.09.2021</b>	<b>31.3.2021</b>
	<b>(cents)</b>	<b>(cents)</b>	<b>(cents)</b>	<b>(cents)</b>
Net asset value per ordinary share based on issued share capital at the end of the period/year	25.23	25.30	6.91	7.03

The net assets value per ordinary share of the Group and the Company as at 30 September 2021 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 308,065,282 (31 March 2021: 308,065,282).

## 9 Property, plant and equipment

During the six months ended 30 September 2021, the Group acquired assets amounting to \$13,661,000 (6 months ended 30 September 2020: \$11,444,000) and disposed of assets amounting to \$6,808,000 (6 months ended 30 September 2020: \$6,922,000).

## 10 Investment properties

Investment properties comprise of two commercial properties held by the Group with the intention to hold for long term, capital appreciation or rental.

Changes in fair value are recognised as losses in profit or loss and included in ‘net change in fair value of investment properties. All losses are unrealised.

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2021</b>	<b>31.3.2021</b>	<b>30.09.2021</b>	<b>31.3.2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At beginning of financial period	8,450	8,750	7,700	8,000
Net change in fair value	–	(300)	–	(300)
At end of financial period	<u>8,450</u>	<u>8,450</u>	<u>7,700</u>	<u>7,700</u>

The Group engages external independent valuers which having the appropriate recognised professional qualification and recent experience in the location and categories of the properties being valued at the end of each financial year. The independent valuers provide the fair values of the Group's investment properties annually. The fair value of the investment properties is dependent on recent market transaction used by the valuers.

The fair value of the Group's investment properties is determined based on observable market sales data and categorised under Level 2 of the fair value measurement hierarchy whereby inputs other than quoted prices included in Level 1 that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

## 11 Loans and borrowings

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2021</b>	<b>31.3.2021</b>	<b>30.09.2021</b>	<b>31.3.2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current</b>				
Secured bank loans	2,882	3,775	–	825
Unsecured bank loan	6,763	4,258	–	–
	<u>9,645</u>	<u>8,033</u>	<u>–</u>	<u>825</u>
<b>Current</b>				
Secured bank loans	1,628	3,869	1,390	2,533
Unsecured bank loan	1,837	1,742	–	–
	<u>3,465</u>	<u>5,611</u>	<u>1,390</u>	<u>2,533</u>
Total loans and borrowings	<u>13,110</u>	<u>13,644</u>	<u>1,390</u>	<u>3,358</u>

Details of any collateral

- (i) As at 30 September 2021, total bank loans repayable consists of S\$ 4,510,000 (31.03.2021: S\$7,644,000) was secured by fixed charges over certain property, plant and equipment and investment properties of the Group with a carrying amount of S\$19,087,000 (31.03.2021: S\$22,371,000) and corporate guarantees executed by the Company.

## 12 Leases liabilities

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2021</b>	<b>31.3.2021</b>	<b>30.09.2021</b>	<b>31.3.2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Non-current	30,236	32,683	14,046	14,526
Current	12,625	13,175	947	920
<b>Total lease liabilities</b>	<b>42,861</b>	<b>45,858</b>	<b>14,993</b>	<b>15,446</b>

The Group's finance lease liabilities of S\$27,338,000 (31.03.2021: S\$ 29,728,000) are secured by certain plan and equipment of the Group with carrying value of S\$54,600,000 (31.03.2021: S\$54,446,000).

## 13 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 30 September 2021 and 31 March 2021.

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2021</b>	<b>31.3.2021</b>	<b>30.09.2021</b>	<b>31.3.2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Other investment	250	250	–	–
Trade and other receivables	18,732	18,596	2,425	3,989
Derivative financial instruments	15	21	–	–
Cash and cash equivalents	9,514	12,880	627	417
	<b>28,511</b>	<b>31,747</b>	<b>3,052</b>	<b>4,406</b>
<b>Financial liabilities</b>				
Trade and other payables	17,987	9,417	214	192
Loans and borrowings	13,110	13,644	1,390	3,358
Lease liabilities	42,861	45,858	14,993	15,446
Current tax liabilities	362	362	–	–
	<b>74,320</b>	<b>69,281</b>	<b>16,597</b>	<b>18,996</b>

**Accounting classifications and fair values**

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amounts			Fair value				
	Note	Loans and receivables \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>								
<b>30 September 2021</b>								
<b>Financial assets not measured at fair value</b>								
Other investment		250	–	250				
Trade and other receivables *		17,924	–	17,924				
Derivative financial instruments		15	–	15	–	15	–	15
Cash and cash equivalents		9,514	–	9,514				
		27,703	–	27,703				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables **		–	(13,922)	(13,922)	–	–	(13,206)	(13,206)
Loans and borrowings ***	11	–	(13,110)	(13,110)	–	(12,734)	–	(12,734)
Current tax liabilities		–	(362)	(362)				
		–	(27,394)	(27,394)				

	Carrying amounts			Fair value				
	Note	Loans and receivables \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group</b>								
<b>31 March 2021</b>								
<b>Financial assets not measured at fair value</b>								
Other investment		250	–	250				
Trade and other receivables *		16,992	–	16,992				
Derivative financial instruments		21	–	21	–	21	–	21
Cash and cash equivalents		12,880	–	12,880				
		30,143	–	30,143				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables **		–	(6,869)	(6,869)	–	–	(9,693)	(9,693)
Loans and borrowings ***	11	–	(13,644)	(13,644)	–	(13,388)	–	(13,388)
Current tax liabilities		–	(362)	(362)				
		–	(20,875)	(20,875)				

	Carrying amounts			Fair value				
	Note	Loans and receivables \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Company</b>								
<b>30 September 2021</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables *		2,416	–	2,416				
Cash and cash equivalents		627	–	627				
		3,043		3,043				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables **		–	(214)	(214)				
Loans and borrowings ***	11	–	(1,390)	(1,390)	–	(1,378)	–	(1,378)
		–	(1,604)	(1,604)				
<b>31 March 2021</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables *		3,971	–	3,971				
Cash and cash equivalents		417	–	417				
		4,388		4,388				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables **		–	(192)	(192)				
Loans and borrowings ***	11	–	(3,358)	(3,358)	–	(3,345)	–	(3,345)
		–	(3,550)	(3,550)				

\* Excludes prepayments and grant receivables

\*\* Excludes deposits, advances and payroll accruals

\*\*\* Excludes lease liabilities

## 14 Share capital

	<b>Group and Company</b>	
	<b>No. of</b>	<b>Issued and</b>
	<b>shares</b>	<b>paid-up share</b>
	<b>'000</b>	<b>capital</b>
		<b>\$'000</b>
<b>Ordinary Shares</b>		
As at 30 September 2021 and 31 March 2021	308,065	24,450

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 30 September 2021 and 31 March 2021 and 30 September 2020.

## 15 Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

On 30 September 2021, the Board of Directors of Hiap Tong Corporation Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) announced that:

- i) its wholly-owned indirect subsidiary, HT Ports Services Pte. Ltd. has been awarded a contract for the provision of services for Works Train Operation for MRT project for a period of 5 years, by Land Transport Authority at the contract price of SGD36,381,030.
- ii) the Company had incorporated a wholly-owned subsidiary, Hiap Tong Construction Pte. Ltd.

## **Other information required by Appendix 7C of the Catalist Rules**

### **1. Review**

The condensed consolidated statement of financial position of Hiap Tong Corporation Ltd. and its subsidiaries as at 30 September 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

### **2. Review of Group performance**

#### **Revenue**

Revenue increased by approximately S\$15.0 million or 80.9% from approximately S\$18.5 million for the six months ended 30 September 2020 (“HY2021”) to approximately S\$33.5 million for the six months ended 30 September 2021 (“HY2022”). The increase was mainly due to increase in both lifting and haulage services and port services segments with the lifting of circuit breaker and resumption of business activities.

#### Lifting and haulage services

Lifting and haulage services revenue increased by approximately S\$11.2 million or 130.2% from approximately S\$8.6 million in HY2021 to approximately S\$19.8 million in HY2022. The increase was mainly due to higher utilisation rate in the business segment upon the resumption of some operations which were suspended during the circuit breaker in HY2021.

#### Port services

Port services revenue increased by approximately S\$2.7 million or 28.4% from S\$9.5 million in HY2021 to S\$12.2 million in HY2022. The increase was mainly due to more manpower available to provide for lashing, prime mover driving as well as inter-gateway and terminal transfers of containers as compared to HY2021.

#### Trading business

Trading income increased by approximately S\$1.0 million or 200.0% from S\$0.5 million in HY2021 to approximately S\$1.5 million in HY2022. The increase in revenue from the trading business in HY2022 was attributable to the trading of new cranes which were transacted on an ad hoc basis when favourable opportunities arose.

#### **Cost of sales and gross profit/(loss)**

Cost of sales increased by approximately S\$10.2 million or 47.9% from approximately S\$21.3 million for HY2021 to approximately S\$31.5 million for HY2022, mainly due to higher labour related costs of approximately S\$7.2 million, higher crane rental expenses of approximately S\$1.1 million, higher maintenance expenses of approximately S\$0.8 million and higher fuel expenses of approximately S\$0.3 million. There was also an increase in the cost of cranes sold by approximately S\$0.8 million or 200.0% from approximately S\$0.4 million in HY2021 to approximately S\$1.2 million in HY2022 due to higher trading of cranes activities.

Gross loss of approximately S\$2.8 million (representing a gross loss margin of 15.3%) was incurred for HY2021 as compared to gross profit of approximately S\$1.9 million (representing a gross profit margin of 5.7%) for HY2022.

The gross profit margin of HY2022 was mainly contributed by the lifting and haulage segment of approximately 17.9%, mainly due to the resumption of business in Singapore as compared to the circuit breaker measures and manpower restriction implemented in HY2021 as a result of the Pandemic. However, the port services segment contributed a gross loss margin of approximately 15.1% for HY2022 as compared to a gross profit margin of 4.7% in HY2021 mainly due to a combination of higher local manpower cost, foreign manpower shortage and lower productivity as a result of port congestion.

### **Other income**

Other income decreased by approximately S\$1.4 million or 29.1% from approximately S\$4.8 million for HY2021 to approximately S\$3.4 million for HY2022, mainly due to lower government grants in relation to the Pandemic.

### **Distribution expenses**

Distribution expenses increased by approximately S\$19,000 or 48.7% from approximately S\$39,000 for HY2021 to approximately S\$58,000 for HY2022, mainly due to higher entertainment expenses of approximately S\$27,000 which was partially offset by lower advertisement expenses of approximately S\$6,000 and lower commission expenses of approximately S\$2,000.

### **Administrative expenses**

Administrative expenses increased by approximately S\$0.6 million or 17.0% from approximately S\$3.6 million for HY2021 to approximately S\$4.2 million for HY2022. The increase was mainly due to higher foreign workers levy for the lifting and haulage segment of approximately S\$0.3 million due to the absence of waiver and lower rebate in foreign workers levy provided by the Singapore government in HY2021. There was also an increase in insurance expense of approximately S\$0.1 million as well as salary and related cost of approximately S\$0.2 million.

### **Other expenses**

Other expenses increased by approximately S\$0.3 million or 1642.1% from approximately S\$19,000 for HY2021 to approximately S\$0.3 million for HY2022, mainly due to higher food catering cost relating to the port services business.

### **Net Finance costs**

Net finance costs decreased by approximately S\$75,000 or 7.9% from approximately S\$948,000 for HY2021 to approximately S\$873,000 million for HY2022. The decrease was mainly due to lower interest expenses as a result of lower interest charged on loans and borrowings and lease liabilities.

## **Income tax**

There was no provision of income tax expenses due to the loss position for HY2021. In HY2022, income tax expense was approximately S\$84,000.

## **Loss for the period**

The group incurred a net loss of approximately S\$0.2 million for HY2022 as a result of the reasons explained in the preceding paragraphs.

## **Review of Financial Position**

### **Non-Current Assets**

The Group's non-current assets as at 30 September 2021 amounted to approximately S\$134.2 million or 82.6% of total assets of approximately S\$162.5 million. The increase in non-current assets of approximately S\$6.8 million or 5.4% compared to as at 31 March 2021 was due to addition of new equipment such as cranes, prime mover, trailer and right-of-use assets of approximately S\$ 13.6 million which was partially offset by depreciation charge of approximately S\$6.8 million.

### **Current Assets**

As at 30 September 2021, the Group's current assets amounted to approximately S\$28.3 million or 17.4% of total assets of approximately S\$162.5 million.

The decrease in current assets of approximately S\$3.2 million or 10.3% compared to as at 31 March 2021 was mainly due to a decrease in cash and cash equivalents of approximately S\$3.3 million. This was partly offset by an increase in trade and other receivables of approximately S\$0.1 million.

### **Non-Current Liabilities**

As at 30 September 2021, the Group's non-current liabilities amounted to approximately S\$50.3 million or 59.4% of total liabilities of approximately S\$84.7 million. The decrease in non-current liabilities of approximately S\$0.8 million or 1.5% compared to as at 31 March 2021 was mainly due to a decrease in lease liabilities of approximately S\$2.4 million and this was partly offset by an increase in loans and borrowings of approximately S\$1.6 million due to reclassification of borrowings which are due for more than 12 months to non-current liabilities.

### **Current Liabilities**

As at 30 September 2021, the Group's current liabilities amounted to approximately S\$34.4 million 40.6% of total liabilities of approximately S\$84.7 million. The increase in current liabilities of approximately S\$4.6 million or 15.4% compared to as at 31 March 2021 was due to an increase in trade and other payables of approximately S\$8.6 million of which approximately

S\$7.6 million is related to crane purchases. This was partly offset by a decrease in loans and borrowings of approximately S\$2.1 million due to repayment of short-term loan and property loan, decrease in deferred revenue of approximately S\$1.3 million and decrease in lease liabilities of approximately S\$0.6 million.

The Group's net current liabilities as at 30 September 2021 amounted to approximately S\$6.2 million. The net current liabilities will be reduced upon conversion of approximately S\$7.6 million of current trade payable relating to the purchase of cranes to hire purchase financing when it is due. The Board confirms that it has sufficient financial resources to meet its short-term debt obligations when they fall due.

### **Review of Cash flow Statement**

The Group's net cash from operating activities for HY2022 increased by approximately S\$0.2 million as compared to HY2021 mainly due to higher operating profit before working capital changes of approximately S\$2.1 million. This was partly offset by a higher net working capital outflow of approximately S\$1.9million.

The Group's net cash used in investing activities for HY2022 increased by approximately S\$1.1 million as compared to HY2021. This was mainly due to an increase in acquisition of property, plant and equipment of approximately S\$0.6 million and a decrease in proceeds from sale of property, plant and equipment of approximately S\$0.5 million

The Group's net cash used in financing activities for HY2022 increased by approximately S\$5.8 million compared to HY2021. This was mainly due to a decrease in proceeds from loans and borrowings of approximately S\$4.7 million and an increase in repayment of lease liabilities, loans and borrowings of approximately S\$1.1 million.

### **3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The commentary stated in paragraph 10 of the previous result announcement for the financial year ended 31 March 2021 dated 29 May 2021, mentioned that the Port Services business was considered an essential service in Singapore, and that the Group expected the segment to be minimally impacted from the COVID-19 Pandemic.

However, events like the Suez canal blockage and manpower shortage due to COVID-19 Pandemic at global ports subsequently caused a worldwide congestion including the Singapore port. Borders closure in Singapore aggravated the problem with a net outflow of foreign manpower and increased local manpower cost. The result of the above impact causes a gross loss margin of 15.1% in HY2022 for the Port Services segment as compared to a gross profit margin of 4.7% in HY2021.

### **4. 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 auditor.

**5. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).**

Not applicable. The figures have not been audited or reviewed by the Company's auditor.

**6. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -**

Not applicable. The Group's latest financial statements for the financial year ended 31 March 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

	Group	
	6 months ended	
	30 September 2021	30 September 2020
Loss attributable to the owners of the Group (S\$)	(211,815)	(2,597,034)
Weighted average number of ordinary shares in issue	308,065,282	308,065,282
Basic and fully diluted loss per share (cents)	(0.07)	(0.84)

**8. 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.**

Although there is a gradual opening of the international borders and the easing of approval in allowing more foreign workers to enter Singapore, the Pandemic continues to bring economic uncertainty to the lifting and haulage services segment in Singapore. The business outlook for the next 6 to 12 months in Singapore is expected to be challenging and the Group will continue to remain cautious and prudent.

Likewise, the outlook of the business environment in Malaysia continues to be uncertain although the COVID-19 cases are declining and the Malaysia government has the intention to re-open its borders. In the current Pandemic situation, the Group has scaled down its operation in Malaysia with the redeployment of some equipment from Malaysia back to Singapore. The Group will continue to remain vigilant in its investment and operation in the lifting and haulage business in Malaysia.

We expect the port services segment will continue to be impacted by the global supply chain issue. The Group will work closely with our port customer to address productivity, manpower bottleneck and other costing issues.

## **9. Dividend information**

**If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

Nil

**(b) (i) Amount per share (cents)  
(Optional) Rate (%)**

Not applicable.

**(b) (ii) Previous corresponding period (cents)  
(Optional) Rate (%)**

Not applicable.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

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

Not applicable.

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

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

**11. 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. There were no IPTs of S\$100,000 and above being entered into by the Group during HY2022.

**12. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

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

**13. Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual**

On behalf of the Board of the Company, we, the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim financial statements of the Company and the Group for the half year ended 30 September 2021 to be false or misleading in any material aspect.

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

During the half year ended 30 September 2021, the Company incorporated a wholly owned subsidiary, Hiap Tong Construction Pte. Ltd. For details, please refer to the Company's announcement made on 30 September 2021.

**BY ORDER OF THE BOARD**

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

**Ong Boon Tat**  
**Executive Director**

**11 November 2021**

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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