HIAP TONG
协通企业

Lifting for Better Prospects

Annual Report 2011

01 Corporate Profile
02 Our Business
04 Chairman's Message
06 Milestones
07 Financial Highlights
08 Board of Directors & Senior Management
10 Group Structure
11 Corporate Information
12 Corporate Governance Report & Financial Contents

Contents

Corporate Profile

Established since 1978, Hiap Tong Corporation Ltd. is a leading provider of hydraulic lifting and haulage services to the marine, petrochemical and construction industries in Singapore.

From a single 10 tonne mobile crane in 1980, the Group has expanded its combined lifting and haulage fleet size to an aggregate of 241 vehicles as at 31 March 2011, consisting of 113 cranes (with lifting capacities ranging from 10 to 1200 tonnes) and 128 units of haulage equipment.

Hiap Tong offers the largest range of lifting capabilities in the hydraulic mobile crane category and is the only Singapore Group to-date with the ability to provide mobile lifting services with lifting capacities of up to 1200 tonnes. Our current lifting capabilities of up to 1200 tonnes allow us to undertake specialised lifting jobs.

We pride ourselves as an integrated one-stop service provider, offering a complete solution to customers from lifting services, with our extensive fleet of mobile cranes, to transportation services, with our haulage fleet.

With an established customer base of more than 200 customers, some of our notable customers include business units and affiliates of SembCorp Industries 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 Bachy Solentanche Singapore Pte. Ltd., Dyna-mac Engineering Services Pte Ltd and Rotary Engineering Ltd in the construction industry. With our strong track record, business reputation and superior quality services, many of our major customers are repeat customers who have been doing business with us for more than 10 years.

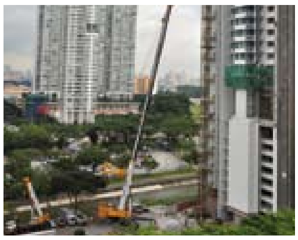
Our Industries

We service a large and diverse customer base, mainly from the marine, petrochemical and construction industries. We have also started with the renewable energy industry in the current financial year.

Marine

Petrochemical

Construction



Renewable energy

Scope of business

Marine

- Conversion and repairs of vessels
- Lifting cranes and equipment onto vessels
- Construction and lifting of large containers

Petrochemical

- Construction of plants and refineries
- Maintenance of plants and refineries
- Boiler maintenance
- Lifting of steel structures and parts

Construction

- Lifting of pre-cast slabs, steel fittings and beams in construction works

Renewable energy

- Installation and maintenance of windmills

Our Business

1. Leasing of cranes and haulage equipment

Our focus has always been primarily on the provision of leasing services. As part of our total lifting and haulage solutions service, we provide on-site consultation and inspection services.

Rough Terrain Crane

Mobile Truck Crane

Crawler Crane

All Terrain Crane

Telescopic Crawler Crane

Mobile Tower Crane

Our Lifting Fleet

- Our lifting fleet totals 113 cranes as at 31 March 2011, which comprises rough terrain cranes, mobile truck cranes, all terrain cranes, telescopic crawler cranes, and mobile tower crane
- Our current lifting capabilities range from 10 to 1200 tonnes, allowing us to undertake specialised lifting jobs requiring heavy lifting beyond the capability of most conventional cranes commonly found in the market

Our Business

2. Trading of cranes and haulage equipment

Our trading activities are opportunistic. There are no trading activities in both current and previous financial year.

Trailer

Lorry Crane

Prime Mover

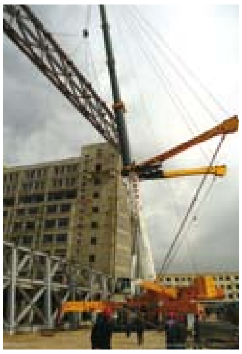
Cometto Trailer

Our Haulage Fleet

- Our haulage fleet totals 128 units as at 31 March 2011, which comprises trailers, prime movers and lorry cranes capable of lifting between 10 tonnes to 75 tonnes, as well as Cometto trailers
- Our haulage fleet is often employed for transportation of accessories for heavy cranes and provides support services for our lifting business. Our haulage services enable large cranes to be disassembled and their components transported in parts to job sites

Chairman's Message





Dear Shareholders

On behalf of the Board of Directors, I am pleased to present to you our annual report for the financial year ended 31 March 2011 ("FY2011") which covers a 15-month period from 1 January 2010 to 31 March 2011.

Overall, FY2011 has been a challenging year for Hiap Tong Corporation Ltd. (the "Group"). Our industry remains competitive with the oversupply of mobile cranes in Singapore after the completion of mega projects such as the two Integrated Resorts. Like our competitors, we were not spared from the industry-wide trend of lowering rental rates, which had a significant impact on the Group's operating performance.

Financial Review

With the change of financial year from 31 December to 31 March, the current financial year covers a 15-month period ("FY2011") whereas the previous financial year covered a 12-month period ("FY2009").

During the year, revenue decreased by approximately $3.7 million or 9.8% from approximately $37.5 million in FY2009 to approximately $33.8 million in FY2011. The decrease was mainly attributed to a decline in our leasing income during the period.

Although the current financial year covers a 15-month period, which is longer than the previous financial year of 12-month period, the leasing income during the 15 months ended 31 March 2011 is still lower than the previous year. This is mainly due to lower rental rates experienced as a result of more competitive environment from an oversupply of cranes in the market as well as lower utilization rate of our leasing equipment in FY2011 as compared to FY2009.

There was no trading income in both FY2011 and FY2009 due to a lack of demand in the market.

Gross profit decreased by $8.2 million or 42.5% from $19.2 million (representing a gross profit margin of 51.1%) in FY2009

Chairman's Message

to $11.0 million (representing a gross profit margin of 32.5%) in FY2011. The decrease in gross profit was mainly due to lower rental rates, higher depreciation expenses and higher operating costs.

On an operating level, the Group's distribution expenses increased by approximately $85,000 or 54.8% from approximately $155,000 in FY2009 to approximately $240,000 in FY2011, mainly due to an increase in entertainment expenses to source for new customers both locally and overseas. Administrative expenses increased by approximately $1.6 million or 38.1% from $4.2 million in FY2009 to $5.8 million in FY2011. Generally, administrative expense for FY2011 is higher as it covers a 15-month period, whereas FY2009 only covered a 12-month period.

Factoring in net financial expenses of about $1.7 million, the Group's net profit after tax for the year decreased by $8.3 million or 64.3% from $12.9 million in FY2009 to $4.6 million in FY2011.

Earnings per share declined from 6.04 cents in FY2009 to 2.0 cents in FY2011, whereas net asset value per share increases from 19.84 cents as at 31 December 2009 to 21.68 cents as at 31 March 2011.

Business Review

Singapore operation

Our Singapore operation went through a challenging year with the whole industry facing an oversupply of cranes which led to a decline in rental rates that affect our gross profit margin significantly.

In view of the prevailing market situation, besides focusing to remain competitive in the Singapore market, the Group will also be redeploying any underutilized equipment in the Singapore office to potential overseas markets.

Overseas expansion

FY 2011 marked an important milestone in our business as the Group started our business operation in China.

China

In China, our 80% owned subsidiary, Inner Mongolia Hiap Tong An Da Heavy Lift Co., Ltd started its operation in the 4th quarter of 2010 after taking delivery of a 1200-tonne mobile crane during the year.

Operationally, the subsidiary which is at its start up phase had incurred losses in FY2011 mainly due to its depreciation and finance expenses.

India and others

During the year, the Group incorporated a 100% owned subsidiary, HT Infrastructure Private Limited, in India. This is mainly in anticipation of potential projects from our existing and well established customers in Singapore who had ventured into India.

In 2011, the Group also incorporated a 100% owned subsidiary, Hiap Tong Crane & Transport Sdn. Bhd. in Malaysia. The subsidiary will be providing heavy lifting equipment for projects in Malaysia.

Outlook and strategy

Looking ahead into the new financial year, the business environment for our industry in Singapore is likely to remain highly competitive. Nevertheless, the Group expects that the oversupply of crane situation in Singapore to improve gradually in the second half of 2011. As such, the Group will continue to focus on its core business in Singapore and to remain competitive.

At the same time, the Group's expansion into China, India and Malaysia will provide the group with an opportunity for accelerated growth if it is successful in capturing the overseas markets. We will support our major customers who are venturing overseas with our equipment and expertise, as well as to explore other overseas opportunities with good potential returns.

Note of Appreciation

Lastly, I would like to take this opportunity to thank my fellow directors, management team and employees for their commitment and contribution to the Group. I would also like to thank our customers, business associates and shareholders who have supported us and maintained their confidence in the Group. With your support and confidence, we will continue to strive even harder for better results in the new financial year.

Mr Ong Teck Meng
Executive Chairman and Chief Executive Officer

Milestones

2009

Listed on the Catalist Board of the SGX-ST.
As at 31 December 2009, we have expanded our combined lifting fleet and haulage fleet size to an aggregate of 230 vehicles.

1991

Started our haulage service business with out first prime mover and trailer.

1978

Hiap Tong Trading was established with the primary business of trading and renting commercial vehicles, such as pick-up trucks and passenger vehicles.

2002

Seized the opportunity to purchase more cranes from Japan, increasing our fleet size to over 50 cranes.

1980

Ventured into the provision of crane rental services with a single 10-tonne mobile crane.

2010 / 2011

Took delivery of our first 1200 tonne mobile crane.
Incorporated a subsidiary which started its mobile lifting operation in China.
Incorporated a subsidiary in India and Malaysia.

2003

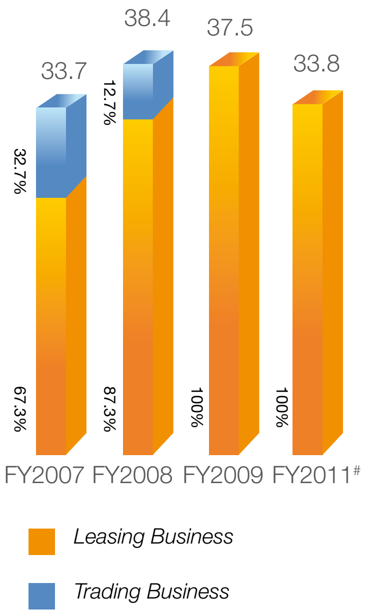
Received the ISO 9001:2000 Certification by the International Organisation for Standardisation.

1984

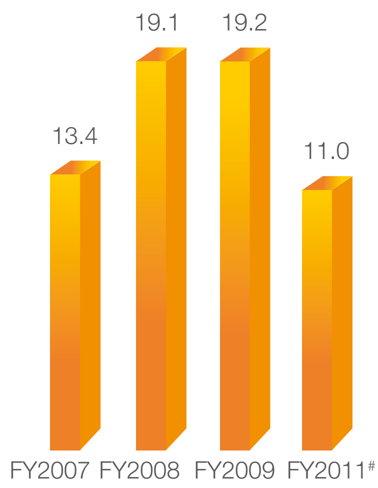
Took delivery of our first 90-tonne mobile crane, which was then the largest mobile crane of its kind in Singapore.

Financial Highlights

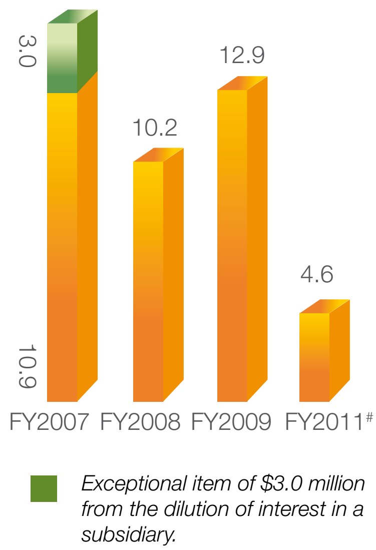
Revenue ($'m)



Gross Profit ($'m)



Net Profit ($'m)



$'000	FY2007	FY2008	FY2009	FY2011#
Revenue	33,654	38,421	37,514	33,832
Cost of sales	(20,296)	(19,366)	(18,336)	(22,813)
Gross profit	13,358	19,055	19,178	11,019
Other income	6,619	981	919	1,272
Distribution expenses	(345)	(195)	(155)	(240)
Administrative expenses	(2,122)	(3,797)	(4,190)	(5,844)
Other expenses	-	-	(17)	-
Net finance expense	(1,365)	(3,815)	(1,249)	(1,660)
Profit before income tax*	16,145	12,229	14,486	4,547
Income tax credit/(expense)	(2,271)	(2,026)	(1,614)	52
Net profit for the period/year	13,874	10,203	12,872	4,599

** Excluding "Other income", the profit before income tax for FY2007, FY2008, FY2009 and FY2011 were $9.5 million, $11.2 million, $13.6 million and $3.3 million respectively.*

 # FY2011 is for a 15-month period from 1 January 2010 to 31 March 2011.

Board of Directors & Senior Management

Mr Ong Teck Meng
Executive Chairman and Chief Executive Officer

As the Executive Chairman, Chief Executive Officer and the founder, Mr Ong Teck Meng is responsible for managing the Group's overall business development.

Mr Ong has been the managing director of Hiap Tong Trading since 1978 and has 32 years of experience in the crane industry. He established Hiap Tong Trading in 1978 to engage in the business of trading and renting commercial vehicles. Under his leadership, the Group has developed from a small commercial vehicle leasing and trading company to a small crane leasing company with a single crane, and has now emerged as a leading integrated lifting and haulage solutions provider in Singapore.

Mr Ong received primary school level education and was appointed to the Board on 8 January 2008.

Mr Ong Boon Tat Alvin
Executive Director

Mr Ong Boon Tat Alvin assists the Chief Executive Officer in the day-to-day management of the Group, as well as managing the Group's strategic planning functions.

Mr Ong has more than six years' experience in the crane industry. From 2002 to 2004, he was a manager at Hiap Tong Crane and was responsible for its accounts and payroll. In 2005, he joined Kim Eng Securities Pte Ltd as a dealer involved in retail and institutional dealing. In mid-2007, Mr Ong returned to Hiap Tong Crane as a director in charge of corporate finance and the operations of the company.

Mr Ong graduated from the National University of Singapore in 2002 with a Bachelor of Arts degree, majoring in Economics and Statistics, and was appointed to the Board on 8 January 2008.

Mr Ong Lim San
Executive Director

With extensive technical experience in the crane industry, Mr Ong Lim San oversees the technical aspects and manages the maintenance department of the Group, which involves all maintenance, repair and reconditioning works done on our lifting and haulage fleets.

Mr Ong joined the Group in 1978, and was appointed as a director of Hiap Tong Trading and Hiap Tong Crane in 1980 and 1988 respectively.

Mr Ong graduated from Singapore Polytechnic with a certificate in Mechanical Draughting in 1974, and was appointed to the Board on 6 October 2008.

Mr Ng Eng Joo
Executive Director

Together with the CEO, Mr Ng Eng Joo is jointly responsible for overseeing the Group's trading business. With 12 years of experience in the crane industry under his belt, he is also in charge of managing the deployment of the Group's resources for our leasing business.

Mr Ng joined Hiap Tong in 1998 and has held various positions in the administration, as well as sales and trading functions. He had also worked in the Finance and Insurance industry sector between 1993 to 1998.

Mr Ng holds a diploma in Business Studies from Ngee Ann Polytechnic in 1993, and was appointed to the Board on 6 October 2008.

Mr Yong Yean Chau
Lead Independent Director

Mr Yong Yean Chau currently serves as the Chief Executive Officer and Executive Director of Parkway Trust Management Limited, the manager of Parkway Life REIT.

Mr Yong began his career as an auditor with Arthur Anderson in 1992. Since then, he has worked for the Housing Development Board, Beijing ISS International School, Ascendas Pte Ltd, and Singapore Tourism Board ("STB") prior to his current appointment. During his tenure with Ascendas Pte Ltd, he was seconded to China-Singapore Suzhou Development Private Limited and Singapore-Suzhou Township Development Private Limited as the Chief Financial Officer, in Suzhou, China, before being promoted to Chief Financial Officer of Ascendas Pte Ltd. While at STB, Mr Yong was the Chief Financial Officer and was responsible for oversight of the Finance Department, Information System Department, Administration Department and Legal Department.

Mr Yong graduated from the National University of Singapore in 1992 with a Bachelor of Accountancy (Honours), and was conferred a Fellow Certified Public Accountant (FCPA) by the Institute of Certified Public Accountants of Singapore (ICPAS). He also completed the Advanced Management Programme with Harvard Business School.

Mr Yong was appointed to the Board on 6 October 2008.

Board of Directors & Senior Management

Mr Tan Eng Ann
Independent Director

Mr Tan Eng Ann is currently the Executive Director and Chief Financial Officer of R H Energy Ltd, a publicly-listed company in Singapore.

Mr Tan began his career in 1992 as an audit assistant with Ernst & Young. He has over 17 years of experience in the financial field, having held managerial positions with Yamaichi Merchant Bank, AIB Govett (Asia) Ltd and Standard Chartered Bank and held Chief Financial Officer positions with Beijing Concept Holdings Pte Ltd and Technics Oil & Gas Limited.

He is a qualified Chartered Financial Analyst of the Association for Investment Management and Research (USA) and a Fellow Member of the Institute of Certified Public Accountant of Singapore. He holds a Bachelor of Accountancy (Honours) degree from Nanyang Technological University.

Mr Tan was appointed to the Board on 10 November 2009.

Mr Ng Sey Ming
Independent Director

Mr Ng Sey Ming is a practising Advocate and Solicitor of the Supreme Court of Singapore. Mr Ng was called to the Singapore Bar in 2000. In 2007, he was admitted as a Solicitor of England and Wales. In the same year, he was also admitted as an Advocate and Solicitor of the High Court of Malaya.

Mr Ng is currently a partner in the Banking and Finance Practice Group in Rajah & Tann LLP, which he joined as a pupil in 1999. He is also a director of XMH Holdings Ltd. He holds a Bachelor of Laws (Honours) degree from the National University of Singapore

Mr Ng was appointed to the Board on 6 October 2008.

Senior Management

Mr Sukhmunder Singh s/o Jugjit Singh
General Manager

Mr Sukhmunder Singh s/o Jugjit Singh is responsible for advising the Group's customers on the technical and sales aspects of our leasing business. He is also in charge of the on-site deployment of the Group's vehicles.

Mr Singh started work as a crane operator in 1981, and worked for various construction and logistics companies until 1994. In 1994, Mr Singh joined Neo Corporation Pte Ltd as a plant supervisor, where he stayed till 1997. He then joined Chin Guan Transport & Warehousing Pte Ltd as a heavy lift supervisor. Mr Singh was engaged by Mammoet (S) Pte Ltd as a crane operator in 2000.

He joined our Group in 2002 and held various positions, such as heavy lift supervisor and sales manager, and was eventually appointed as our General Manager in June 2008. In November 2009, Mr Singh completed the Specialist Diploma in Safety and Risk Management Programme with Global School of Technology and Management. The Diploma was awarded by the Universiti Teknologi Malaysia.

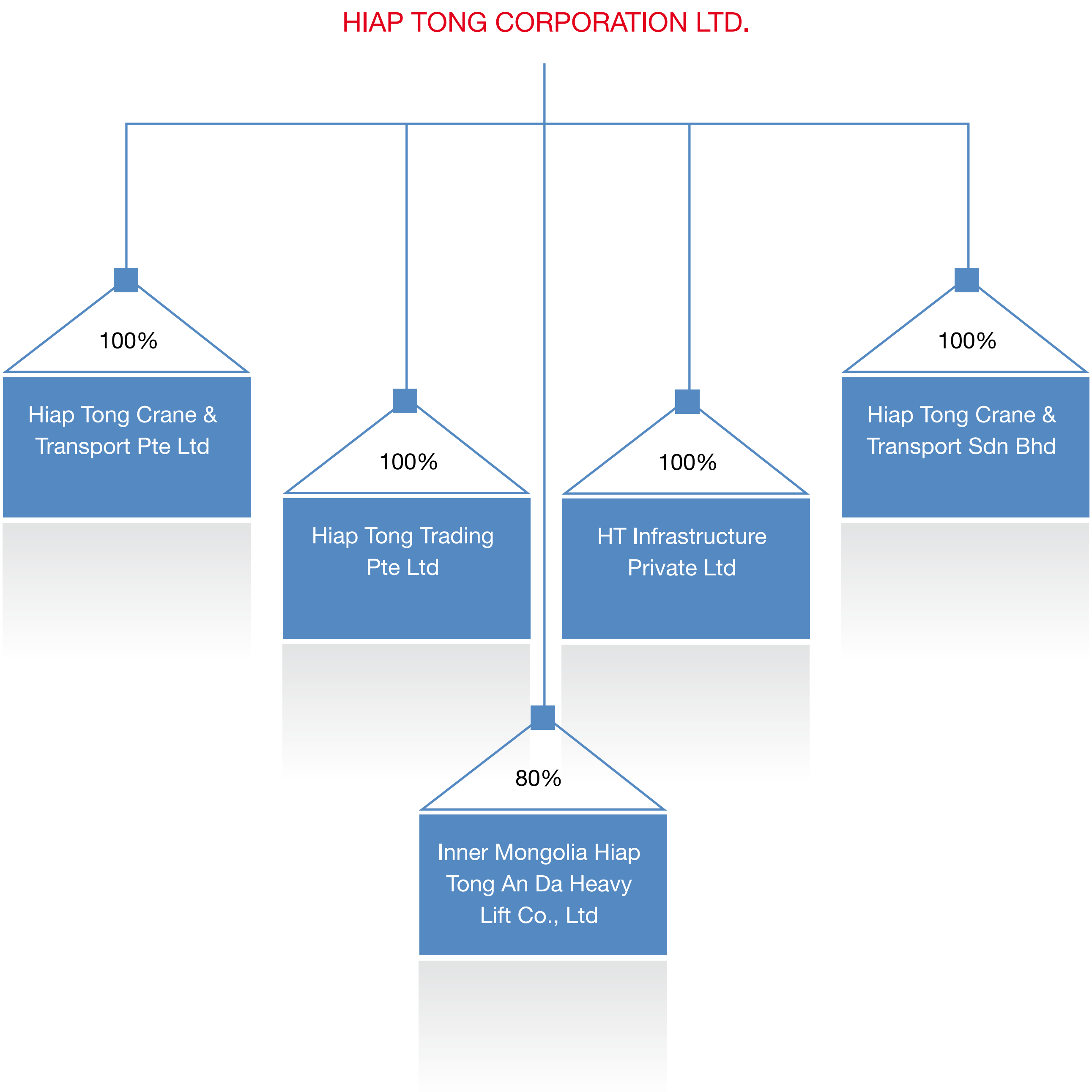
Mr Loh Boon Wah
Group Financial Controller

Mr Loh Boon Wah joined the Group in October 2008 as a Senior Finance Manager and was subsequently promoted to the position of Group Financial Controller in 2010. He oversees the financial and accounting aspects of the Group. Mr Loh has more than 15 years of accounting and financial management experience.

Mr Loh joined KPMG Peat Marwick as an Audit Assistant In 1994 and subsequently joined Keppel Land Limited as an Accountant in 1996. He then went on to be the Finance Manager of I.R.E. Corporation Limited in 2001, and of A & P Maintenance Services Pte Ltd in 2003. In 2004, he joined Friven & Co Ltd as their Finance Manager until 2007, during which he was promoted to be the Financial Controller. He then went on to become the Group Financial Controller of TTL Holdings Limited and was working as the Financial Controller of Guangzhao Industrial Forest Biotechnology Group Limited before he joined the Group.

Mr Loh obtained his Bachelor of Accountancy degree from the Nanyang Technological University of Singapore in 1993. He has been a member of the Institute of Certified Public Accountants of Singapore (ICPAS) since 1996.

Group Structure



Corporate Information

Board of Directors
Mr Ong Teck Meng
(Executive Chairman and Chief Executive Officer)
Mr Ong Boon Tat Alvin
(Executive Director)
Mr Ong Lim San
(Executive Director)
Mr Ng Eng Joo
(Executive Director)
Mr Yong Yean Chau
(Lead Independent Director)
Mr Tan Eng Ann
(Independent Director)
Mr Ng Sey Ming
(Independent Director)

Audit Committee
Mr Yong Yean Chau (Chairman)
Mr Tan Eng Ann
Mr Ng Sey Ming

Nominating Committee
Mr Ng Sey Ming (Chairman)
Mr Ong Boon Tat Alvin
Mr Tan Eng Ann
Mr Yong Yean Chau

Remuneration Committee
Mr Tan Eng Ann (Chairman)
Mr Yong Yean Chau
Mr Ng Sey Ming

Joint Company Secretaries
Ms Teo Mui Hwang, ACIS
Mr Loh Boon Wah, CPA

Registered Office
180 Pandan Loop
Singapore 128371

Sponsor
CIMB Bank Berhad, Singapore Branch
50 Raffles Place #09-01
Singapore Land Tower
Singapore 048623
Telephone: (65) 6337 5115
Contact Person: Yee Chia Hsing/Benjamin Choy

Principal Bankers
United Overseas Bank Limited
DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited

Share Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623

Auditors
KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner-in-Charge: Tan Huay Lim
(since financial year ended 31 December 2006)



13 Corporate Covernance Report
20 Directors' Report
23 Statement by Directors
24 Independent Auditors' Report
25 Statement of Financial Position
26 Consolidated Income Statement
27 Consolidated Statement of Comprehensive Income
28 Consolidated Statement of Changes in Equity
29 Consolidated Statement of Cash Flows
30 Notes to the Financial Statements
60 Statistics of Shareholdings
62 Notice of Annual General Meeting
Proxy Form

Corporate Governance Report & Financial Contents

The Board of Directors (the "Board") of Hiap Tong Corporation Ltd. and its subsidiaries (the "Group") are committed to achieving high standards of corporate governance within the Group and to put in place effective self-regulatory corporate practices to ensure greater transparency, protecting the interests of its shareholders as well as strengthening investors' confidence in its management and financial reporting.

The Board is pleased to report to our Shareholders on the manner in which it has applied the principles of good governance and the extent to which it has complied with the best practices set out in the Singapore Code of Corporate Governance 2005 ("the Code"). These principles and best practices have been applied and are regularly reviewed to ensure transparency and accountability.

BOARD MATTERS

Principle 1: Board's Conduct of Affairs

The Board has the overall responsibility for corporate governance, strategic direction and overseeing the investments of the Company. Apart from its fiduciary duties and statutory responsibilities, the principal functions of the Board are to:

⌘ guide the corporate strategy and direction of the Group, including decisions on strategic directions and guidelines and the approval of major funding, investments and divestments;

⌘ oversee the business and affairs of the Group, establish with the managements, the strategies and financial objectives to be implemented by the management, and monitor their performance;

⌘ oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance; and

⌘ approve the nomination of new directors and appointment of key management personnel

The Board plans to meet at least four times a year, with additional meetings where necessary to deliberate on specific issues including: listing application, significant transactions, investments and disposals, the annual budget, review of performance of the Group and approval of the half year and year-end results.

During the financial period from 1 January 2010 to 31 March 2011, the members of the Board and their attendance at the meetings are disclosed below:

Name of Directors	No. of meetings attended
Ong Teck Meng	6 out of 6
Ong Boon Tat Alvin	6 out of 6
Ong Lim San	6 out of 6
Ng Eng Joo	6 out of 6
Yong Yean Chau	6 out of 6
Ng Sey Ming	6 out of 6
Tan Eng Ann	6 out of 6

All Directors are provided with the agenda and a set of Board papers prior to Board meeting. These are issued in sufficient time to enable the Directors to better understand the matters to be discussed and to have sufficient time to obtain further explanations where necessary to ensure that they are adequately informed for the Board meeting. The Company fully recognizes that the continuous flow of relevant information on an accurate and timely basis is critical for the Board to be effective in discharging its duties.

The Articles of Association of the Company provides for directors to convene any Board meeting by teleconferencing. Where a physical Board meeting is not possible, timely communication with members of the Board is effected through electronic means, which include electronic mail and teleconferencing. In the event that any person is appointed as a director, he will be given briefings by the management on the business activities and the strategic directions of the Group.

The Board is supported by three Board committees with specific terms of reference. These committees are the Audit Committee, Nominating Committee and Remuneration Committee. All Board committees have written terms of reference.

Principle 2: Board Composition and Balance

The current Board has seven members comprising three independent non-executive and four executive directors. More than one-third of our directors are non-executive directors and are independent of the management. The three independent non-executive directors are Mr Yong Yean Chau, Mr Ng Sey Ming and Mr Tan Eng Ann. Mr Yong Yean Chau is our Lead Independent Director, who is the contact person for our Shareholders in situations where there are concerns or issues which communication with our Executive Chairman and Chief Executive Officer, and Group Financial Controller have failed to resolve or where such communication is inappropriate.

Independent Directors contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. When challenging Management proposals or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities.

The independence of each Director is reviewed annually by the Nominating Committee and it is of the view that the current Board has an independent element ensuring objectivity in the exercise of judgement on corporate affairs independently from the management. The Nominating Committee is also of the view that no individual or small group of individuals dominates the Board's decision making process.

A brief profile of each director is set out on page 8 in the Annual Report.

Principle 3: Chairman and Chief Executive Officer

Mr Ong Teck Meng, the founder and Chief Executive Officer of the Group, also assumes the role of Chairman of the Board. The Board is mindful of the dual roles held but is of the view that there are sufficient experienced and independent-minded directors on the Board to provide the necessary check and balance. Further, the dual roles have to a certain extent been balanced by the presence of the other executive directors.

The Chairman ensures that board meetings are held when necessary and sets the meeting agenda in consultation with the other executive directors. He and the executive directors review the Board papers before they are presented to the Board and ensure that Board members are provided with adequate and timely information. He also assists to ensure that the Company complies with the Code.

All major decisions made by the Chairman are reviewed by the Audit Committee. The Nominating Committee reviews his performance and appointment to the Board and the Remuneration Committee reviews his remuneration package periodically. Both the Nominating Committee and Remuneration Committee comprise a majority of Independent Directors of the Company. As such, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

Principles 4 & 5: Board Membership and Performance

Our Nominating Committee comprises Mr Ng Sey Ming, Mr Yong Yean Chau, Mr Tan Eng Ann and Mr Ong Boon Tat Alvin, with Mr Ng Sey Ming as chairman. Our Nominating Committee will be responsible for the re-nomination of our Directors having regard to each Director's contribution and performance; determining annually whether or not a Director is independent; and deciding whether or not a Director is able to and has been adequately carrying out his duties as a director.

Article 91 of the Articles of Association requires one-third of the directors to retire and subject themselves to re-election by shareholders at every annual general meeting ("AGM"). The directors must submit themselves for re-nomination and re-election at regular interval of at least once every three years. In addition, Article 97 requires that a newly appointed director will submit himself for retirement and re-election at the AGM immediately following his appointment. Thereafter, he is subject to retirement by rotation once every three years.

The directors standing for re-election at the forthcoming AGM under Article 91 are Mr Yong Yean Chau and Mr Ng Sey Ming. The Nominating Committee recommends their re-election, after assessing their contribution and performance (including attendance, preparedness, participation and candour).

Our Nominating Committee will, subject to the approval of our Board, decide how our Board's performance is to be evaluated and propose objective performance criteria which address how our Board has enhanced long-term Shareholder value. Our Board will also implement a process to be carried out by our Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution by each individual Director to the effectiveness of our Board. Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director.

The Nominating Committee is of the opinion that the Board has been effective due to the active participation of every Board member during each meeting.

Principle 6: Access to Information

To enable the Board to fulfill its responsibilities, management provides the board members with quarterly management accounts and other financial statements within 30 days after the end of each quarter. In addition, the directors are provided with half-yearly reports on the Group's activities and performance. Board members have separate and independent access to senior management and the company secretary at all times. Board member may also obtain independent professional advice in furtherance of their duties, at the Company's expense. No such advice was sought by any Board Member during FY2011.

The company secretary attended all Board meetings and Board committee meetings. The company secretary is responsible to ensure that board procedures are followed and is also responsible for ensuring that the Company complies with the requirements of the Companies Act, the Code and other rules and regulations, which are applicable to the Company.
Please refer to the "Corporate Information" section of the annual report for the composition of the Company's Board of Directors and Board committees.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

Our Remuneration Committee comprises three independent non-executive directors, namely, Mr Tan Eng Ann, Mr Yong Yean Chau and Mr Ng Sey Ming, with Mr Tan Eng Ann as chairman. Our Remuneration Committee recommends to our Board a remuneration framework for our Directors and Executive Officers and determines specific remuneration packages for each Executive Director and Executive Officer. The recommendations of our Remuneration Committee will be submitted for endorsement by the Board.

Principle 8: Level and Mix of Remuneration

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind will be considered by our Remuneration Committee. Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his own remuneration package.

Principle 9: Disclosure of Remuneration

The level and mix of remuneration (in percentage terms) for the Directors for the financial period ended 31 March 2011 are set out below:

Directors' Remuneration

Remuneration band and Name of Director	Base Salary	Variable Bonus	Director's Fees*	Total Remuneration
$250,000 to $500,000				
Ong Teck Meng***	87.8%	12.2%	–	100%
Below $250,000				
Ong Boon Tat Alvin***	87.4%	12.6%	–	100%
Ong Lim San***	87.2%	12.8%	–	100%
Patrick Ng***	87.0%	13.0%	–	100%
Yong Yean Chau**	–	–	100%	100%
Ng Sey Ming**	–	–	100%	100%
Tan Eng Ann**	–	–	100%	100%

* These fees are subject to approval by the shareholders at the AGM for the financial period ended 31 March 2011.

** Independent Directors have no service contracts and their terms are specified on the Articles of Association.

*** The Chief Executive Officer and Executive Directors have a 3-year service contract that expires on 2 December 2012.

Key Executives' Remuneration

Remuneration Band	Base Salary	Variable Bonus	Total Remuneration
Below $250,000			
Sukhmunder Singh s/o Jugjit Singh	80.8%	19.2%	100%
Loh Boon Wah	92.0%	8.0%	100%

The Group presently does not have any share schemes for our Directors or employees, and as such there were no options granted to any of our Directors or employees during the financial period ended 31 March 2011.

During the financial period ended 31 March 2011, no employees of the Company or its subsidiaries who are immediate family members of a director received remuneration exceeding $200,000.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board provides shareholders with half-yearly and annual financial results of the Group in accordance with the requirement under the Listing Manual. In presenting the Group's half-yearly and annual financial results, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance and financial position with a commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which it operates.

The management currently provides all Directors with quarterly financial summary of the Group's performance.

Principle 11: Audit Committee

Our Audit Committee comprises Mr Yong Yean Chau, Mr Ng Sey Ming and Mr Tan Eng Ann, with Mr Yong Yean Chau as chairman.

Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group. Our Audit Committee will provide a channel of communication between our Board, our management and our external auditors on matters relating to audit.

The Audit Committee held five meetings during the period from 1 January 2010 to 31 March 2011. The attendance at Audit Committee meetings were as follows:

Name of member	No. of meetings attended
Yong Yean Chau	5 out of 5
Ng Sey Ming	5 out of 5
Tan Eng Ann	5 out of 5

Our Audit Committee performs the following functions:

i. review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to our management and our management's response;

ii. review the half yearly and annual, and quarterly if applicable, financial statements and results announcements before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other relevant statutory or regulatory requirements;

iii. review the internal control procedures and ensure co-ordination between the external auditors and our management, review the assistance given by our management to the auditors, discuss problems and concerns, if any, arising from audits and any matters which the auditors may wish to discuss (in the absence of our management, where necessary);

iv. review and discuss with the external auditors any suspected fraud or irregularity, suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position and our management's response;

v. consider and evaluate the performance of the external auditors and recommend the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of auditors;

vi. review and ratify interested person transactions (if any) falling within the scope of the SGX-ST Listing Manual;

vii. review the procedures by which employees of our Group may, in confidence, report to the Chairman of the Audit Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigations and follow-up actions in relation thereto;

viii. review potential conflicts of interests (if any);

ix. undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee; and

x. generally undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual and by such amendments as may be made thereto from time to time.

Apart from the above functions, our Audit Committee will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, failure of internal controls, infringement of any law, rule or regulation which has or is likely to have a material impact on our Company's operating results or financial position. Each member of our Audit Committee will abstain from voting in respect of matters in which he is interested.

To effectively discharge its responsibilities, the Audit Committee has full access to and the co-operation of the management and full discretion to invite any director and executive to attend its meetings. It is also able to obtain external professional advice, if necessary. Full resources have been made available to the Audit Committee to enable it to discharge its function properly.

The Group has put in place a Whistle Blowing Policy ("the Policy") which provides a channel for employees and other parties to report in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The Policy is to assist the Audit Committee in managing allegations of fraud or other misconduct which may be made, so that;

- investigations are carried out in an appropriate and timely manner;
- administrative, disciplinary and civil actions that are initiated following the completion of the investigations, are appropriate and fair; and
- actions are taken to correct the weakness in the existing system of internal processes which allowed the perpetration of the fraud and/or misconduct and to prevent recurrence.

The Audit Committee has considered the non-audit services provided by the external auditors, and is satisfied that the nature and extent of such services will not prejudice the independence of the external auditors. It is satisfied with the independence and objectivity of the external auditors and recommends to the Board, the nomination of KPMG LLP for reappointment as the external auditors.

Principle 12: Internal Controls

The Board is responsible for maintaining a sound system of internal controls, covering not only financial controls but also operational and compliance controls including risk management to safeguard shareholders' investments and the Group's assets. The Board is continuously reviewing the adequacy of the Group's system of internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The Board and the Audit Committee are informed of all control issues pertaining internal control and regulatory compliance.

Based on the internal and external audit reports, as well as the management controls already in place, the Board and the Audit Committee are satisfied that there are adequate internal controls in the Group.

Our Audit Committee will, for a period of at least two years after our admission to Catalist:

i. ensure that internal control weaknesses are satisfactorily and properly rectified; and

ii. update CIMB (as continuing sponsor) on the findings of the independent external auditor or accounting firm, and any follow up action taken by the Audit Committee.

The findings of the review will be disclosed in our Company's annual report. Following the initial period of two years, our Audit Committee will consider if there is a need to undertake further review of the internal controls of the Group on a regular basis.

Principle 13: Internal Audit

The Company has outsourced the internal audit function to Transfingo Pte Ltd. The internal auditor reports directly to the Audit Committee, which assists the Board in monitoring and managing internal controls and risks of the Group. The Audit Committee will approve the internal audit plan and ensure adequacy of internal audit resources to perform its tasks.

COMMUNICATION WITH SHAREHOLDERS

Principles 14 & 15: Regular, Effective and Fair Communication with Shareholders and Shareholder Participation

The Board believes in regular, timely and effective communication with shareholders. In addition to the mandatory public announcements made through the SGXNET, timely release of the financial results provides shareholders with an overview of the Group's performance and operations. The principal forum for dialogue with shareholders remains in the Annual General Meeting, during which shareholders are encouraged to raise questions and participate in discussions pertaining to the operations and financials of the Group. Any queries and concerns regarding the Group can be conveyed to the following person:

Mr Ong Boon Tat Alvin, Executive Director
Telephone No: (65) 6779 5050
Fax No: (65) 6777 0841
E-mail: alvinong@hiaptong.com

The Group also maintains a website at http://www.hiaptong.com at which shareholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group.

SECURITIES TRANSACTIONS

The Company observes closely the Best Practice Guide on Securities Transactions ("Securities Transaction Guide") on dealings in the Company's shares by Directors and employees. The Securities Transaction Guide provides guidance to the directors and employees of the Group with regard to dealing in the Company's shares. It emphasises that the law on insider trading is applicable at all times notwithstanding the window periods for dealing in the shares. The Securities Transaction Guide also enables the Company to monitor such share transactions by requiring employees to report to the Company whenever they deal in the Company's shares.

The Company issues circulars or electronic mails to its directors, executives and employees that they must not trade in the shares of the Company one month before the release of the half year and year-end financial results.

In addition, directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are discouraged from dealing in the Company's shares on short term considerations.

INTERESTED PERSON TRANSACTIONS

The Group has adopted an internal policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length and are reviewed by the Audit Committee. There is no interested person transactions conducted during the year, which exceeds $100,000 in value.

The Board is satisfied with the Group's commitment to comply with the Code of Corporate Governance.

MATERIALS CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiary companies involving the interest of the Chief Executive Officer, any Director, or controlling shareholder.

NON SPONSOR FEES

No fees relating to non-sponsorship activities or services were paid to the Company's sponsor for the financial period ended 31 March 2011.

USE OF PROCEEDS

The net proceeds raised from the IPO were fully utilized as at 16 November 2010 and were summarised below:

	Amount Allocated S$'000	Amount Reclassified S$'000	Amount Utilised S$'000	Balance S$'000
Use of Proceeds				
Increase our lifting and haulage capacities	4,000	–	(4,000)	–
Overseas expansion	2,000	–	(2,000)	–
General corporate expenses and working capital purposes	1,858	294	(2,152)	–
Expenses				
IPO related expenses	2,022	(294)	(1,728)	–
Total	9,880	–	(9,880)	–

Directors' Report

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the period ended 31 March 2011.

Directors

The directors in office at the date of this report are as follows:

Ong Lim Wan @ Ong Teck Meng
Ong Boon Tat Alvin
Ong Lim San
Ng Eng Joo
Yong Yean Chau
Ng Sey Ming
Tan Eng Ann

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial period (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the period	Holdings at end of the period
The Company		
Hiap Tong Corporation Ltd.		
Ong Lim Wan @ Ong Teck Meng		
- ordinary shares		
- direct interests	630,060	630,060
- deemed interests	182,490,000	182,490,000
Ong Lim San		
- ordinary shares		
- direct interests	2,100,000	2,100,000
- deemed interests	180,390,000	180,390,000
Ong Boon Tat Alvin		
- ordinary shares		
- direct interests	2,100,000	2,100,000
- deemed interests	–	75,000
Ng Eng Joo		
- ordinary shares		
- direct interests	100,000	100,000
The immediate and ultimate holding company		
Tembusu Asia Holdings Pte. Ltd.		
Ong Lim Wan @ Ong Teck Meng		
- ordinary shares		
- direct interests	910,001	910,001
- deemed interests	525,000	525,000
Ong Lim San		
- ordinary shares		
- direct interests	689,500	689,500

By virtue of Section 7 of the Act, Ong Lim Wan @ Ong Teck Meng and Ong Lim San are deemed to have interests in the other subsidiaries of Hiap Tong Corporation Ltd. in Singapore, all of which are wholly-owned, at the beginning and at the end of the financial period.

Except as disclosed in this report, no director who held office at the end of the financial period had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial period or at the end of the financial period.

There were no changes in any of the above mentioned interests in the Company between the end of the financial period and 21 April 2011.

Neither at the end of, nor at any time during the financial period, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses, fees and those benefits that are disclosed in this report and in note 26 to the financial statements, since the end of the last financial period, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

During the financial period, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial period, there were no unissued shares of the Company or its subsidiaries under option.

Audit Committee

The members of the Audit Committee during the financial period and at the date of this report are:

- Yong Yean Chau (Chairman), non-executive director
- Ng Sey Ming, non-executive director
- Tan Eng Ann, non-executive director

The Audit Committee performs functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held five meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the external auditors;
- annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption and approval; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual)

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Ong Lim Wan @ Ong Teck Meng
Director

Ong Boon Tat Alvin
Director

Singapore
30 June 2011

Statement by Directors

In our opinion:

(a) the financial statements set out on pages 25 to 59 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011 and the results, changes in equity and cash flows of the Group for the period ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Ong Lim Wan @ Ong Teck Meng
Director

Ong Boon Tat Alvin
Director

Singapore
30 June 2011

Independent Auditors' Report

Members of the Company Hiap Tong Corporation Ltd.

Report on the financial statements

We have audited the accompanying financial statements of Hiap Tong Corporation Ltd. (the Company) and its subsidiaries (the Group), which comprise the statement of financial position of the Group and the Company as at 31 March 2011, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 25 to 59.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and statement of financial position and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011 and the results, changes in equity and cash flows of the Group for the period ended 31 March 2011.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
30 June 2011

Statement of Financial Position

As at 31 March 2011

	Note	Group 31/3/2011 $'000	Group 31/12/2009 $'000	Company 31/3/2011 $'000	Company 31/12/2009 $'000
Non-current assets					
Property, plant and equipment	4	90,678	72,019	–	–
Other long term assets	5	468	–	–	–
Subsidiaries	6	–	–	10,058	3,500
Deferred tax assets	7	214	–	–	–
		91,360	72,019	10,058	3,500
Current assets					
Trade and other receivables	8	11,151	16,248	661	264
Other assets	9	1	642	–	–
Cash and cash equivalents	10	3,680	9,369	1,077	8,358
		14,832	26,259	1,738	8,622
Total assets		106,192	98,278	11,796	12,122
Equity					
Share capital	11	12,898	12,898	12,898	12,898
Merger reserve	12	(1,670)	(1,670)	–	–
Translation reserve		(408)	–	–	–
Retained earnings		42,958	37,986	(1,433)	(1,118)
Equity attributable to owners of the Company		53,778	49,214	11,465	11,780
Non-controlling interest		1,159	–	–	–
Total equity		54,937	49,214	11,465	11,780
Non-current liabilities					
Financial liabilities	13	20,931	21,217	–	–
Other non-current liabilities and provision	14	3,501	100	–	–
Deferred tax liabilities	7	4,393	4,461	–	–
		28,825	25,778	–	–
Current liabilities					
Trade and other payables	15	5,885	5,566	290	326
Financial liabilities	13	16,047	17,045	30	–
Current tax payable		498	675	11	16
		22,430	23,286	331	342
Total liabilities		51,255	49,064	331	342
Total equity and liabilities		106,192	98,278	11,796	12,122

The accompanying notes form an integral part of these financial statements.

Consolidated Income Statement
Period ended 31 March 2011

	Note	Group Period from 1/1/2010 to 31/3/2011 $'000	Year ended 31/12/2009 $'000
Revenue		33,832	37,514
Cost of sales		(22,813)	(18,336)
Gross profit		11,019	19,178
Other income	16	1,272	919
Distribution expenses		(240)	(155)
Administrative expenses		(5,844)	(4,190)
Other expenses	17	–	(17)
Results from operating activities		6,207	15,735
Finance income		1,869	1,108
Finance costs		(3,529)	(2,357)
Net finance costs	18	(1,660)	(1,249)
Profit before income tax		4,547	14,486
Income tax credit/(expense)	19	52	(1,614)
Profit for the period/year	20	4,599	12,872
Profit attributable to:			
Owners of the Company		4,972	12,872
Non-controlling interest		(373)	–
Profit for the period/year		4,599	12,872
Earnings per share			
Basic earnings per share (cents)	21	2.00	6.04
Diluted earnings per share (cents)	21	2.00	6.04

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

Period ended 31 March 2011

	Group	
	Period from 1/1/2010 to 31/3/2011 $'000	Year ended 31/12/2009 $'000
Profit for the period/year	4,599	12,872
Other comprehensive income		
Foreign currency translation differences - foreign operations	(507)	–
Income tax on other comprehensive income	–	–
Other comprehensive income for the period/year, net of tax	(507)	–
Total comprehensive income for the period/year	4,092	12,872
Total comprehensive income attributable to:		
Owners of the Company	4,465	12,872
Non-controlling interest	(373)	–
Total comprehensive for the period/year	4,092	12,872

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Period ended 31 March 2011

	Attributable to equity owners of the Company						
	Share capital $'000	Merger reserve $'000	Translation reserve $'000	Retained earnings $'000	Total equity $'000	Non-controlling interest $'000	Total equity $'000
At 1 January 2010	12,898	(1,670)	–	37,986	49,214	–	49,214
Total comprehensive income for the period:							
Profit or loss	–	–	–	4,972	4,972	(373)	4,599
Other comprehensive income, net of tax							
Foreign currency translation differences	–	–	(408)	–	(408)	(99)	(507)
Total other comprehensive income	–	–	(408)	–	(408)	(99)	(507)
Total comprehensive income for the period	–	–	(408)	4,972	4,564	(472)	4,092
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners							
Incorporation of a subsidiary	–	–	–	–	–	1,631	1,631
Total transactions with owners	–	–	–	–	–	1,631	1,631
At 31 March 2011	12,898	(1,670)	(408)	42,958	53,778	1,159	54,937

		Attributable to equity holders of the Company						
	Note	Share capital $'000	Merger reserve $'000	Translation reserve $'000	Retained earnings $'000	Total equity $'000	Non-controlling interest $'000	Total equity $'000
At 1 January 2009		3,500	(1,670)	–	25,114	26,944	–	26,944
Total comprehensive income for the year:								
Profit or loss		–	–	–	12,872	12,872	–	12,872
Other comprehensive income for the year, net of tax		–	–	–	–	–	–	–
Total comprehensive income for the year		–	–	–	12,872	12,872	–	12,872
Transactions with owners, recorded directly in equity:								
Contributions by and distributions to owners								
Issue of shares, net of expenses[(1)]	11	9,398	–	–	–	9,398	–	9,398
Total transactions with owners		9,398	–	–	–	9,398	–	9,398
At 31 December 2009		12,898	(1,670)	–	37,986	49,214	–	49,214

(1) Included in share issue expenses are non-audit fees of $53,000 paid to the Company's auditor for services rendered as Reporting Accountants in connection with the initial public offering of the Company's shares.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Period ended 31 March 2011

	Note	Group Period from 1/1/2010 to 31/3/2011 $'000	Group Year ended 31/12/2009 $'000
Cash flows from operating activities			
Profit for the period/year		4,599	12,872
Adjustments for:			
Depreciation of property, plant and equipment	4	9,274	6,272
(Gain)/loss on disposal of property, plant and equipment		(809)	17
Gain on disposal of available for sale equity securities		(6)	–
Net change in fair value of financial derivatives		(1,571)	(785)
Dividend income		(3)	(3)
Interest income	18	(11)	(3)
Interest expense	18	2,379	2,144
Income tax (credit)/expense	19	(52)	1,614
		13,800	22,128
Change in trade and other receivables		5,097	(1,856)
Change in trade and other payables		(685)	(1,446)
Change in equity securities held for trading		–	(74)
Cash generated from operations		18,212	18,752
Income tax refunded		544	–
Income tax paid		(951)	(1,785)
Net cash from operating activities		17,805	16,967
Cash flows from investing activities			
Interest received		11	3
Dividends received		3	3
Proceeds from disposal of property, plant and equipment		2,403	384
Proceeds from disposal of available for sale equity securities		186	–
Acquisition of property, plant and equipment		(17,923)	(3,502)
Net cash used in investing activities		(15,320)	(3,112)
Cash flows from financing activities			
Interest paid		(2,379)	(2,144)
Proceeds from non-controlling interests		1,532	–
Change in non-trade amounts due to related parties		3,169	729
Proceeds from issue of shares, net of expenses		–	9,398
Proceeds from bank loans		12,360	3,000
Repayment of bank loans		(1,364)	(270)
Payment of convertible loan		–	(8,580)
Payments of financial lease liabilities		(21,084)	(15,512)
Net cash used in financing activities		(7,766)	(13,379)
Net (decrease)/increase in cash and cash equivalents		(5,281)	476
Cash and cash equivalents at beginning of the period/year		9,269	8,793
Currency translation differences		(408)	–
Cash and cash equivalents at end of the period/year	10	3,580	9,269

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 June 2011.

1 Domicile and activities

Hiap Tong Corporation Ltd. (the "Company") is a Company incorporated in Singapore and has its registered address at 180 Pandan Loop, Singapore 128371.

The Company was admitted to the Official List of the Catalist Board of the SGX on 3 December 2009.

The financial statements of the Company as at and for the period ended 31 March 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activities of the Company are those of an investment holding company. The principal activities of the subsidiaries are set out in note 6 to the financial statements.

The immediate and ultimate holding company during the period ended is Tembusu Asia Holdings Pte. Ltd., a company incorporated in Singapore.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make 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.

Estimates 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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 4 – estimation of depreciation rate of plant and machinery
- Note 19 – estimation of income tax expense
- Note 23 – valuation of financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidation financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity. Any difference between cash paid for the acquisition and net assets acquired is recognised directly in equity.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries

Investment in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

3 Significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

Foreign operations (cont'd)

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3.3 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalent

Cash and cash equivalents comprise cash balances and bank deposits with maturities at three months or less.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

Non-derivative financial liabilities

The Group initially recognises financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Group has the following non-derivatives financial liabilities: loans and borrowings and trade and other payables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Derivative financial instruments

The Group holds derivative financial instruments, principally forward exchange contracts, to hedge its foreign currency exposures arising from operating activities. The Group does not hold or issue derivative financial instruments for trading purposes.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Changes in the fair value of separable embedded derivatives are recognised immediately in the profit or loss.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/ other expense in profit or loss.

3 Significant accounting policies (cont'd)

3.4 Property, plant and equipment (cont'd)

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Depreciation

Depreciation is calculated on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives are as follows:

- Leasehold property — Over the period of the lease terms between 11.5 to 17.5 years
- Plant and machinery — 5 to 20 years from the year of manufacture
- Renovation — 10 years
- Office equipment — 3 to 5 years
- Motor vehicles — 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

3.5 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

3.6 Impairment

Non-derivative financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

3 Significant accounting policies (cont'd)

3.6 Impairment (cont'd)

Loans and receivables

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 Significant accounting policies (cont'd)

3.7 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

3.8 Government grants

Jobs Credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income upon receipt. Such grants are provided to defray the wage costs incurred by the Group and are offset against staff costs in the profit or loss.

3.9 Intra-group financial guarantees

Intra-group financial guarantees are accounted for as insurance contracts. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.10 Provisions

A provision is recognised if, as a result of past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The unwinding of the discount is recognised as finance expense.

Site restoration

Provision for site restoration is recognised in accordance with the applicable contractual requirements to restore the leasehold property back to its original condition upon expiry of the lease.

3.11 Revenue recognition

Rental income

Rental income from the leasing of plant and machinery is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Rental income from subleased property is recognised as other income.

3 Significant accounting policies (cont'd)

3.12 Lease payments

When the Group is a lessee of an operating lease

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

When the Group is lessor of an operating lease

Where the Group leases out assets under operating leases, the leased assets are included in statement of financial position according to their nature and, where applicable, are depreciated in accordance with Group's depreciation policies. Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies.

3.13 Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, and changes in the fair value of financial assets at fair value through profit and loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets of fair value through profit or loss and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.14 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3 Significant accounting policies (cont'd)

3.14 Income tax (cont'd)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.15 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.16 Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer (CEO), who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

3.17 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these financial statements. None of these will have a material effect on the financial statements of the Group. The Group has not considered the impact of accounting standards issued after the reporting date.

4 Property, plant and equipment

	Leasehold property $'000	Plant and machinery $'000	Renovation $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost						
At 1 January 2009	2,005	84,402	24	209	681	87,321
Additions	100	12,140	–	61	82	12,383
Disposals	–	(808)	–	–	–	(808)
At 31 December 2009	2,105	95,734	24	270	763	98,896
Additions	–	29,213	79	92	141	29,525
Disposals	–	(2,496)	–	–	–	(2,496)
At 31 March 2011	2,105	122,451	103	362	904	125,925
Accumulated depreciation						
At 1 January 2009	2,005	18,621	10	137	239	21,012
Depreciation charge for the year	–	6,092	2	36	142	6,272
Disposals	–	(407)	–	–	–	(407)
At 31 December 2009	2,005	24,306	12	173	381	26,877
Depreciation charge for the period	35	8,979	18	55	187	9,274
Effect of movements in exchange rates	–	(2)	–	–	–	(2)
Disposals	–	(902)	–	–	–	(902)
At 31 March 2011	2,040	32,381	30	228	568	35,247
Carrying amounts						
At 1 January 2009	–	65,781	14	72	442	66,309
At 31 December 2009	100	71,428	12	97	382	72,019
At 31 March 2011	65	90,070	73	134	336	90,678

During the financial period, the Group acquired property, plant and equipment with an aggregate costs of $29,525,000 (year ended 31/12/2009: $12,283,000) of which $8,831,000 (year ended 31/12/2009: $8,581,000) was acquired under finance lease arrangements and there is a net decrease of $170,000 (net increase of $253,000 year ended 31/12/2009) related to other payables to suppliers of property, plant and equipment. In addition, the cost included a gain of $2,941,000 (loss of $53,000 for year ended 31/12/2009) arising from the embedded foreign currency derivatives, which had been recognised as part of the property, plant and equipment.

Included in the carrying amount of the property and machinery acquired under finance lease arrangements as at 31 March 2011 was $54,042,000 (31/12/2009: $62,093,000).

As at 31 March 2011, plant and machinery with a carrying amount of $17,800,000 (31/12/2009: $917,000) was pledged as securities to secure a bank loan of $12,373,000 (31/12/2009: $1,845,000).

The depreciation charge for the Group is recognised in the following line items of the profit or loss:

	Period from 1/1/2010 to 31/3/2011 $'000	Year ended 31/12/2009 $'000
Cost of sales	8,991	6,097
Administrative expenses	283	175
	9,274	6,272

4 Property, plant and equipment (cont'd)

Estimation of depreciation rate of plant and machinery

The carrying amount of the plant and machinery is depreciated on a straight-line basis over the remaining useful life of each plant and machinery. Management reviews and revises the estimates of the remaining useful life and residual values of the plant and machinery at the end of each financial year based on their age and condition at that time. Changes in the way the plant and machinery are used and other factors (such as market or technological factors) could impact the useful life and residual values of the plant and equipment, therefore future depreciation charges could be revised. Any changes in the useful life and residual values of the plant and machinery would impact the depreciation charges and consequently affect the Group's results.

5 Other long term assets

Other long term assets relate to monies paid in advance to contractors for land use rights and the related improvement costs.

6 Subsidiaries

	Company	
	31/3/2011	31/12/2009
	$'000	$'000
Equity investments, at cost	10,058	3,500

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the Group	
			31/3/2011	31/12/2009
			%	%
Hiap Tong Crane & Transport Pte Ltd	Rental of cranes, prime movers, heavy machinery and equipment and trading of cranes and heavy equipment	Singapore	100	100
Hiap Tong Trading Pte. Ltd.	Rental of cranes, prime movers, heavy machinery and equipment and trading of cranes and heavy equipment	Singapore	100	100
Inner Mongolia Hiap Tong An Da Heavy Lift Co., Ltd (内蒙古协通安达大件吊装有限公司)	Rental of cranes, prime movers, heavy machinery and equipment	People's Republic of China	80	–
HT Infrastructure Private Ltd	Dormant	India	100	–

KPMG LLP, Singapore is the auditor of all the Singapore-incorporated subsidiaries. KPMG LLP, Singapore audited the significant China-incorporated subsidiary, Inner Mongalia Hiap Tong An Da Heavy Lift Co., Ltd for consolidation purposes. Wu Lan Cha Bu Guo Cheng Certified Public Accountants (乌兰察布国诚会计事务所) is the statutory auditor of Inner Mongolia Hiap Tong An Da Heavy Lift Co., Ltd.

A subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

7 Deferred tax assets and liabilities

Movements in deferred tax assets and liabilities of the Group during the period/year are as follows:

	At 1 January 2009 $'000	Recognised in profit or loss (Note 19) $'000	At 31 December 2009 $'000	Recognised in profit or loss (Note 19) $'000	At 31 March 2011 $'000
Deferred tax assets					
Tax loss carry-forwards	–	–	–	214	214
Deferred tax liabilities					
Property, plant and equipment	(3,544)	(951)	(4,495)	68	(4,427)
Trade and other payables	–	34	34	–	34
	(3,544)	(917)	(4,461)	68	(4,393)
	(3,544)	(917)	(4,461)	282	(4,179)

8 Trade and other receivables

	Group		Company	
	31/3/2011 $'000	31/12/2009 $'000	31/3/2011 $'000	31/12/2009 $'000
Trade receivables	9,183	15,453	–	–
Allowance for impairment losses	(331)	(604)	–	–
Net trade receivables	8,852	14,849	–	–
Trade amount due from a related party	197	35	–	–
Deposits	1,766	972	114	–
Non-trade amounts due from subsidiaries	–	–	526	197
Other receivables	116	175	2	67
Allowance for impairment losses	(81)	(86)	–	–
Net other receivables	35	89	2	67
Loans and receivables	10,850	15,945	642	264
Prepayments	301	303	19	–
	11,151	16,248	661	264

The trade amount due from a related party is with a company in which a director of a subsidiary has substantial deemed financial interests.

The Group's primary exposure to credit risks arises through its trade receivables. As at 31 March 2011, the Group has concentration of credit risk in 5 (year ended 31/12/2009: 5) major customers representing approximately 38% (year ended 31/12/2009: 36%) of total trade receivables. However, the good credit history of these customers reduces the risk to the Group to an acceptable level.

The Group's customers are mainly from the marine, oil, gas and petrochemical as well as the construction industries in Singapore. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables.

8 Trade and other receivables (cont'd)

Impairment losses

The ageing of loans and receivables at the reporting date is:

	Gross 31/3/2011 $'000	Impairment losses 31/3/2011 $'000	Gross 31/12/2009 $'000	Impairment losses 31/12/2009 $'000
Group				
Not past due	3,446	–	5,241	–
Past due 1 - 90 days	1,790	1	7,054	6
Past due 91- 180 days	4,845	–	2,956	224
Past due 181- 365 days	630	57	1,010	142
Past due more than 365 days	551	354	374	318
	11,262	412	16,635	690
Company				
Not past due	455	–	253	–
Past due 1 - 90 days	18	–	11	–
Past due 91- 180 days	167	–	–	–
Past due more than 365 days	2	–	–	–
	642	–	264	–

The change in impairment loss in respect of trade and other receivables during the period/year is as follows:

	Group	
	31/3/2011 $'000	31/12/2009 $'000
At 1 January	690	477
Impairment loss recognised	–	332
Amount reversed	(278)	(119)
At 31 December	412	690

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables past due within 180 days.

9 Other assets

	Group	
	31/3/2011	31/12/2009
	$'000	$'000
Quoted equity securities held for trading	1	180
Financial derivatives assets	–	462
	1	642

Financial derivatives

Some of the capital commitments as at reporting date are not denominated in the functional currencies of either of the contracting parties. Accordingly, the contracts for these commitments contain embedded foreign currency forward contracts which are required to be separately accounted for at fair value on the statement of financial position with changes in the fair value recognised in the profit or loss.

As at 31 March 2011, the fair value of embedded foreign currency derivatives liabilities related to the capital commitments amounted to $69,000 (31/12/2009: derivative financial assets of $462,000) (note 13) are recorded as current liabilities.

As at 31 December 2009, the Group's forward exchange contracts hedged an unrecognised capital commitment and were stated at fair value as they did not qualify for hedge accounting. The changes in fair value of the forward exchange contracts were recognised as part of "net change in fair value of financial derivatives". As at 31 December 2009, the fair value of forward exchange contracts used as hedges of forecasted transactions was $97,000 and had been recognised as a liability under "financial liabilities" on the statement of financial position.

10 Cash and cash equivalents

	Group		Company	
	31/3/2011	31/12/2009	31/3/2011	31/12/2009
	$'000	$'000	$'000	$'000
Cash at bank and in hand	3,577	5,267	1,077	4,358
Fixed deposits	103	4,102	–	4,000
Cash and cash equivalents	3,680	9,369	1,077	8,358
Deposit pledged	(100)	(100)	–	–
Cash and cash equivalents in the cash flow statement	3,580	9,269	1,077	8,358

Deposit pledged represents bank balances of a subsidiary pledged as security to obtain credit facilities (note 13).

11 Share capital

	31/3/2011 No. of shares '000	31/12/2009 No. of Shares '000
Fully paid ordinary shares, with no par value:		
At 1 January	248,000	140,000
Sub-division and consolidation of shares	–	70,000
Issue of shares pursuant to the initial public offering exercise	–	38,000
At 31 March/December	248,000	248,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as profit attributable to equity holders of the Company divided by shareholders' equity.

The Board seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Group achieved a return on shareholders' equity of 9.2% for the fifteen months period ended 31 March 2011 compared to 26.2% for the year ended 31 December 2009.

The Group monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as loans and borrowings, less cash and cash equivalents. Total equity includes equity attributable to equity holders of the Company and reserves.

	31/3/2011 $'000	31/12/2009 $'000
Loans and borrowings	36,909	38,165
Less: unpledged cash and cash equivalents	(3,580)	(9,269)
Net debt	33,329	28,896
Total equity	54,937	49,214
Gearing ratio (times)	0.61	0.59

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

12 Merger reserve

The merger reserve represents that difference between the nominal value of shares issued by the Company in exchange for paid-in capital in respect of the acquisition of subsidiaries accounted for under the "pooling of interest" method of accounting.

13 Financial liabilities

	Group		Company	
	31/3/2011	31/12/2009	31/3/2011	31/12/2009
	$'000	$'000	$'000	$'000
Non-current				
Finance lease liabilities	10,773	19,365	–	–
Secured bank loan	9,301	1,204	–	–
Unsecured bank loan	857	648	–	–
	20,931	21,217	–	–
Current				
Finance lease liabilities	12,409	16,069	–	–
Financial derivatives (note 9)	69	97	30	–
Secured bank loan	3,073	642	–	–
Unsecured bank loan	496	237	–	–
	16,047	17,045	30	–
	36,978	38,262	30	–

Certain finance leases and bank loans are secured by the following:

(a) Legal mortgage over the leasehold property and pledge of certain plant and machinery of the Group (note 4);

(b) Guarantees executed by a director and shareholders of the Company of $15,033,000;

(c) Pledged deposit of $100,000 by a subsidiary (note 10);

(d) Assignment of rights to insurance over those plant and machinery, accounts receivables and charge over certain bank accounts of a subsidiary.

Finance lease liabilities

The Group has obligations under finance leases that are payable as follows:

	Principal	Interest	Payments
	$'000	$'000	$'000
At 31 March 2011			
Payable within 1 year	12,409	1,070	13,479
Payable after 1 year but within 5 years	10,773	1,003	11,776
Total	23,182	2,073	25,255
At 31 December 2009			
Payable within 1 year	16,069	1,385	17,454
Payable after 1 year but within 5 years	19,365	865	20,230
Total	35,434	2,250	37,684

13 Financial liabilities (cont'd)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate	Year of maturity	Carrying amount $'000
Group			
31 March 2011			
Finance lease liabilities	2.0% – 5.46%	2011 – 2015	23,182
Secured loan	1.96%	2011 – 2016	12,374
Unsecured loan	2.57%	2011 – 2015	1,353
			36,909
31 December 2009			
Finance lease liabilities	2.2% – 3.33%	2010 – 2013	35,434
Secured loan	2.63%	2010 – 2012	1,846
Unsecured loan	2.63%	2010 – 2013	885
			38,165

The following are the expected contractual undiscounted cash outflow of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount	Cash flows		
	$'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000
Group				
31 March 2011				
Non-derivative financial liabilities				
Finance lease liabilities	23,182	(25,255)	(13,479)	(11,776)
Secured loan	12,374	(13,609)	(3,540)	(10,069)
Unsecured loan	1,353	(1,449)	(553)	(896)
Trade and other payables*	5,861	(5,861)	(5,861)	–
Other non-current liabilities	3,401	(3,401)	–	(3,401)
	46,171	(49,575)	(23,433)	(26,142)
Derivative financial liabilities				
Financial derivatives liabilities	69	(69)	(69)	–
	46,240	(49,644)	(23,502)	(26,142)
31 December 2009				
Non-derivative financial liabilities				
Finance lease liabilities	35,434	(37,684)	(17,454)	(20,230)
Secured loan	1,846	(1,978)	(719)	(1,259)
Unsecured loan	885	(967)	(276)	(691)
Trade and other payables*	5,542	(5,542)	(5,542)	–
	43,707	(46,171)	(23,991)	(22,180)
Derivative financial liabilities				
Forward exchange contracts:				
- Outflow	102	(102)	(102)	–
- Inflow	(5)	5	5	–
	97	(97)	(97)	–
	43,804	(46,268)	(24,088)	(22,180)

13 Financial liabilities (cont'd)

Expected contractual undiscounted cash outflow (cont'd)

	Carrying amount	Cash flows		
		Contractual cash flows	Within 1 year	After 1 year but within 5 years
	$'000	$'000	$'000	$'000
Company				
31 March 2011				
Non-derivative financial liabilities				
Trade and other payables*	290	(290)	(290)	–
31 December 2009				
Non-derivative financial liabilities				
Trade and other payables*	326	(326)	(326)	–

* Excludes deposit and advances

14 Other non-current liabilities and provision

	31/3/2011	31/12/2009
	$'000	$'000
Provision for site restoration cost	100	100
Non-current amounts due to a director	3,401	–
	3,501	100

Provision for site restoration cost relates to the Group's obligation to restore its leasehold property back to its original condition upon expiry of the lease.

Amounts due to a director are unsecured, interest-free and repayable on demand after one year.

15 Trade and other payables

	Group		Company	
	31/3/2011	31/12/2009	31/3/2011	31/12/2009
	$'000	$'000	$'000	$'000
Trade payables	1,442	1,832	64	206
Trust receipts	–	97	–	–
Trade amount due to a related party	60	–	–	18
Other payables	1,416	66	1	–
Accrued expenses	1,328	1,700	225	102
Non-trade amounts due to:				
- shareholders	68	76	–	–
- directors of the Company	267	1,024	–	–
- directors of the subsidiaries	1,280	747	–	–
	5,861	5,542	290	326
Deposits and advances	24	24	–	–
	5,885	5,566	290	326

15 Trade and other payables (cont'd)

The trade amount due to a related party is with a company in which a director of a subsidiary has substantial deemed financial interests.

The amounts due to directors and shareholders are unsecured, interest-free and repayable on demand.

16 Other income

	Group	
	Period from 1/1/2010 to 31/3/2011 $'000	Year ended 31/12/2009 $'000
Rental income from sublease of leasehold property	267	229
Commission income	39	32
Gain on disposal of property, plant and equipment	809	–
Government grants - job credit scheme	99	523
Sundry income	58	135
	1,272	919

17 Other expenses

	Group	
	Period from 1/1/2010 to 31/3/2011 $'000	Year ended 31/12/2009 $'000
Loss on disposal of property, plant and equipment	–	17

18 Finance income and cost

	Group	
	Period from 1/1/2010 to 31/3/2011 $'000	Year ended 31/12/2009 $'000
Recognised in profit or loss		
Interest income from cash and cash equivalents	11	3
Dividend income from equity securities	3	3
Net change in fair value of financial derivatives	1,571	785
Net gain on disposal of investment held for trading	6	–
Recovery of bad debts written off	4	–
Reversal of impairment loss on receivable	274	–
Exchange gain (net)	–	243
Net change in fair value of equity securities held for trading	–	74
Finance income	1,869	1,108

18 Finance income and cost (cont'd)

	Group Period from 1/1/2010 to 31/3/2011 $'000	Group Year ended 31/12/2009 $'000
Interest expenses on:		
- finance leases	(1,853)	(1,961)
- trust receipts	(41)	(97)
- loans	(470)	(48)
- bank overdrafts	(4)	(14)
- others	(11)	(24)
Subtotal of interest expenses	(2,379)	(2,144)
Bad debts written off	(274)	–
Net allowance for impairment on trade and other receivables	–	(213)
Exchange loss (net)	(876)	–
Finance expenses	(3,529)	(2,357)
Net finance expenses recognised in profit or loss	(1,660)	(1,249)

19 Income tax (credit)/expense

	Group Period from 1/1/2010 to 31/3/2011 $'000	Group Year ended 31/12/2009 $'000
Current tax expense		
Current year	–	800
Adjustment for prior periods	230	(103)
	230	697
Deferred tax expense		
Origination and reversal of temporary differences	656	1,596
Reduction in tax rate	–	(168)
Adjustment for prior periods	(938)	(511)
	(282)	917
Total income tax expense	(52)	1,614
Reconciliation of effective tax rate		
Profit for the period/year	4,599	12,872
Total income tax (credit)/expense	(52)	1,614
Profit excluding income tax	4,547	14,486
Tax calculated using Singapore tax rate of 17% (year ended 31/12/2009:17%)	773	2,463
Reduction in tax rate	–	(168)
Effect of tax rates in foreign jurisdictions	108	–
Current year losses for which no deferred tax assets was recognised	48	–
Expenses not deductible for tax purposes	324	161
Income not subject to tax	(598)	(222)
Over provided in prior years	(708)	(614)
Others	1	(6)
	(52)	1,614

19 Income tax (credit)/expense (cont'd)

Estimation of income tax expense

Significant judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provision for income tax and deferred income tax provisions in the year in which such determination is made.

As at 31 March 2011, the carrying amounts of the Group's current income tax liabilities, deferred tax liabilities are $498,000 (31/12/2009: $675,000) and $4,393,000 (31/12/2009: $4,461,000) and deferred tax assets are $214,000 (31/12/2009: nil) respectively.

20 Profit for the period/year

The following items have been included in arriving at profit for the period/year:

	Group	
	Period from 1/1/2010 to 31/3/2011 $'000	Year ended 31/12/2009 $'000
Non-audit fees paid to the auditors of the Company:		
- Initial public offering, included in initial public offering expense	–	43
- Others	40	23
Operating lease expense	408	347
Initial public offering expense	–	363
Staff costs	12,593	11,466
Contributions to defined contributions plans, included in staff costs	907	876

21 Earnings per share

	Period from 1/1/2010 to 31/3/2011 $'000	Year ended 31/12/2009 $'000
The calculation of the earnings per share is based on:		
Net profit attributable to equity holders of the company, net of tax	4,972	12,872

	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of the period/year	248,000	210,000
Effect of shares issued during the period/year	–	3,019
Weighted average number of ordinary shares at period/year end	248,000	213,019

The weighted average number of ordinary shares detailed above are used for both the basic and diluted earnings per share as there are no dilutive potential ordinary shares.

22 Segment reporting

The Group has two geographical reportable segments, namely Singapore and the People's Republic of China ("PRC"), which are the Group's strategic business units. The strategic business units are domiciled in different geographical areas and are managed separately because they require different marketing strategies. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

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

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit 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.

Information about reportable segments

	Period from 1/1/2010 to 31/3/2011				Year ended 31/12/2009		
	Singapore*	China	Inter-segment eliminations	Total	Singapore	China	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenue	32,864	968	–	33,832	37,514	–	37,514
Inter-segment revenue	–	–	–	–	–	–	–
Interest revenue	11	–	–	11	3	–	3
Interest expense	1,849	530	–	2,379	2,144	–	2,144
Depreciation	8,494	780	–	9,274	6,272	–	6,272
Reportable segment profit before income tax	3,203	1,344	–	4,547	14,486	–	14,486
Other material non-cash items:							
- Net allowance of impairment of trade and other receivables	4	–	–	4	(213)	–	(213)
- Net change in fair value of financial derivatives	(1,767)	3,338	–	1,571	785	–	785
Reportable segment assets	84,699	28,051	(6,558)	106,192	98,278	–	98,278
Capital expenditure	6,657	22,868	–	29,525	12,383	–	12,383
Reportable segment liabilities	32,432	18,823	–	51,255	49,064	–	49,064

* The segment results of the newly set up subsidiary, HT Infrastructure Private Ltd, are included in the segment results of Singapore.

Business Segment

No business segment information has been prepared as the Group's major business is the provision of lifting and haulage services.

Major customer

During the period ended 31 March 2011, revenue from one customer of the Group's Singapore segment amounted to approximately $3,473,000, which contributed 11% of the Group's revenue (year ended 31/12/2009: one customer amounted to $3,900,000 and contributed to 10% of the Group's revenue).

23 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Credit evaluation and exposure to credit risk is monitored on an on-going basis by the Group. In addition, collections and credit limits of customers are monitored by the Group. The Group's concentration of credit risk is disclosed in note 8.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. This allowance is based on a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical date of payment statistics for similar financial assets.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the receivable is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired receivable.

The principal risk to which the Company is exposed in respect of financial guarantee contracts is credit risk in connection with the guarantee contracts it has issued to banks and financial institutions for credit facilities granted to its subsidiaries. To mitigate the risk, management continually monitors the risk and has established processes including performing credit evaluation of the subsidiaries. The maximum exposure to credit risk in respect of these financial guarantees at the reporting date is disclosed in note 27.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counter-parties that meet the appropriate credit criteria and are of high credit standing. As such, management does not expect any counterparty to fail to meet its obligations.

23 Financial risk management (cont'd)

Credit risk (cont'd)

The carrying amount of financial assets represents the maximum credit exposure. The Group's and Company's maximum exposure to credit risk at the reporting date was:

		Group		Company	
		Carrying amount		Carrying amount	
	Note	31/3/2011	31/12/2009	31/3/2011	31/12/2009
		$'000	$'000	$'000	$'000
Trade and other receivables	8	11,151	16,248	661	264
Quoted equity securities held for trading	9	1	180	–	–
Cash and cash equivalents	10	3,680	9,369	1,077	8,358
		14,832	25,797	1,738	8,622

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors the working capital requirements periodically to ensure that there are sufficient financial resources available to meet the needs of the business.

The directors have assessed the cash flow forecast of the Group for the twelve months ending 31 March 2012 and have ascertained that adequate liquidity exists to finance its working capital requirements through cash inflow from its operations, cash reserves and its undrawn credit facilities, notwithstanding that the Group was in net current liabilities position of $7,598,000 (31/12/2009: net current asset position of $2,973,000).

The Group aims at maintaining flexibility in funding by keeping committed credit lines available. In this connection, the Group maintains approximately $25,114,000 (31/12/2009: $7,600,000) of undrawn credit with banks and financial institutions that can be drawn down to meet both short-term and long-term financing needs as at 31 March 2011.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's interest-bearing financial liabilities. Interest rates on borrowings are determined based on floating market rates.

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group	
	31/3/2011	31/12/2009
	$'000	$'000
Variable rate instruments		
Financial assets	103	4,102
Financial liabilities	–	(97)
	103	4,005

23 Financial risk management (cont'd)

Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bp increase $'000	100 bp decrease $'000
31 March 2011		
Variable rate instruments	1	(1)
31 December 2009		
Variable rate instruments	40	(40)

Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Company and its subsidiaries. The currencies giving rise to this risk are primarily Japanese Yen (JPY) and Euro. Exposure to foreign currency risk is monitored on an on-going basis by the Group to ensure that the net exposure is at an acceptable level.

The Group's exposures to foreign currencies are as follows:

	31/3/2011		31/12/2009	
	JPY $'000	Euro $'000	JPY $'000	Euro $'000
Cash and cash equivalents	3	19	3	–
Financial liabilities	–	(8,336)	–	–
Trade and other payables	–	–	–	(97)
	3	(8,317)	3	(97)

The Group hedges its foreign currency exposure in respect of forecasted capital commitments over the next financial year. The Group uses forward contracts to hedge its foreign currency risk. The forward exchange contract has maturities of less than one year after the reporting date. Where necessary, the forward exchange contract is rolled over at maturity.

Sensitivity analysis

A 10% strengthening of the respective functional currencies of the Company and its subsidiaries against the following currencies at period/year end would have increased (decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the year ended 31 December 2009, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below:

	Profit or loss $'000
31 March 2011	
Euro	832
31 December 2009	
Euro	10

23 Financial risk management (cont'd)

Sensitivity analysis (cont'd)

A 10% weakening of the respective functional currencies of the Company and its subsidiaries against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Equity price risk

The Group has investments in quoted equity securities that are listed on the Singapore Stock Exchange.

Sensitivity analysis

A 10% increase (decrease) in the underlying equity prices at the reporting date would increase (decrease) profit or loss for the investments classified as held for trading by the following amount:

	31/3/2011 $'000	31/12/2009 $'000
Profit or loss	–	18

This analysis assumes that all other variables remain constant.

Fair values

Determination of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group.

(a) *Investments in equity securities*

The fair value of the equity securities held for trading is determined by reference to their quoted bid prices at the reporting date.

(b) *Derivatives*

The fair value of forward exchange contracts is based on their listed market prices, if available. If a listed market price is not available, fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual period to maturity of the contract using a risk-free interest rate (based on government bonds).

(c) *Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

23 Financial risk management (cont'd)

Fair values versus carrying amounts

The carrying amounts of the Group and the Company's financial instruments carried at cost or amortised costs are not materially different from their fair values as at 31 March 2011 and 31 December 2009 except as follows:

	Note	31/3/2011 Carrying amount $'000	31/3/2011 Fair value $'000	31/12/2009 Carrying amount $'000	31/12/2009 Fair value $'000
Financial liabilities					
Finance lease liabilities	13	23,182	23,155	35,435	36,924
Secured loan	13	12,374	12,641	1,845	1,962
Unsecured loan	13	1,353	1,324	885	1,001
		36,909	37,120	38,165	39,887

Interest rates used in determining fair values

The Group uses the market rate of similar financial instruments as of reporting date to discount financial instruments. The effective interest rates used are as follows:

	31/3/2011 %	31/12/2009 %
Financial liabilities	5.0	5.0

Fair value hierarchy

The following defines the fair value hierarchy of financial instruments carried at fair value, by valuation method:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group					
31 March 2011					
Quoted equity securities held for trading	9	1	–	–	1
Derivative financial liabilities	13	–	(69)	–	(69)
		1	(69)	–	(68)
Group					
31 December 2009					
Quoted equity securities held for trading		180	–	–	180
Derivatives financial assets		–	462	–	462
	9	180	462	–	642
Derivative financial liabilities	13	–	(97)	–	(97)
		180	365	–	545

23 Financial risk management (cont'd)

Financial instruments by category

Set out below is a comparison by category of carrying amounts of all the Group's financial instruments that are carried in the financial statements.

	Note	Loans and receivables $'000	Assets at fair value through profit and loss $'000	Liabilities at fair value through profit and loss $'000	Liabilities at amortised cost $'000	Total $'000
Group						
Period ended 31 March 2011						
Assets						
Trade and other receivables	8	10,850	–	–	–	10,850
Other assets	9	–	1	–	–	1
Cash and cash equivalents	10	3,680	–	–	–	3,680
		14,530	1	–	–	14,531
Liabilities						
Trade and other payables	15	–	–	–	5,885	5,885
Financial liabilities	13	–	–	69	36,909	36,978
Other non-current liabilities and provision	14	–	–	–	3,501	3,501
		–	–	69	46,295	46,364
Year ended 31 December 2009						
Assets						
Trade and other receivables	8	15,945	–	–	–	15,945
Other assets	9	–	180	462	–	642
Cash and cash equivalents	10	9,369	–	–	–	9,369
		25,314	180	462	–	25,956
Trade and other payables	15	–	–	–	5,566	5,566
Financial liabilities	13	–	–	97	38,165	38,262
Other non-current liabilities and provision	14	–	–	–	100	100
		–	–	97	43,831	43,928
Company						
Period ended 31 March 2011						
Assets						
Trade and other receivables	8	642	–	–	–	642
Cash and cash equivalents	10	1,077	–	–	–	1,077
		1,719	–	–	–	1,719
Liabilities						
Trade and other payables	15	–	–	–	290	290
Financial liabilities	13	–	–	–	30	30
		–	–	–	320	320
Year ended 31 December 2009						
Assets						
Trade and other receivables	8	264	–	–	–	264
Cash and cash equivalents	10	8,358	–	–	–	8,358
		8,622	–	–	–	8,622
Liabilities						
Trade and other payables	15	–	–	–	326	326

24 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group	
	31/3/2011	31/12/2009
	$'000	$'000
Within one year	270	334
After 1 year but within 5 years	348	650
	618	984

The Group leases land under operating leases for a period of 8 years. Lease payments are adjusted every year to reflect market rentals.

A parcel of the leased land has been sublet by the Group. The lease and sublease expire in 2013 and 2011 respectively. The future receivables of non-cancellable lease expected to be collected during the following financial year is $105,000 (31/12/2009: $105,000).

25 Capital commitments

At the reporting date, the Group has capital commitments as follows:

	Group	
	31/3/2011	31/12/2009
	$'000	$'000
Contracted but not provided for	8,922	21,828

26 Significant related party transactions

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel

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

	Group	
	Period from 1/1/2010 to 31/3/2011	Year ended 31/12/2009
	$'000	$'000
Short-term employee benefits	1,937	1,403
Contributions to defined contribution plans	84	68
	2,021	1,471

26 Significant related party transactions (cont'd)

Other related party transactions

	Transaction value for		Balance outstanding	
	Period from 1/1/2010 to 31/3/2011 $'000	Year ended 31/12/2009 $'000	31/3/2011 $'000	31/12/2009 $'000
Related parties:				
- Income from sale of fuel	159	124	123	22
- Rental income for cranes and lorries	97	77	74	13
- Sales of trailer	–	30	–	–
- Freight and transportation expenses	15	21	14	–
- Repair services expenses	43	–	46	–

27 Financial guarantees contracts

There are no terms and conditions attached to the financial guarantees that would have a material effect on the amount, timing and uncertainty of the Company's future cashflows. The Company issued unsecured financial guarantees to certain banks and financial institutions in respect of banking and hire purchase facilities granted to the subsidiaries amounting to $72,051,000 (year ended 31/12/2009: $48,820,000), of which the amount utilised at the reporting date was $35,569,000 (year ended 31/12/2009: $25,180,000). The periods in which the financial guarantees will expire are as follows:

	31/3/2011 $'000	31/12/2009 $'000
Within 1 year	40,495	19,025
After 1 year but within 5 years	31,556	29,795
	72,051	48,820

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantee.

28 Change of financial year end

At the Board of Directors' meeting held on 27 September 2010, the directors approved the financial year end of the Company and its subsidiaries, to be changed from 31 December to 31 March. The comparative figures relate to the financial year from 1 January 2009 to 31 December 2009.

29 Subsequent events

Subsequent to year end, the Group has incorporated a wholly owned subsidiary in Malaysia with a paid up capital of RM$2 whose principal activities are the provision of lifting and haulage services.

Statistics of Shareholdings

As at 15 June 2011

Issued and fully paid-up capital	:	13,380,001
Number of shares issued	:	248,000,060
Class of shares	:	Ordinary
Voting rights	:	One vote per share

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 15 June 2011.

	Note	Direct Interest	%	Indirect Interest	%
Ong Teck Meng	1	630,060	0.25%	182,490,000	73.58%
Ong Lim San	2	2,100,000	0.85%	180,390,000	72.74%
Tembusu Asia Holdings Pte Ltd		180,390,000	72.74%	–	–

Notes:

(1) Mr Ong Teck Meng is deemed interested in the in the entire equity stake held by his wife, Ms Tan Siew Duan, and Tembusu Asia Holdings Pte Ltd in the company.

(2) Mr Ong Lim San is deemed interested in the in the entire equity stake held by Tembusu Asia Holdings Pte Ltd in the company.

FREE FLOAT

As at 15 June 2011, approximately 24.43% of the issued ordinary shares of the company was held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	0	0.00	0	0.00
1,000 - 10,000	233	36.81	1,739,000	0.70
10,001 - 1,000,000	382	60.35	31,148,060	12.56
1,000,001 AND ABOVE	18	2.84	215,113,000	86.74
TOTAL	633	100.00	248,000,060	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TEMBUSU ASIA HOLDINGS PTE LTD	180,390,000	72.74
2	ONG LYE SUM	4,250,000	1.71
3	ESTATE OF CHUA BENG SING, DECEASED	4,200,000	1.69
4	KIM ENG SECURITIES PTE. LTD.	3,188,000	1.29
5	ANG LAI HOE	3,126,000	1.26
6	ONG BOON TAT, ALVIN (WANG WENDA, ALVIN)	2,100,000	0.85
7	ONG CHUAN HOCK	2,100,000	0.85
8	ONG LIM SAN	2,100,000	0.85
9	TAN SIEW DUAN	2,100,000	0.85
10	ONG LAY SUAN	2,080,000	0.84
11	ONG LYE HOCK	1,600,000	0.65
12	MAYBAN NOMINEES (S) PTE LTD	1,366,000	0.55
13	NG CHWEE CHENG	1,200,000	0.48
14	YAP XI MING	1,100,000	0.44
15	ONG LAY GEOK	1,070,000	0.43
16	ONG GEOK SUAN	1,050,000	0.42
17	ONG KAI TAI	1,050,000	0.42
18	TH INVESTMENTS PTE LTD	1,043,000	0.42
19	HIAP HENG HEAVYEQUIPMENT CO PTE LTD	900,000	0.36
20	TANG LIN	870,000	0.35
	TOTAL	216,883,000	87.45

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting of the Company will be held at Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, Meeting Room 320, Level 3, on Wednesday, 27 July 2011 at 3.00 p.m. for the purpose of transacting the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts for period from 1 January 2010 to 31 March 2011 together with the Auditors' Report thereon. Resolution 1

2. To approve payment of Directors' fee of S$162,500 for the financial period from 1 January 2010 to 31 March 2011. Resolution 2

3. To re-elect the following directors retiring pursuant to Article 91 of the Company's Articles of Association:

   (i) Mr Yong Yean Chau Resolution 3

   Mr Yong Yean Chau will, upon re-election as Director of the Company, remain as the Lead Independent Director, Chairman of Audit Committee and member of Nominating and Remuneration Committee.

   (ii) Mr Ng Sey Ming Resolution 4

   Mr Ng Sey Ming will, upon re-election as Director of the Company, remain as the Independent Director of the Company, Chairman of the Nominating Committee and member of the Audit and Remuneration Committee.

4. To re-appoint Messrs KPMG LLP, Public Accounts and Certified Public Accountants and to authorise the Directors to fix the Auditors' remuneration. Resolution 5

5. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without modifications) as Ordinary Resolutions:-

6. **Authority to allot and issue shares up to fifty per cent. (50%) of issue capital**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors be and are hereby authorized to: (i) allot and issue shares in the Company, and (ii) issue convertible securities and any shares in the Company pursuant to the conversion of such convertible securities, (whether by way of rights, bonus or otherwise) at any time and from time to time thereafter upon such terms and conditions whether for cash or otherwise and for such purposes and to such persons as the Directors may think fit for the benefit of the Company, provided that the aggregate number of shares and convertible securities to be issued pursuant to such authority shall not exceed 100% of all the issued capital of the Company and that the aggregate number of shares to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed 50% of the issued share capital of the Company, and unless revoked or varied by the Company in general meeting, such authority shall continue to be in force until the next annual general meeting or the date by which the next general meeting is required by law or by the Articles to be held, whichever is earlier. Resolution 6

   For the purposes of this resolution, the percentage of issued share capital shall be based on the Company's issued share capital at the time of the passing of this resolution after adjusting for:-

   (a) New shares arising from the conversion or exercise of convertible securities;

   (b) New shares arising from the exercise of share options or the vesting of shares awards outstanding or subsisting at the time such authority is given, provided the options or awards were granted in compliance with the SGX-ST;

   (c) Any subsequent consolidation or subdivision of shares.

7. **Authority to issue shares at discount**

(a) That, subject to the grant of the share issue mandate proposed to be tabled as Ordinary Resolution 7 above and pursuant to the terms and conditions of the share issue mandate, the Directors be and are hereby authorized to issue new shares of the Company (other than on a pro rata basis to the shareholders of the Company) at a discount of up to 10% to the weighted average price for trades done on SGX-ST (as determined in accordance with the SGX-ST); and Resolution 7

(b) That, unless revoked or varied by the Company in general meeting, such authority shall continue to be in force until the next annual general meeting or the date by which the next annual general meeting is required by law or by the Articles to be held, whichever is earlier.

By Order of the Board

Teo Mui Hwang
Company Secretary
Singapore, 12 July 2011

Explanatory Notes on Resolutions to be passed:

(i) The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed 50% of the issued share capital of the Company.

(ii) The Ordinary Resolution 7 proposed in item 7 above, if passed, will enable the Directors to issue new Shares at a discount of not more than 10% to the weighted average market price of the Company's shares, determined in accordance with the requirements of SGX-ST.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorized officer or attorney.

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 180 Pandan Loop Singapore 128371 not less than forty-eight hours before the time appointed for holding the Meeting.

This page has been intentionally left blank.

PROXY FORM

HIAP TONG CORPORATION LTD.

Company Registration No. 200800657N
Incorporated in the Republic of Singapore

I/We ____

of ____

being a member/members of HIAP TONG CORPORATION LTD., hereby appoint:-

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)
And/or (deleted as appropriate)			

or failing the person, or either or both the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held at Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, Meeting Room 320, Level 3, on Wednesday, 27 July 2011 at 3.00 p.m. and at any adjournment thereof in the following manner:

No.	Resolutions relating to	For	Against
	Ordinary Business		
1.	To adopt the Audited Accounts, Directors' Report and Auditors' Report for the financial period from 1 January 2010 to 31 March 2011		
2.	To approve the payment of Directors' fees		
3.	To re-elect Mr Yong Yean Chau under Article 91 of the Articles of Association		
4.	To re-elect Mr Ng Sey Ming under Article 91 of the Articles of Association		
5.	To re-appoint KPMG LLP as Auditors and authorize Directors to fix their remuneration		
	Special Business		
6.	To authorize Directors to allot shares pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual		
7.	To authorize Directors to issue placement shares at an issue price of up to maximum discount of 10% to the market price of the shares		

Date this ____________ day ____________________ 2011

No. of Shares Held

____
Signature of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at the meeting of the company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the company at 180 Pandan Loop Singapore 128371 not less than forty-eight (48) hours before the time appointed for the Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

GENERAL

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable form the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not show to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by the Central Depository (Pte) Limited to the Company.

This page has been intentionally left blank.

This page has been intentionally left blank.

HIAP TONG
协通企业

HIAP TONG CORPORATION LTD.
180 Pandan Loop
Singapore 128371
Tel: (65) 6779 5050
Fax: (65) 6777 0841
Website: http://www.hiaptong.com

cre8
Tel: (65) 63278398