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RESPONSES TO QUESTIONS RECEIVED PRIOR TO THE ANNUAL GENERAL MEETING TO BE HELD ON 28 JULY 2026

The Board of Directors (the "**Board**") of Hiap Tong Corporation Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to inform that the Company has not received any questions from the Shareholders and has received questions from the Securities Investors Association (Singapore) ("**SIAS**") prior to the upcoming Eighteenth Annual General Meeting to be held on 28 July 2026 at 3.00 p.m.

The Appendix annexed herein sets out the Company's responses to the questions from SIAS regarding the Group's annual report for the financial year ended 31 March 2026.

By order of the Board

Lim Guek Hong
Company Secretary
22 July 2026

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").*

*This announcement has not been examined or approved by Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

Appendix

QUESTION 1:

Many in the industry view the current environment as the early stages of a multi-year infrastructure upcycle, supported by sustained public sector spending and major transport projects. Against this backdrop, the group's financial performance has remained under pressure. For the year ended 31 March 2026, consolidated revenue declined for a third consecutive year to $89.2 million, while gross profit and net profit fell to $15.6 million and $3.0 million respectively, the lowest levels in the past four years. The core lifting and haulage services segment recorded a 3.7% decline in revenue to $60.4 million.

(Source: company annual report)

(i) ***Singapore:*** *Specifically, within the Singapore lifting and haulage segment, revenue has remained broadly flat at around $56.0 million in FY2024, $60.3 million in FY2025 and $58.7 million in FY2026 despite favourable industry conditions.* ***Why has the group not translated the industry upcycle into stronger revenue growth? What does management consider to be the group's sustainable competitive advantages, and how have these translated into higher contract win rates, stronger pricing power or better customer retention than its competitors?***

Company's response:

Although project activity within the lifting and haulage segment in Singapore increased, intensified competition among competitors resulted in more competitive pricing in the industry, which constrained revenue growth of the Group.

The management considers its extensive fleet of crawler and mobile cranes and its longstanding relationships with established companies to be the Group's sustainable competitive advantage in better customer retention than its competitors.

(ii) ***Manpower services (work train operations):*** *The manpower services segment has been more resilient, with revenue remaining broadly stable at approximately $28 million to $29 million since FY2024.* ***As the Land Transport Authority continues to invest heavily in rail reliability upgrades and the expansion of the MRT network, what opportunities does management expect to emerge for the group's work train operations? Is the group well positioned to capture a larger share of this growing market, and if not, what are the key constraints?***

Company's response:

Manpower services business segment consists of both port services and work train operation services.

For the work train operation services, the Group has positioned itself to undertake new tender opportunities subject to management's assessment on the project margins, overall market conditions as well as the Group's strategic objectives.

(iii) ***Malaysia:*** *After more than 15 years of operations in Malaysia, the business has yet to achieve meaningful scale and its revenue contribution to the group is immaterial.* ***What specific milestones or performance thresholds does management use to assess whether the Malaysian business justifies further investment? If these thresholds are not met, what strategic alternatives, including restructuring, strategic partnerships or an orderly exit, are being evaluated?***

Company's response:

The Malaysian business is expected to be operationally self-sustaining and would not require additional funding from the Group. Currently, it serves as a support to Singapore lifting and haulage business and not as an expansion platform.

With a presence in Malaysia, it provides the Group with a strategic access to the market and to respond to business opportunities as and when they arise. It also enables the Group to deploy excess equipment for suitable projects where it is commercially justified.

The management has been cautious with its investment in Malaysia and will continue to explore for new opportunities including strategic partnership with suitable parties.

(iv) ***Capital commitments:*** *As at 31 March 2026, the group had capital commitments of $20.24 million towards the construction of 22 Soon Lee Road (Note 26; page 71).* ***How will this investment be financed, and what impact will it have on leverage and free cash flow during the construction period? How will this investment enhance the group's long-term competitiveness and earnings capacity?***

Company's response:

80% of the capital commitment will be financed by an approved construction/mortgage loan with tenure of about 12 years from the first disbursement date. As the construction loan would be drawn down progressively during the construction phase and only interest repayment on the outstanding loan is required, the impact on free cashflow will be minimal. Upon issuance of temporary occupancy permit (TOP), as the tenure of the loan period is about 10 years, the impact on the Group's cashflow is expected to be manageable and supported by the Group's prudent financial management, dormitory rental savings as well as other rental income from the property.

The redevelopment of 22 Soon Lee Road which would include workers dormitories and logistics warehousing would further strengthen the Group's operational capabilities, improved efficiency as well as savings from dormitory expenses which will support the Group's long-term competitiveness and earnings capacity.

QUESTION 2:

The board has proposed a final dividend of 0.1 cent per share, describing the dividend as "a token of appreciation to shareholders for their unwavering support". The dividend amounts to approximately $317,000 in total distributions. As at 31 March 2026, the group held cash and cash equivalents of $10.9 million, equivalent to 3.4 cents per share.

The group's debt to adjusted capital ratio has improved to 32.1%, which appears to be its lowest level since listing in 2009.

	Group	
	2026	2025
	$'000	$'000
Loan borrowings	10,542	10,230
Lease liabilities	33,216	42,416
Less: cash and cash equivalents	(10,935)	(8,760)
Net debt	32,823	43,886
Total equity	102,258	99,907
Debt to adjusted capital ratio	32.1%	43.9%

(*Source: company annual report)*

(i) ***Can the board provide greater clarity on the group's capital management framework? Specifically, how does the board determine the group's optimal capital structure, what is its estimated cost of capital, and how are these considerations reflected in decisions on dividends, investment and balance sheet management?***

Company's response:

The Group aims to maintain an optimal capital structure which provides adequate liquidity for its operational requirements, maintain a balanced gearing ratio to support its capital commitment requirements as well as to deliver sustainable dividend returns to shareholders.

Since the Group is embarking on a major redevelopment plan at 22 Soon Lee Road, the Group will need to take that into consideration when planning for any changes to its capital structure in the medium term.

As the Group's lifting and haulage business is capital intensive in nature and relies on hire purchase financing facilities for its fleet renewal, hence the cost of debt would be a better indicator of the Group's cost of capital. The financing of about 90% of the equipment cost through hire purchase facilities has an estimated interest rate of up to 3.0% per annum.

(ii) ***Given the group's strong cash position and improved balance sheet, did the board re-evaluate whether its dividend practice remains appropriate? How does the board balance returning capital to shareholders against funding future growth, and what factors led it to conclude that a dividend of 0.1 cent per share was the appropriate level?***

Company's response:

On the Group's dividend practice, besides the Group's cash position, the Board would also take into consideration other factors such as the current construction development at 22 Soon Lee Road and its fleet renewal requirements.

QUESTION 3:

Ms Yiu Nga Yu was appointed as an independent director of the company on 29 July 2025 and subsequently appointed as the chairman of the nominating committee, as well as a member of the audit committee and remuneration committee on 7 August 2025.

According to the disclosure in the director's notice of appointment, Ms Yiu Nga Yu had no prior experience serving as a director of a SGX-listed company[1].

(i) ***Can the company provide greater transparency on the search process undertaken to identify potential candidates for the independent director role prior to the appointment of Ms Yiu Nga Yu? Specifically, how was the candidate pool developed, and what was the size of the candidate pool?***

Company's response:

Prior to the appointment of Ms Yiu Nga Yu ("**Ms Yiu**"), the NC considered a number of candidates through the Company's sourcing channels including professional networks and where necessary, external recruitment companies at the Company's expense. The Company also maintains a ready pool of 4 to 5 potential Independent Directors candidates, comprising professionals with diverse backgrounds, which the NC and the Board may consider from time to time as vacancies arise. In the course of its deliberations, the NC considered several potential candidates and ultimately decided to focus on individuals with strong commercial experience, narrowing the shortlist accordingly.

Following a thorough assessment against the Board's selection criteria, Ms Yiu was identified as the most suitable candidate given her independence, integrity, background, qualifications and was subsequently recommended by the NC and approved by the Board. The Board is satisfied that Ms Yiu will be supported by the other two members of the NC, who are familiar with both the Company's business and the work of the NC, enabling her to discharge her responsibilities effectively. Following the Board's confirmation, the NC will send the newly appointed Director a formal appointment letter which clearly set out his/her roles and responsibilities, authority and the Board's expectations in respect of his/her time commitment as a Director of the Company.

(ii) ***As a first-time director of a SGX-listed company, what considerations led the board to appoint her as chairman of the NC shortly after her appointment (and possibly before the completion of the mandatory training)? How did the board assess the director's readiness to oversee key responsibilities such as board succession planning, director evaluation and the assessment of board independence?***

Company's response:

Although Ms Yiu is a first-time director of a SGX-listed company, the Board was satisfied that she has extensive commercial experience including directorship appointments in sizable companies and is equipped with the qualifications, competencies, requisite skills and experience which would enable her to effectively discharge the responsibilities of Chairman of the NC. Prior to her appointment as Chairman of the NC, the Board and the NC had discussions with Ms Yiu regarding the scope of the role and were satisfied that she had a clear understanding of the NC's key responsibilities, including board succession planning, board performance evaluation, director nomination processes, and the review of directors' independence.

The Board also took into consideration that Ms Yiu would undergo the requisite training prescribed under the Catalist Rules for first-time directors, which she had completed with The Institute of Singapore Chartered Accountants (ISCA) in FY2026 as well as the support by the Company's management, Company Secretary and fellow Board members in matters relating to SGX regulatory requirements, corporate governance obligations and continuing board education. Having considered her qualifications, experience, leadership capabilities and commitment to the role, the Board was satisfied that Ms Yiu possessed the necessary attributes to effectively chair the NC notwithstanding that she was a first-time director of an SGX-listed company.