Securities Investors Association (Singapore)
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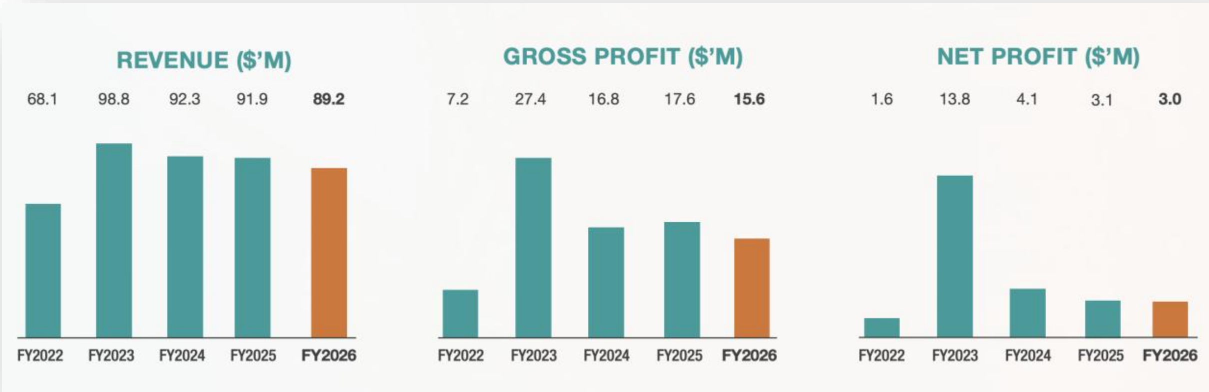
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

**Issuer:** Hiap Tong Corporation Ltd.

**Stock code:** 5PO

**Meeting details:**
Date: 28 July 2026
Time: 3.00 p.m.
Venue: SAFRA Toa Payoh, Victoria Room 5/6 (Level 3), 293 Toa Payoh Lorong 6, Singapore 319387

**Q1**. 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?**

**(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?**

**(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?**

(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?**

**Q2.** 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 $'000 | 2025 $'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?**

(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?**

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**Q3.** 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?**

**(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?**

***Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.***

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[1] Ms Yiu Nga Yu has since completed the mandatory training for first-time directors under the Catalist Rules.