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Issuer & Securities

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**ANNUAL REPORTS AND RELATED DOCUMENTS::**

Securities

TACORP S\$27M6%N260726 - SGXF74214317 - MCLB  
TA CORPORATION LTD - SG2D87975520 - PA3

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Announcement Details

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Announcement Title

Annual Reports and Related Documents

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Annual Report

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Announcement Reference

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Submitted By (Co./ Ind. Name)

Tam Siew Kheong/ Foo Soon Soo

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Designation

Chief Financial Officer/ Company Secretary

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Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attached.

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#### Additional Details

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Period Ended

31/12/2023

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#### Attachments

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[TA CORP ANNUAL REPORT 2023.pdf](#)

[TA Corp Appendix ShareBuyBackMandate.pdf](#)

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Total size =3405K MB

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TA CORPORATION LTD



ANNUAL REPORT  
**2023**

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## CORPORATE PROFILE

### ABOUT TA CORPORATION

With a history that can be traced back to 1972, TA Corporation is an established property and construction group, with businesses in distribution as well as the provision of workers accommodation and manufacturing in Singapore and across the region, including Thailand, Cambodia, Malaysia, China, and Myanmar.

### REAL ESTATE DEVELOPMENT

Backed by its strong competencies in the construction business since the 1970s and in-depth experience in working with established real estate developers, the Group has established a reputation as a developer of quality well-located residential developments, targeting the middle to upper middle markets since more than 20 years ago. Some of its completed residential developments in Singapore include *Leonie Hill Residences*, *The Citrine*, *Parc Seabreeze*, *Auralis*, *Coralis*, *Starlight Suites*, *Gambir Ridge*, *The Cristallo*, *The Skywoods*, *Terra Villas* and *Ascent@456*, as well as a serviced apartment, *12 on Shan*. The Group's 20%-owned associate FSKH Development Pte. Ltd.'s 256-unit 99-year leasehold residential development – *The Antares* on Mattar Road had obtained Temporary Occupation Permit (“OTP”) in December 2022.

The Group has also successfully ventured overseas through joint ventures in property development projects in China, Thailand, and Cambodia. Its current regional portfolio includes distinctive mixed-use developments such as freehold multi-phased mixed development in Khlong Sam District, Pathum Thani Province in Bangkok, and *The Gateway* – an iconic twin tower mixed-use development in Phnom Penh, Cambodia. Phase one of Pathum Thani project was completed in 2021.

### CONSTRUCTION

TA Corporation's main construction business is undertaken through its wholly owned subsidiary, Cornerstone Builders Pte Ltd (“formerly known as TA Builders Pte Ltd”) with more than 20 years of track records.

Leveraging on the property and construction business demand for pre-cast components to enhance productivity, the Group's pre-cast concrete components factory in Johor, Malaysia started operations in the fourth quarter of 2015. Our customers for concrete pre-cast components include Samsung C & T Corporations, Samsung-Koh Brothers Joint Venture, LC & T Builder (1971) Pte Ltd, Chuan Lim Construction Pte Ltd, Woh Hup (Private) Ltd, China Communications Construction Company, Wee Hur Construction



### OUR VISION

To be the preferred property developer and construction services provider through our pursuit of uncompromising quality and excellence



### OUR MISSION

We are committed to delivering quality products and services with our hallmark excellence, growing with our greatest assets – our people, and delivering shareholder value

Pte Ltd, Lian Beng Construction (1988) Pte Ltd, Yee Hong Pte Ltd and Kim Seng Heng Engineering Construction (Pte) Ltd, who are engaged in the construction business in the residential, commercial, industrial and infrastructure segments in Singapore and Malaysia.

The Group also provides complementary services to its construction segment including fabrication of metal works and erection of building structural steels.

### REAL ESTATE INVESTMENT

The Group owns and operates over 9,000 dormitory beds, which cater to foreign workers working in Singapore. This dormitory business is part of the Group's strategy to grow its recurring income streams. The Group also owns commercial space in Singapore, including 2,445 square metres of commercial units at New World Centre, 1 Jalan Berseh as sources of rental income.

### DISTRIBUTION

TA Corporation has expanded its distribution of high performance motor oil and lubricants beyond Singapore to include Myanmar and Thailand. The Group, through its subsidiaries and 50%-owned joint ventures, holds distributorships for well-known brands, comprising *Shell*, and *GS Caltex* in Myanmar and *Repsol* in Thailand and Singapore. In addition, the Group's joint ventures distribute construction equipment, heavy commercial vehicles, trucks, buses, passenger vehicles and automotive spare parts in Myanmar under the *CASE* and *IVECO* brands.

TA Corporation was listed on the SGX Mainboard on November 21, 2011.



## CHAIRMAN'S STATEMENT

### DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I present to you TA Corporation's annual report for the financial year ended 31 December 2023 ("FY2023").

The global economy continued to face numerous headwinds and uneven recovery in 2023 given the ongoing geopolitical tensions, elevated interest rate environment, inflation as well as withdrawal of fiscal supports by various governments amidst the high debt level. Against these backdrop, Singapore's economy expanded by 1.1% in 2023, moderating significantly from the 3.6% growth achieved in 2022<sup>1</sup>.

### CONSTRUCTION

The Construction segment recorded a revenue of S\$87.8 million in FY2023, 56% year-on-year decrease of S\$111.9 million from S\$199.70 million in FY2022 due to lower contribution from the Group's main construction subsidiary, Tiong Aik Construction Pte Ltd ("TAC") as a result of it being placed under liquidation in July 2023.

Meanwhile, the Group has another wholly-owned subsidiary Cornerstone Builders Pte. Ltd. (formerly known as TA Builders Pte. Ltd.) focusing on smaller-scale exclusive private residential and good class bungalow ("GCB") projects.

For the Construction segment, the Group remains focused on executing our order book of S\$36.2 million as at 31 December 2023 to be delivered progressively over the contract period.

The Group will continue to look towards expanding our pre-cast and prefabrication business, which has benefited from growing demand resulting from the Singapore government's drive to adopt Design for Manufacturing and Assembly ("DfMA") and Prefabricated Bathroom Unit ("PBU") to enhance productivity and manage labour constraints. The adoption will bring about better efficiency and cost savings for the Construction industry as a whole and hence provide more business opportunities for the Group ahead.

### REAL ESTATE INVESTMENT

The Group's Real Estate Investment segment reported revenue of S\$36.6 million in FY2023, an increase of 36.1% from S\$26.9 million in FY2022, mainly attributable to the improvement in bed rates and occupancy for the Group's Tuas South Dormitory compared with FY2022.

The recovery in the construction industry and limited supply of dormitory beds in the market has translated to an improvement in the performance of the Group's Tuas South Dormitory. The Group expects the positive outlook to continue due to high demand from the migrant worker population.

Meanwhile, the Group will continue to be nimble and will re-strategise its plan going forward in response to the Dormitory Transition Scheme announced on 11 October 2023 which will improve the liveability and resiliency of the dormitories.



## CHAIRMAN'S STATEMENT

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### REAL ESTATE DEVELOPMENT

During the year under review, the Group's Real Estate Development segment registered revenue of S\$2.7 million, a decline of S\$117.3 million compared to S\$120.0 million for FY2022, mainly due to lower revenue recognised from various overseas developments in Cambodia and Thailand.

In Cambodia, the Group's iconic twin tower mixed-use development in the Central Business District of Phnom Penh, Cambodia – *The Gateway* – has been substantially completed. Ongoing marketing efforts have been undertaken by the Group to see through the sales of the balance units.

Concurrently, the Group is monitoring the economic environment and assessing market demand closely before taking a decision on the remaining substantially completed unsold residential block to be repurposed according to market conditions and demand.

Over in Thailand, the Group's freehold multi-phased mixed development projects in the Khlong Sam District, Pathum Thani Province in Bangkok continue to step up marketing efforts for the balance units.

### DISTRIBUTION BUSINESS

The Group's Distribution segment covers a broad product portfolio and geographical reach across Southeast Asia and operated via subsidiaries and joint venture companies. The Group's product portfolio includes high-performance motor oils and lubricants in Singapore, Myanmar, and Thailand, as well as construction equipment, heavy commercial vehicles, trucks, buses, passenger vehicles, and automotive spare parts in Myanmar.

In FY2023, the Group reported revenue of S\$11.3 million for the Distribution segment, compared to S\$9.7 million in FY2022, mainly attributable to higher revenue contribution from the lubricant business in Myanmar.

Given the unresolved political situation in Myanmar and overall challenging operating environment regionally, the Group remains cautious and continues to operate our distribution business with a high degree of discretion, focusing mainly on supporting existing customers in Myanmar, whilst keeping a tight lid on costs to sustain the operation over the period of slowdown in this country. Going forward, the Group will focus our efforts on targeted growth sectors to navigate the challenging business environment with minimum risk.

### RESTRUCTURING PLAN UPDATE

On 17 July 2023, the Board of Directors called for a voluntary trading suspension, following our decision to place TAC under liquidation after having assessed the financial condition of TAC. TAC was experiencing an acute tightening of cash-flow arising from difficulties in collecting payments and retention monies (partly due to potential liquidated damages claims), and increasing demand for additional costing and funding to address labour and material price hikes. Heightened interest rates have also led to higher borrowing costs and an unfavourable financing environment, which when coupled with a slower-than-expected take up of available-for-sale properties developed by the Group, have limited the extent to which the Group is able to continue supporting the cash-flow requirements for TAC.

The voluntary suspension of TA Corporation's shares was put into place as a matter of prudence, with the other subsidiaries and business units of the Group continuing to operate under their respective management teams. The Group is in the midst of actively engaging its lenders, noteholders, business partners, suppliers and customers in relation to the provisional liquidation.

We have since made progress in monetising certain assets of the Group, having completed the disposal of two commercial units at Orchard Plaza at 150 Orchard Road to raise net proceeds of S\$7.3 million upon completion of the disposal in January 2024. On March 10, 2024, the Group received a letter of intent for the proposal disposal of several units at New World Centre New World Centre and Ascent@456, situated at 1 Jalan Berseh for S\$43 million and 456 Balestier Road for S\$18 million, subject to certain conditions.

The Group has also disposed of its non-core 90% owned subsidiary Aston Air Control Pte Ltd for S\$0.4 million on 18 January 2024 to enable the Group to reallocate our resources and to divest our non-performing assets.

## CHAIRMAN'S STATEMENT

### LOOKING AHEAD

The Group continues to monitor our operating situation closely and the various impact on the Group's businesses in the respective markets. Against the current environment, the Group will strive to reinforce resiliency and sustainability across the respective business units.

The Group's purpose-built dormitory Tuas South Dormitory's occupancy and bed rate are expected to remain healthy due to healthy demand from the migrant worker population.

Meanwhile, the Group's overseas property development projects in Thailand and in Cambodia are both actively being marketed for sale and lease. This segment is expected to face a slowdown given that the global economy continues to face a certain degree of uncertainty, with the ongoing elevated interest rate environment, sustained inflation, and disruptive impacts from heightened geopolitical tensions across the globe.

In view of the challenges, the Group has been conscientiously managing our costs and taking various steps to review and implement cost cutting and cost control measures. The Group's current priority is to preserve cash to support working capital requirements, continue to keep its operating costs low to ensure the Group has sufficient resources to implement its restructuring plan, to restructure the Group's liabilities and deleverage the balance sheet.



### WORDS OF APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to thank the Group's staff for exhibiting unity and dedication over the past years. I would also like to convey my appreciation to the Board members for their advice and guidance. I will be retiring as Director and Executive Chairman of the Board at the conclusion of the AGM on 25 July 2024, and the Chief Executive Officer ("CEO"), Mr Neo Tiam Boon will be appointed as the Executive Chairman while remaining as CEO of the Company.

The Board, upon recommendation of the Nominating Committee, has also approved the re-designation of Mr Mervyn Goh from Independent Director to Non-Independent and Non-Executive Director with effect from the conclusion of the AGM.

Lastly a special word of thanks to our business partners, customers, banks and other stakeholders – for your support, without which all of our efforts would have been futile. We look forward to your continued support as we continue on our journey to restructure the Group.

### LIONG KIAM TECK

Executive Chairman

4 July 2024

<sup>1</sup> "MTI Maintains 2024 GDP Growth Forecast at 1.0 to 3.0 Per Cent" – Ministry of Trade and Industry Singapore, February 15, 2024



## OPERATIONS REVIEW

According to the Ministry of Trade and Industry (“MTI”), the Singapore economy recorded a growth rate of 1.1% for the whole of 2023<sup>1</sup>. During the fourth quarter of 2023, the Singapore economy grew by 2.2% on a year-on-year basis, higher than the 1.0% expansion in the previous quarter.

Since TA Corporation’s inception, the Group continues to practise prudence and diversify its revenue streams to strengthen its capability to withstand various challenges. The Group will continue to leverage on its core capabilities in its diversified business segments in the long run.

In FY2023, the Group’s revenue declined by S\$218.0 million or 61.2% to S\$138.4 million, compared to S\$356.5 million in the previous year on the back of liquidation of Tiong Aik Construction Pte Ltd (“TAC”) and Tiong Aik Resources (S) Pte Ltd (“TARS”).

### CONSTRUCTION

Contributions from the construction segment declined by 56% year-on-year to S\$87.8 million, making up 63.6% of the Group’s revenue for FY2023. The significant drop in revenue was a result of the liquidation of TAC and TARS on 17 July 2023 and 5 September 2023 respectively.

Even as the recovery of Singapore’s construction industry gathered pace during the year under review, but the industry continued to face various challenges such as elevated interest rate environment as well as disruptions in the supply chain, which translated to higher building material cost and overall construction costs. The industry trends mentioned are also being witnessed within the Group’s Construction business.

Given these challenges, the Group decided to place TAC under liquidation after having assessed the financial condition of TAC. TAC was experiencing an acute tightening of cash-flow arising from difficulties in collecting payments and retention monies (partly due to potential liquidated damages claims) and increasing demand for additional costing and funding to address labour and material price hikes. Heightened interest rates have also led to higher borrowing costs and an unfavourable financing environment, which when coupled with a slower-than-expected take up of available-for-sale properties developed by the Group, have limited the extent to which the Group is able to continue supporting the cash-flow requirements for TAC.

Separately, the Group’s pre-cast concrete components factory in Johor, Malaysia continued to leverage on the Singapore government’s drive to adopt Design for Manufacturing and Assembly (“DfMA”) and Prefabricated Bathroom Unit (“PBU”) to enhance productivity and reduce reliance on labour. This will translate to better efficiency for the Construction industry as a whole and could potentially see higher take-up rates in more projects. The Group will continue to place emphasis to grow this segment in the future.

At the same time, one of the Group’s wholly-owned subsidiary, Credence Engineering Pte. Ltd. (“Credence”), providing complementary services to the construction segment which includes design, fabrication of metal works, erection of building structural steels and management and maintenance of its construction machinery has begun to expand into the provision of services to third-party projects in public and private sector, which includes cladding, fencing, grating, handrails/railings, and roofing.

Meanwhile, the Group remains committed to the smooth execution of its order book of S\$36.2 million as at December 31, 2023, to be delivered progressively over the contract period.

### REAL ESTATE INVESTMENT

Over the years, the real estate investment segment has stepped up to be a key contributor of recurring income to the Group. Within this segment, the Group owns and operates more than 55,000 square metres of investment property space, comprising the Group’s dormitory business – Tuas South Dormitory – with more than 9,000 beds catered to migrant workers in Singapore.

The Group recorded a revenue of S\$36.6 million in FY2023 for the real estate investment segment, an increase of 36.1% from S\$26.9 million in FY2022, mainly attributable to the improvement in bed rates and occupancy for the Group’s Tuas South Dormitory.

### REAL ESTATE DEVELOPMENT

The Group’s real estate development segment recorded revenue of S\$2.7 million for FY2023, a decline of S\$117.3 million compared to S\$120.0 million for FY2022. This was mainly attributed to lower revenue recognised from overseas developments in Cambodia and Thailand.

In Cambodia, the Group’s iconic twin tower mixed-use development, *The Gateway*, located in the Central Business District of Phnom Penh, Cambodia has been substantially completed. The project is strategically located along Russian Boulevard, which is the only main road connected to Phnom Penh International Airport and is in close proximity to various embassies and government offices.

The marketing of the balance units is continuing as usual. However, the uncertainty surrounding the global economy, coupled with elevated interest rate environment as well as regional conflicts in Ukraine and Gaza could dampen the buying sentiment among buyers.

In addition, the Group is monitoring the economic environment and assessing market demand closely before taking a decision on the remaining residential block, which is substantially completed and can be repurposed according to market conditions and demand.

In Thailand, the Group’s Phase One freehold multi-phased mixed development projects in the Khlong Sam District, Pathum Thani Province in Bangkok continue to see marketing efforts being undertaken to market off the balance units.

### DISTRIBUTION BUSINESS

In FY2023, the Group registered revenue of S\$11.3 million for the distribution segment through its 51%-owned subsidiary, Que Holdings Pte. Ltd. The increase of S\$1.6 million compared to S\$9.7 million in FY2022 was mainly attributable to higher revenue contribution from the lubricant business in Myanmar.

The Group’s subsidiaries under its distribution arm hold sub-distributorships to Repsol’s lubricants and other related products in Singapore, and Business-to-Business (“B2B”) and Business-to-Consumer (“B2C”) distributorships of Shell’s automotive and industrial lubricants in Myanmar.

## OPERATIONS REVIEW



The Group's 50%-owned Eternal Synergy Pte. Ltd. ("Eternal Synergy") distributes the 'GS Caltex' brand of lubricants and related products in Myanmar, while the Group's 50%-owned Synergy Truck Pte Ltd. ("Synergy Truck") is one of Myanmar's leading commercial vehicles and construction equipment distributor. Synergy Truck distributes trucks, buses, vans, and other commercial vehicles, as well as automotive spare parts under the 'Iveco' brands, along with 'CASE' construction equipment and automotive spare parts.

Given the ongoing political situation in Myanmar, the Group remains prudent and cautious in terms of conducting its distribution business, focusing mainly on supporting existing customers and concentrating its efforts on specific growth sectors with minimum risk, as well as high responsiveness to the overall business environment.

### Restructuring in Progress

The Board of Directors called for a voluntary trading suspension of its shares on 17 July 2023, following the Group's decision to place TAC under provisional liquidation after having assessed that the financial condition of TAC was unable to pay its debts as and when they fall due. Another subsidiary within the Group, TARS, has also been placed under provisional liquidation on 5 September 2023.

Given the above mentioned, the Group's current priority is to preserve cash to support working capital requirements, continue to keep its operating costs low to ensure the Group has sufficient resources to implement its restructuring plan, to restructure the Group's liabilities and deleverage the balance sheet.

Since then, the Group has made significant progress in monetising certain assets, having completed the disposal of two commercial units at Orchard Plaza at 150 Orchard Road to raise net proceeds of S\$7.3 million upon completion of the disposal in January 2024. On March 10, 2024, the Group received a letter of intent for the proposal disposal of several units at New World Centre and Ascent@456, situated at 1 Jalan Berseh for S\$43 million and 456 Balestier Road for S\$18 million, subject to certain conditions.

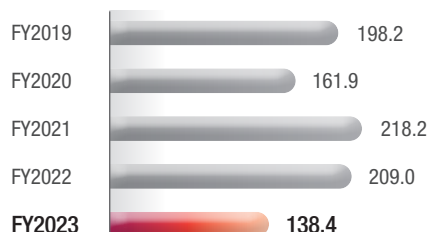
The Group had also disposed of its non-core 90% owned subsidiary Aston Air Control Pte Ltd for S\$0.4 million on 18 January 2024 to allow the Group to reallocate its resources.

Coupled with the various cost cutting and cost control measures, the Group is confident that it will help deleverage the Group's balance sheet and bring the Group's business back on track in the future.

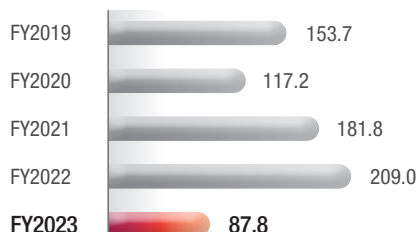
<sup>1</sup> "MTI Maintains 2024 GDP Growth Forecast at 1.0 to 3.0 Per Cent" – Ministry of Trade and Industry Singapore, February 15, 2024

## FINANCIAL HIGHLIGHTS

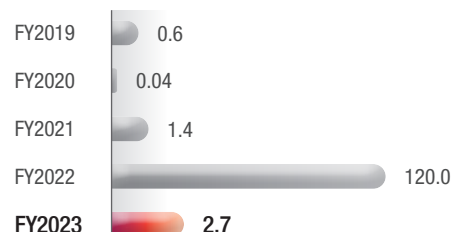
### GROUP REVENUE (\$'MILLION)



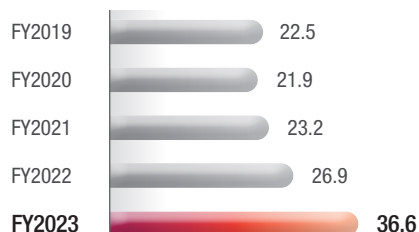
### CONSTRUCTION (\$'MILLION)



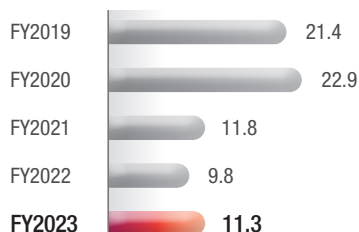
### REAL ESTATE DEVELOPMENT (\$'MILLION)



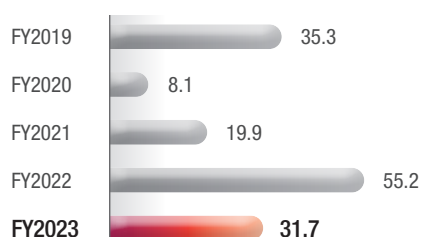
### REAL ESTATE INVESTMENT (\$'MILLION)



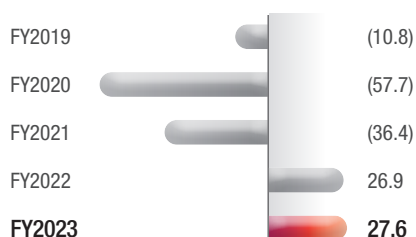
### DISTRIBUTION (\$'MILLION)



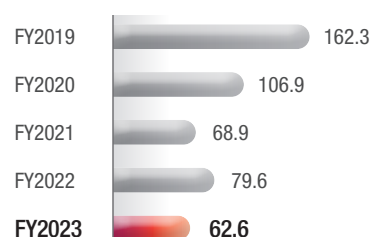
### GROSS PROFIT (\$'MILLION)



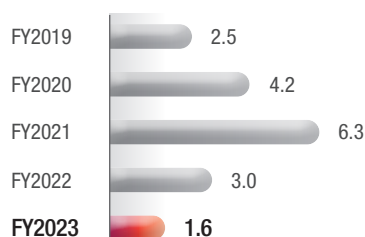
### PROFIT (LOSS) AFTER TAX (\$'MILLION)



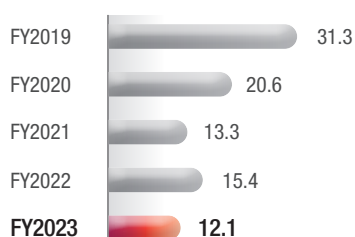
### EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (\$'MILLION)



### GEARING RATIO (TIMES)



### NET ASSET VALUE PER SHARE<sup>1</sup> (CENTS)



### EARNINGS (LOSS) PER SHARE<sup>2</sup> (CENTS)



<sup>1</sup> Based on issued share capital of 518,068,220 shares for FY2023, FY2022, FY2021, FY2020 and FY2019.

<sup>2</sup> Based on weighted average number of 518,068,220 shares for FY2023, FY2022, FY2021, FY2020 and FY2019.

## BOARD OF DIRECTORS

### MR. LIONG KIAM TECK

Executive Chairman

He was appointed to the Board on March 7, 2011 and was last re-elected as a Director on April 27, 2023. As the Group's Executive Chairman, Mr. Liong is responsible for the overall development of our Group's corporate direction and policies and plays an active role in the development, maintenance and strengthening of client relations. His other responsibilities also include overall business development, strategic planning, and project management.

Mr. Liong is one of the founders of our Group and has over 46 years of management experience.

Over the years, he has established a network of relationships with developers, customers, consultants and architects within the construction industry. Mr. Liong completed his General Certificate of Education ("GCE") "O" level examination in 1967.

### MR. NEO TIAM BOON, PBM

Chief Executive Officer and Executive Director

Mr. Neo Tiam Boon, PBM was appointed to the Board on March 7, 2011 and was last elected as a director on May 9, 2022. Mr. Neo is the Group's Chief Executive Officer and Executive Director of TA Corporation Ltd, an established property and construction group with a growing suite of businesses in distribution and real estate development and investment, listed on the Mainboard of the Singapore Exchange.

A management veteran, Mr. Neo has over 27 years of management experience. He helms overall business development, financial and strategic planning as well as human resources at TA Corporation.

Mr. Neo joined TA Corporation in 1996 and spearheaded the Group's strategy and tactical diversification of its business model beyond construction, to expand its income streams for long term sustainable growth. Under his leadership, TA Corporation diversified into the real estate development, distribution and real estate investment businesses. Mr. Neo played an instrumental role in leading the Group's successful regionalization into fast-growing markets such as Thailand, Cambodia, India, Malaysia, China, and Myanmar.

In recent years, Mr. Neo was pivotal in leading the Group through its transformation from a traditional construction company to one that is based on technological advances and upstream production of pre-cast components and PPVC.

Mr. Neo believes in giving back to society and championing causes for education. He currently sits on the Board of Governors for the UOB-SMU Asian Enterprise Institute, a partnership between United Overseas Bank, Singapore Management University and local enterprises. He plays a critical advisory role in providing strategic guidance and facilitating the exchange of knowledge and resources to support the growth and development of local enterprises and students. Mr. Neo is also involved in giving public seminar and talks at the Business Families Institute @ Singapore Management University on managing family business. He is also an active grassroots leader, having served in various capacities for more than 27 years.

Mr. Neo graduated with a Bachelor of Science in Business Administration from the University of Arkansas in 1986. He was conferred the Public Service Medal (Pingat Bakti Masyarakat) by the President of the Republic of Singapore in 2005 in recognition for his public service and community work.

### MR. NEO THIAM AN

Alternate Director to Mr Neo Tiam Boon

Mr. Neo Thiam An was an Executive Director of the Company until his stepping down as Executive Director on April 25, 2019. He was then appointed to the Board as alternate director to Mr. Neo Tiam Boon on April 25, 2019. He is in charge of the management of the site operations of developments for external developers as well as our own in-house developments. Mr. Neo has been with the Group since 1977 and has over 43 years of management experience.

Over the years, he has established a network of relationships with developers, customers, consultants and architects within the construction industry. Mr Neo completed his GCE "A" levels in 1976.

### MR. NEO TIAM POON @ NEO THIAM POON

Alternate Director to Mr. Liong Kiam Teck

Mr. Neo Tiam Poon @ Neo Thiam Poon was an Executive Director of the Company until his stepping down as Executive Director on April 25, 2019. He was then appointed to the Board as an Alternate Director to Mr. Liong Kiam Teck on April 25, 2019. He is in charge of the overall project management of our various construction projects, conducts periodic quality and safety checks to ensure that quality and safety management systems are adhered to closely. He is also in-charge of the pre-cast concrete manufacturing business. Mr. Neo has been with us since 1976 and has over 47 years of management experience.

Over the years, he has established a network of relationships with developers, customers, consultants and architects within the construction industry. Mr Neo completed his GCE "A" levels in 1973.



## BOARD OF DIRECTORS

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### MR. FONG HENG BOO

Lead Independent Director

Mr. Fong Heng Boo was appointed as the Company's Lead Independent Director on December 1, 2017 and was last re-elected as a Director on May 25, 2021. He is also appointed as the Chairman of the Audit Committee and the Remuneration Committee and is a member of the Nominating Committee.

In 1975, Mr. Fong was with the Auditor-General's Office ("AGO"), Singapore and held the position of Assistant Auditor-General when he left AGO in 1993. Prior to his retirement in December 2014, Mr. Fong was the Director (Special Duties) at the Singapore Totalisator Board where he led the Finance and Investment functions.

Mr. Fong has over 50 years of experience in auditing, finance, business development and corporate governance. He graduated from the University of Singapore (now known as the National University of Singapore) with a Bachelor of Accountancy (Honours) in 1973.

Currently, Mr. Fong is also an Independent Director of three other companies listed on the Singapore Exchange Securities Trading Limited.

### MR. MERVYN GOH BIN GUAN

Independent Director

Mr. Mervyn Goh Bin Guan was appointed as the Company's Independent Director on September 20, 2011 and was last re-elected as a Director on April 27, 2023. He serves as the Chairman of the Nominating Committee and is a member of the Audit Committee and the Remuneration Committee.

Mr. Goh is currently a consultant with Lawhub LLC. Prior to this, he was the Vice President (Legal) for The Great Eastern Life Assurance Company Limited from 2008 to 2010, a partner with Wee Woon Hong & Associates from 2006 to 2008, and a partner with Chui Sim Goh & Lim from 1994 to 2006. Mr. Goh graduated from the National University of Singapore with a Bachelor of Laws (Honours) in 1989 and was called to the Singapore Bar in 1990. Mr. Goh also previously served as a committee member in the Kampong Kembangan Community Club Management Committee from 2005 to 2010.

### MR. PANG TENG TUAN

Independent Director

Mr. Pang Teng Tuan was appointed as the Company's Independent Director on December 3, 2018 and was last re-elected as a Director on May 9, 2022. He serves as a member of the Audit Committee and the Remuneration Committee.

Mr. Pang is a director of Serenade Capital Advisors, an advisory firm that provides corporate advisory service from 2005. He was vice president of private equity, investment management for The Great Eastern Life Assurance Company Limited from 2008 to 2013. From 2007 to 2008, he was head of strategic investments and investor relations for a SGX listed semi-conductor equipment manufacturer. From 2005 and 2006, he was vice president, business development for NatSteel Asia and from 2003 to 2005, he was with the investment banking department of Hong Leong Bank (Singapore). Mr. Pang started his career as a corporate advisory consultant with Ernst and Young. He graduated from Queensland University of Technology with a Bachelor of Business (Accountancy) degree and is a CPA with CPA Australia.



# CORPORATE INFORMATION

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## BOARD OF DIRECTORS

**Liong Kiam Teck***Executive Chairman***Neo Tiam Boon, PBM***Chief Executive Officer and Executive Director***Fong Heng Boo***Lead Independent Director***Mervyn Goh Bin Guan***Independent Director***Pang Teng Tuan***Independent Director***Neo Tiam Poon @ Neo Thiam Poon***Alternate Director to Mr. Liong Kiam Teck***Neo Thiam An***Alternate Director to Mr. Neo Tiam Boon*

## AUDIT COMMITTEE

Fong Heng Boo (Chairman)

Mervyn Goh Bin Guan

Pang Teng Tuan

## NOMINATING COMMITTEE

Mervyn Goh Bin Guan (Chairman)

Fong Heng Boo

Neo Tiam Boon, PBM

## REMUNERATION COMMITTEE

Fong Heng Boo (Chairman)

Mervyn Goh Bin Guan

Pang Teng Tuan

## COMPANY SECRETARIES

Foo Soon Soo

Tam Siew Kheong

## INDEPENDENT AUDITOR

CLA Global TS Public Accounting Corporation

80 Robinson Road

#25-00

Singapore 068898

Director-in-charge: Lee Tze Shiong

(Appointed since November 24, 2022)

## PRINCIPAL BANKERS

United Overseas Bank Limited

Oversea-Chinese Banking Corporation Limited

Malayan Banking Berhad

## SHARE REGISTRAR

B.A.C.S. Private Limited

77 Robinson Road #06-03

Robinson 77

Singapore 068896

## REGISTERED OFFICE

1 Jalan Berseh #03-03

New World Centre

Singapore 209037

Website: [www.tiongaik.com.sg](http://www.tiongaik.com.sg)

## STATEMENT OF CORPORATE GOVERNANCE

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**TA Corporation Ltd** (the “**Company**”) and its subsidiaries (the “**Group**”) are committed to ensuring and maintaining high standard of corporate governance. This report sets out the Group’s corporate governance practices for the financial year ended 31 December 2023 (“FY2023”) with reference to the Code of Corporate Governance 2018 (the “**Code**”) issued on 6 August 2018 and accompanying Practice Guidance (updated on 14 December 2023). The Company has complied in all material aspects with the principles and guidelines of the Code as well as compliance with the requirements of Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual. Where there are deviations from the Code, explanations have been provided.

### BOARD’S CONDUCT OF AFFAIRS

**Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.**

The Board of Directors of the Company (the “Board”) provides leadership to the Group by setting the corporate policies and strategic directions. The Board oversees the Group’s affairs and is accountable to shareholders for the management of the Group business and its performance. The Board has in place a Code of Conduct and Ethics which sets the appropriate tone-from-the-top and desired organisational culture and ensures proper accountability within the Group. The Directors facing conflicts of interest are required to recuse themselves from discussions and decisions involving the issues of conflict. The Board has a Board Charter which sets out the responsibilities for it to oversee the business affairs of the Group and the matters that are specifically reserved to the Board for approval.

The Board Charter sets out the principal responsibilities of the Board as follows:

- (a) provide entrepreneurial leadership, set strategic directions, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- (b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Group’s assets;
- (c) review management performance;
- (d) identify the key stakeholder groups and recognise that their perceptions affect the Group’s reputation;
- (e) set the Group’s values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met; and
- (f) consider sustainability issues as part of its strategy.

Matters specifically reserved for the Board’s decision are set out in the Board Charter:

- (a) matters involving a conflict of interest for a substantial shareholder or a director;
- (b) strategic policies of the Group;
- (c) material acquisitions and disposal of assets;
- (d) corporate or financial restructuring;
- (e) share issuances, interim dividends and other returns to shareholders; and
- (f) any investment or expenditure not in the ordinary course of business and where the amount falls within Rule 1004(b) to (d) of the Listing Manual of the SGX-ST.

## STATEMENT OF CORPORATE GOVERNANCE

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The present Board comprises five members, three of whom are independent directors. The current members of the Board and their membership on the Board Committees of the Company are as follows:

Mr Liong Kiam Teck <sup>(a)</sup> <i>(alternate: Mr Neo Tiam Poon @ Neo Thiam Poon)</i>	Executive Chairman
Mr Neo Tiam Boon <sup>(b)</sup> <i>(alternate: Mr Neo Thiam An)</i>	Chief Executive Officer and Executive Director and member of Nominating Committee (“NC”)
Mr Fong Heng Boo	Lead Independent Director, Chairman of Audit Committee (“AC”) and Remuneration Committee (“RC”) and member of NC
Mr Mervyn Goh Bin Guan <sup>(c)</sup>	Independent Director, member of AC and RC and Chairman of NC
Mr Pang Teng Tuan <sup>(d)</sup>	Independent Director, member of AC and RC

As announced on 27 February 2024, at the conclusion of the forthcoming Annual General Meeting (“AGM”):

- (a) Mr Liong Kiam Teck will retire as Director and Executive Chairman;
- (b) Mr Neo Tiam Boon will be appointed Executive Chairman;
- (c) Mr Mervyn Goh Bin Guan will be re-designated Non-Independent and Non-Executive Director and he will remain as member of the AC and RC and cease as Chairman of the NC but continue as member of the NC; and
- (d) Mr Pang Teng Tuan will be appointed Chairman of the NC.

The Board is accountable to the shareholders and the Directors are aware of their duties at law which requires them to act in good faith and the best interests of the Company and to comply with the Listing Rules of the SGX-ST. The Directors have each signed the respective undertaking in the form set out in Appendix 7.7 of the Listing Rules to undertake to use their best endeavours to comply with the Listing Rules and to procure that the Company shall so comply. The Directors have also procured a similar undertaking by the CFO in his capacity as Executive Officer.

In carrying out and discharging its duties and responsibilities efficiently and effectively, the Board is assisted by various Board Committees namely the AC, the NC and the RC without the Board abdicating its responsibilities.

These Committees function within clearly defined terms of references and operating procedures, including procedures for dealing with conflicts of interest, which are reviewed on a regular basis. A Board Committee member is required to disclose his interest and recuse himself from discussions and decisions involving a conflict of interest. The Board also constantly reviews the effectiveness of each committee.

(Please refer to Principles 4 to 10 herein for further information on the activities of the NC, RC and AC respectively.)

The Board meets regularly and as warranted by particular circumstances or as deemed appropriate by the Board members. The Company’s Constitution allows the Board meetings to be conducted by way of telephonic or video conference meetings.



## STATEMENT OF CORPORATE GOVERNANCE

Directors' attendance at Board and Board Committees meetings in FY2023 is disclosed below:

	Board	Audit	Remuneration	Nominating
<b>Number of meetings held</b>	4	4	1	1
<b>Name of Directors</b>				
Mr Liong Kiam Teck (alternate: Mr Neo Tiam Poon @ Neo Thiam Poon)	3	3*	1*	1*
Mr Neo Tiam Boon (alternate: Mr Neo Thiam An)	4	4*	1*	1
Mr Fong Heng Boo	4	4	1	1
Mr Mervyn Goh Bin Guan	4	4	1	1
Mr Pang Teng Tuan	4	4	1	1*

N.A. – The Director is not a member of the Board Committees.

\* Attended the meeting as invitee

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms including periodic reviews, provision of guidance and advice on various matters relating to the Group.

The Company has in place an orientation process. A new incoming director is issued a formal letter of appointment setting out his duties and obligations, and where appropriate, incorporating processes to deal with possible conflicts of interest that may arise.

Incoming Directors joining the Board will be briefed by the NC on their Directors' duties and obligations and be introduced to the Group's business and governance practice and arrangements, in particular the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive and trade sensitive information. First-time Directors appointed to the Board will also receive briefings on areas such as accounting, legal and key developments in industries where the Group operates and will undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by SGX-ST.

The incoming Directors will meet the senior management and the Company Secretaries to familiarize themselves with their roles, organization structure and business practices. This will enable them to get acquainted with senior management and the Company Secretaries thereby facilitating board interaction and independent access to senior management and the Company Secretaries.

All Directors are from time to time furnished with information concerning the Company to enable them to be fully cognisant of the decisions and actions of the Company's executive management. The management also provides the Board with regular management reports, whenever necessary and Board papers are sent to Directors before each Board and Board Committee meetings.

## STATEMENT OF CORPORATE GOVERNANCE

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For the year under review, the Directors are continually and regularly updated on the Group's business and governance practices. On a half yearly basis, the Board is briefed on recent changes to the accounting standards and regulatory updates. Briefings and updates provided for Directors for the financial year ended 31 December 2023 include the following:

- The external auditors briefed the AC members on respective updates on financial reporting standards relevant to the Group.
- The Board was briefed on relevant rules and regulations including requirements of the SGX-ST's listing rules, the provisions of the Companies Act and the Code by the Company Secretaries.
- The CEO updates the Board on the Group's business and strategic developments at each Board meeting.
- Management highlights salient issues as well as risk management considerations for industries and regions where the Group operates.

All Directors had attended the sustainability training conducted by Singapore Institute of Directors as prescribed by the SGX-ST.

The Directors can request for further explanations, briefings or information on any aspect of the Group's operations or business issues from management.

The Board has unrestricted access to the Company's records and information. The Board has separate and independent access to the Company Secretaries and senior management of the Company and of the Group at all times in carrying out their duties. The Company Secretaries attend all Board meetings and meetings of the Committees of the Company where necessary and ensure that Board procedures are followed and that applicable laws, rules and regulations are complied with.

The appointment and the removal of the Company Secretaries are subject to the Board's approval.

The Board takes independent professional advice as and when necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to discharge its responsibilities effectively.

The Board recognises the importance of the Company's responsibility to achieve sustainable business growth in terms of corporate social responsibility ("CSR") and environment conservation for the communities in which the Group operates. The Group's CSR and various initiatives are set out in the Sustainability Report. In accordance with the Listing Rules of SGX-ST, the Group will issue its sustainability report in respect of its financial year ended 31 December 2023 by 31 July 2024. The sustainability report will be posted on SGXNET and the corporate website. In compliance with new Listing Rules that take effect from 1 January 2022, the sustainability reporting process is subjected to internal review and the Directors have undergone sustainability training as prescribed by SGX-ST.

### BOARD COMPOSITION AND GUIDANCE

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

The present Board comprises five members, three of whom forming a majority are Independent Directors, with one of them being a Lead Independent Director.

Under Provision 2.2 of the Code, the independent directors should make up at least a majority of the Board where the Chairman and the CEO are immediate family members; and where the Chairman is part of the management team or is not an Independent Director. The Company has complied with the Code.

## STATEMENT OF CORPORATE GOVERNANCE

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The criterion for independence is based on the definition given in the Code and the Listing Rules of SGX-ST. The Code has defined an “Independent” Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgment in the best interest of the Company. Under the Listing Rules of SGX-ST, an independent director is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC. The independence of each Director is reviewed annually by the NC, based on the definition of independence as stated in the Code.

For the purpose of determining Directors’ independence, every Independent Director has provided declaration of his independence, confirming their independence in accordance with the criteria under the Code and the Listing Rules. Except for the Executive Directors, all the other Directors on the Board are considered by the NC and the Board to be Independent Directors. At all times, the Directors exercise due diligence and independent judgement and make decisions objectively in the best interests of the Group. Mr Fong Heng Boo and Mr Mervyn Goh Bin Guan, NC members abstained from the NC’s deliberation in respect of their independence.

Under new Listing Rule 210(5)(d)(iv) effective from 11 January 2023, Mr Mervyn Goh Bin Guan, an Independent Director of the Company who has served on the Board for more than 9 years will cease to be independent at the conclusion of the forthcoming AGM. As announced on 27 February 2024, at the conclusion of the forthcoming AGM and upon his re-election as Director, Mr Mervyn Goh will be re-designated Non-Independent and Non-Executive Director.

The Company has in place a Board Diversity Policy, which endorses the principle that the Board should have a balance of skill, knowledge, experience and diversity of perspectives to ensure effective decision making and governance of the Company and its businesses.

The NC annually reviews and assesses the Board composition and recommends the appointment of new directors, where applicable. For new and continuing appointments, the NC will consider factors such as skills, experience, age, gender, educational and professional background, tenure of service and other relevant personal attributes that are important and needed to support good decision making at the Board level. Core competencies, which are taken into account in the selection and appointment of Directors, include banking, finance, accounting, business and & management experience, industry, legal and information technology knowledge, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls. As gender is an important aspect of diversity, the NC will strive to ensure that during a Board renewal, the search for candidates for Board appointments will include female candidates that meet the set requirements for a new candidate. The Board targets to include gender diversity on the board in the next board renewal exercise where applicable.

All Board appointments will be made on merit, taking into account the skills, experience, independence and knowledge that the particular director can bring to the Board and with due regards for the benefits of diversity on the Board.

The NC has reviewed the current composition of the Board and is of the view that the Board is of the appropriate size taking into account the scope and nature of the operations of the Group and the requirements of the business.

The Board targets to have (1) gender diversity on the board in the next board renewal exercise where applicable and (2) skill diversity to include at least 2 members with banking, finance, accounting, and include members with business and management experience, industry, legal and information technology knowledge, familiarity with regulatory requirements and knowledge of risk management, audit and internal controls.

For skill diversity, the NC views the current Board as comprising persons whose diverse skills, experience and attributes meet the Board’s skill diversity target and provide for effective direction for the Group. The Board concurs with the NC and has considered that Management will continue to benefit from the Directors’ respective expertise and diverse background.

For gender diversity, the Board remains committed to fostering gender balance within its composition.

Details of the Directors’ academic and professional qualification are set out in Board of Directors’ section of this Annual Report.

## STATEMENT OF CORPORATE GOVERNANCE

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During the year under review, the Non-Executive Directors (who are all Independent Directors) led by the Lead Independent Director constructively challenge and help develop both the Group's short-term and long-term business strategies. Management's progress in implementing such agreed business strategies are monitored by the Independent Directors. They communicate among themselves without the presence of Management as and when the need arises. Management has ready access to its Directors (including the Independent Directors) for guidance and exchange of views both within and outside the formal environment of the Board and Board committee meetings.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

The Chairman and the CEO are separate persons to ensure an appropriate balance and separation of power and authority, and clear division of responsibilities and accountability.

The Executive Chairman, Mr Liong Kiam Teck, leads the Board and ensures its effectiveness by promoting a culture of openness and debate at the Board steering effective, productive and comprehensive discussions amongst Board members and the Management team on strategic, business and other key issues pertinent to the business and operations of the Group. His responsibilities also include making sure that Directors are provided with clear, complete and timely information in order to make sound and informed decisions.

The CEO and Executive Director, Mr Neo Tiam Boon is responsible for executing the Group's strategies and policies and has overall responsibility of the Company's operations and organisational effectiveness. He is accountable to the Board for the conduct and performance of the respective business operations under his charge. The Executive Chairman works closely with the CEO on matters to be tabled at meetings as well as in ensuring that Board members receive accurate, timely and clear information. As such, the Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

As Chairman, Mr Liong's responsibilities include:

- leading the Board to ensure its effectiveness on all aspects of its role;
- setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- scheduling of meetings (with assistance from the Company Secretaries) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- reviewing most board papers before they are presented to the Board;
- ensuring effective communication with shareholders; and
- promoting corporate governance.

The Executive Chairman and the CEO are immediate family members and are part of the management team. Accordingly, in compliance with Provision 3.3 of the Code, the Company had appointed Mr Fong Heng Boo as the Lead Independent Director. As Lead Independent Director, he is the principal liaison on Board issues between the Independent Directors and the Chairman. He is available to shareholders where they have concerns in which contact through the normal channels of the Executive Chairman and Executive Director has failed to resolve or is inappropriate. The Company has posted the contact of the Lead Independent Director on its corporate website to facilitate shareholders and other stakeholders who wish to communicate with the Lead Independent Director.



## STATEMENT OF CORPORATE GOVERNANCE

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As announced on 27 February 2024, Mr Liong will retire at the forthcoming AGM pursuant to the Constitution, and Mr Neo Tiam Boon will be appointed Executive Chairman in place of Mr Liong. He will continue as CEO. The NC has recommended to the Board Mr Neo's appointment as Executive Chairman. Mr Neo has abstained from the Board's deliberation and decision on his appointment as Executive Chairman.

The NC and the Board recognises the Code's recommendation that the Chairman and the Chief Executive Officer should be separate persons to ensure an appropriate balance of power and authority. The NC and the Board are of the view that Mr Neo's roles as Chairman and CEO are distinct and separate.

With Mr Neo as Chairman and CEO, all major proposals and decisions made by Mr Neo as CEO will continue to be discussed and reviewed by the AC. The Chairman and CEO's performance and appointment to the Board is reviewed periodically by the NC and his remuneration package is reviewed periodically by the RC. Furthermore, as the AC, NC and RC are chaired by the Independent Directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against an uneven concentration of power and authority in a single individual.

### BOARD MEMBERSHIP

**Principle 4: The board has a formal and transparent process for the appointment and re-election of directors, taking into account the need for progressive renewal of the Board.**

The NC comprises three members, majority of whom including its Chairman are Independent Directors. The members of the NC are:

Mr Mervyn Goh Bin Guan	Chairman	Independent Director
Mr Fong Heng Boo	Member	Lead Independent Director
Mr Neo Tiam Boon	Member	CEO and Executive Director

As announced on 27 February 2024, at the conclusion of the forthcoming AGM and upon Mr Mervyn Goh's re-election as Director, Mr Mervyn Goh who has served as a Director for more than 9 years and cease to be independent at the conclusion of the forthcoming AGM, will be re-designated Non-Independent and Non-Executive Director and cease as NC Chairman. He will remain as member of the NC.

The NC has written terms of reference, under which the key functions of the NC are as follows:

- (a) review of Board succession plans for Directors, in particular, the Chairman, CEO and key management personnel;
- (b) develop a process for evaluation of the performance of the Board, its Board Committees and Directors, and undertake assessment of the effectiveness of the Board, Board Committees and individual Directors, including setting a limit on multiple board representations for Directors where applicable;
- (c) review the training and professional development programs for the Board;
- (d) recommend to the Board the appointment and re-election of Directors; and
- (e) assess the independence of Independent Directors.

The NC has in place a board succession plan for Directors, in particular, the Executive Chairman and CEO. The NC has reviewed contingency arrangements for any unexpected incapacity of the CEO or any of the top management personnel and is satisfied with procedures in place to ensure a transition to a full operational management team.

## STATEMENT OF CORPORATE GOVERNANCE

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Each Independent Director completes a declaration to confirm his independence on an annual basis. The NC has reviewed the independence of the Independent Directors and considered them independent.

The NC annually reviews the composition of the Board to ensure that the Board has appropriate balance of expertise, skills, attributes and abilities. The NC has set guidelines on the maximum number of Board appointments in listed companies that a Board member can hold to ensure that the Directors are able to commit their time to effectively discharge their responsibilities. Based on the guidelines set by the NC, each Board member cannot have more than six listed Board representations including the Company. All the Directors currently do not sit on the boards of more than six listed companies.

The Company has in place policy and procedures for the appointment of new Directors to the Board, including a description on the search and nomination process. The NC will determine the criteria for identifying candidates. The potential candidates are sourced through a network of contacts including recommendations from the Directors and Management and identified based on the established criteria. The NC will review nominations for the appointment of Directors to the Board, ensuring that the process of Board appointments and re-nominations are transparent.

The NC will shortlist candidates and conduct formal interviews with each of them to assess their suitability and to verify that the candidates are aware of the expectations and level of commitment required. The NC will make recommendations on the appointment(s) to the Board for approval.

In accordance with the Company's constitution, at each AGM, one-third of the Directors for the time being shall retire from office by rotation, so that all Directors shall retire from office once at least every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election and any further Directors who have been longest in office since they were last required to retire by rotation.

Pursuant to the Company's Constitution, Mr. Liong Kiam Teck, Mr. Mervyn Goh Bin Guan and Mr Fong Heng Boo will retire by rotation. As announced on 27 February 2024, Mr Liong did not wish to seek re-election and will retire at the conclusion of the forthcoming AGM. Mr Fong and Mr Goh have consented to re-election. The NC has evaluated and is satisfied that Mr Fong and Mr Goh have committed time to effectively discharge their duties as Directors. The NC has recommended their re-elections. Mr Fong and Mr Goh have abstained from the NC's and Board's deliberation and decision on their respective re-elections.

In accordance with Listing Rule 720(6), information as set out in Appendix 7.4.1 on Mr Fong and Mr Goh are provided in the Statement of Corporate Governance of this Annual Report.

Mr Neo Tiam Poon @ Neo Thiam Poon is the Alternate Director to Mr Liong Kiam Teck. He will cease as Alternate Director with the cessation of Mr Liong as Director at the conclusion of the forthcoming AGM.

Mr Neo Thiam An is the Alternate Director to Mr Neo Tiam Boon. He will cease as Alternate Director to Mr Neo Tiam Boon at the conclusion of the forthcoming AGM.

Key information on the Directors including directorships and chairmanships in other listed companies, other major appointments, academic/professional qualifications, membership/chairmanship in the Company's Board Committees, date of first appointment and last re-election, etc. is set out in Board of Directors' section of this Annual Report.

## STATEMENT OF CORPORATE GOVERNANCE

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### BOARD PERFORMANCE

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

The NC will conduct a formal assessment of the effectiveness of the Board as a whole and its committees and the contribution by each Director to the effectiveness of the Board on an annual basis.

The NC has with the Board's approval, implemented a process for annually assessing the effectiveness of the Board and its Committees and the contribution by each individual Director to the effectiveness of the Board.

This process includes having the Directors complete the respective performance evaluation forms seeking their evaluation of the Board and of the Board Committees. The Board is evaluated on various aspects of Board performance, such as Board's level of governance, effective delegation to the Board Committees, leadership and accountability. The Board Committees are evaluated on their competence to perform their functions, and their effectiveness in assisting the Board in the management of the Group business.

The Company Secretaries compile the respective evaluations of the Board and Board Committees into consolidated reports. The reports are discussed at the NC meeting and also shared with the entire Board.

The individual Directors are evaluated based on factors such as knowledge of the Company's business and industry knowledge and contribution to Board discussion. The Chairman will act on the results of the performance evaluation, and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.

Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his duties as a Director of the Company. For the current year, the NC is satisfied that each Director has allocated sufficient time and resources to the affairs of the Company.

The NC has reviewed the performance evaluations of the Board, Board Committees and individual Directors and is satisfied that the Board and Board Committees have been effective in the conduct of their respective duties, and the Directors have each contributed to the effectiveness of the Board.

The Company does not use any external professional facilitator for the assessments of the Board, Board Committees and individual Directors, and will consider the use of such facilitator as and when appropriate.

### REMUNERATION MATTERS

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

The RC comprises the following three members, all of whom including the Chairman are independent.

Mr Fong Heng Boo	Chairman	Lead Independent Director
Mr Mervyn Goh Bin Guan	Member	Independent Director
Mr Pang Teng Tuan	Member	Independent Director

As announced on 27 February 2024, at the conclusion of the forthcoming AGM and upon Mr Mervyn Goh's re-election as Director, Mr Mervyn Goh who has served as a Director for more than 9 years and cease to be independent at the conclusion of the forthcoming AGM, will be re-designated Non-Independent and Non-Executive Director. He will remain as RC member.

## STATEMENT OF CORPORATE GOVERNANCE

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The RC carried out their duties in accordance with the terms of reference which include the following:

- (a) review and recommend to the Board a framework for remuneration for the Directors and key management personnel of the Company;
- (b) review and recommend Directors' fee for Independent Directors for approval at the AGM;
- (c) determine specific remuneration packages for each Executive Director as well as key management personnel;
- (d) review the Group's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- (e) review the remuneration of employees who are immediate family members of Director or the CEO to ensure that the remuneration of each of such employee commensurate with his or her duties and responsibilities, and no preferential treatment is given to him or her; and
- (f) review and recommend the engagement of remuneration consultant at the request of management or as it deems appropriate for the Company.

During the year, the RC considered and approved the fee framework for Independent Directors and the remuneration packages of the Executive Directors and key management personnel which are submitted to and approved by the Board. No member of the RC was involved in deciding his own remuneration.

In setting remuneration packages, the Company takes into accounts all aspects of remuneration (including termination clauses) and considers the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals. The RC also reviews the company's obligations arising in the event of termination of the Executive Directors' and key management personnel's' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses to both parties.

The RC is provided access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. It is the RC's policy that any professional remuneration consultant if appointed would be independent of the Directors or any organisations they are associated with and the management of the Company so the consultant is objective and independent.

### LEVEL AND MIX OF REMUNERATION

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.**

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies. The level and structure of remuneration is aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company. However, the Company should avoid paying more than is necessary for this purpose.



## STATEMENT OF CORPORATE GOVERNANCE

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Under the Company's remuneration policy and structure, the performance conditions are set out to link rewards to overall strategic and financial goals of the Company. An appropriate proportion of the remuneration of the Executive Directors and key management personnel are linked to the overall performance of the Group, contribution of the operating units to the Group performance and assessment of their individual performance to the contribution of the operating units that they are employed in. Each of the Executive Directors and key management personnel have a service agreement with the Company which can be terminated by either party giving notice of resignation/termination. Each appointment is on an ongoing basis and no onerous or over-generous removal clauses are contained in the letter of employment. The remuneration structure provides for basic salaries, annual wage supplement and incentive bonus, which is tied to the performance of the Group annually. Key management personnel are compensated on a fixed plus variable basis. The RC would periodically review the Group's remuneration framework to ensure compensation for Executive Directors and key management personnel remains linked to both short-term performance and the Group's strategy for long-term sustainability. Executive Directors do not receive directors' fees.

Currently, the Company has no long-term incentive scheme, such as share option or other share incentive schemes for its employees. The RC has reviewed and is satisfied that the existing remuneration structure for Executive Directors and key management personnel for their fixed and variable components would continue to be adequate in incentivising performance without being over-excessive.

The remuneration of Executive Directors and key management personnel comprises a variable component. The variable component is performance related and is linked to the Group's/Company's performance as well as individual's performance. The variable component takes into account industry conditions, comparative performance of players in the market, where appropriate and available, return to shareholders, and individual performance in terms of responsibilities, experience and achievements.

For the year under review, the RC has reviewed the remuneration of Executive Directors, key management personnel in accordance with their performance criteria and recommended them to the Board. The Board has approved the RC's recommendations.

For Independent Directors of the Company, the structure and level of Directors' fee are tied to their respective roles and responsibilities on the Board and Committees. Changes to the Group's business and corporate governance revisions and practices, assessment of Directors' contributions and attendance at meetings are taken into consideration in determining the Directors' fee structure.

The fee for Independent Directors comprise a basic retainer fee and additional fee for appointment to Board Committees.

The framework of Directors' fee for Independent Directors is as follows:

Basic Director's fee	\$37,500 per annum
AC Chairman	\$25,000 per annum
AC member	\$12,500 per annum
NC or RC Chairman	\$6,250 per annum
NC or RC member	\$3,750 per annum

The RC has reviewed and approved the above fee structure for Independent Directors as being reflective of their responsibilities and work commitments. In view of the challenges faced by the Company post Covid-19 pandemic, the Independent Directors have opted for a 15% reduction in their fees since FY2021 to show solidarity and support to the Company. Accordingly the RC has recommended and the Board approved the Directors' fees for FY2023 based on the above fee structure, a 15% reduction therefrom.

## STATEMENT OF CORPORATE GOVERNANCE

The Company does not have any contractual provisions in the employment contracts for the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the operating unit (and not on forward-looking results) as well as individual performance, “claw-back” provisions in the service agreements may not be relevant or appropriate.

### DISCLOSURE ON REMUNERATION

**Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

#### Remuneration of Directors, Alternate Directors and the CEO

The remuneration paid to or accrued to each individual Director, Alternate Directors and the CEO for FY2023 is as follows:

Remuneration Bands	Fee %	Fixed Remuneration %	Performance Related Variable Remuneration %	Allowances and Other Benefits-in-kind %	Total Compensation %
<b>\$500,001 to \$750,000</b>					
Mr Liong Kiam Teck	–	89.0	–	11.0	100
<b>\$250,001 to \$500,000</b>					
Mr Neo Tiam Boon	27.6	62.4	–	10	100
Mr Neo Tiam Poon @ Neo Thiam Poon	17.3	70.5	–	12.2	100
Mr Neo Thiam An	–	83.3	–	16.7	100
<b>Up to \$250,000</b>					
Mr Fong Heng Boo	100	–	–	–	100
Mr Mervyn Goh Bin Guan	100	–	–	–	100
Mr Pang Teng Tuan	100	–	–	–	100

To maintain confidentiality of the remuneration policies of the Group, the Board is of the view that it is in the best interests of the Group not to fully disclose details of remuneration of each individual Director, Alternate Directors and the CEO. While the exact remuneration of the Executive Directors is not given, the level and composition of the Executive Directors’ remuneration packages expressed in percentage terms are provided as above. The Company believes that such disclosure will balance the interest of the Company and provide shareholders with an adequate appreciation of the Executive Director’s remuneration packages and is consistent with the intent of Principle 8 of the Code.

STATEMENT OF CORPORATE GOVERNANCE

Remuneration of top 5 key management personnel

The remuneration paid to or accrued to top five key management personnel (who are not Directors nor the CEO) for FY2023 is as follows:

Remuneration Bands	Fixed Remuneration %	Director Fee %	Performance Related Variable Remuneration %	Allowances and Other Benefits-in-kind %	Total Compensation %
<b>\$250,001 to \$500,000</b>					
First Executive	74.8	–	17.1	8.1	100
Second Executive	76.5	10.8	–	12.8	100
<b>Up to \$250,000</b>					
Third Executive	88.7	–	3.6	7.7	100
Fourth Executive	78.6	–	6.6	14.8	100
Fifth Executive	84.8	–	5.2	10.0	100

The Group operates under highly competitive conditions in the local and regional market place. With full disclosure, the competitors have publicly available information of profile of the Company's key personnel and remuneration benchmark. The Company does not have similar information and is seriously disadvantaged as compared to its competitors in retaining and recruitment of key personnel. Loss of its key personnel involves considerable loss of operational know-how and cost in recruitment of similar talent and gestation period for new key personnel to be fully inducted into the Company's work practices. All this would impact its business competitive edge vis-à-vis its competitors. Disclosure of the names of the key management personnel will be not in the interest of the Company from a business perspective. The Company believes the above disclosure provides a balance between the interest of the Company and provision of information to shareholders and is consistent with the intent of Principle 8 of the Code.

For the financial year ended 31 December 2023, the aggregate remuneration (including employer CPF and benefits-in-kind) of the top five key management personnel (who are not Directors) was S\$999,802. In view of the challenges faced by the Company post Covid-19 pandemic, the Executive Directors have undergone significant salary reduction to show supportive to the Company since May 2020 and be a role model for all the employees under the Group.

Employees who are substantial shareholders, or immediate family members of a Director, the CEO or a substantial shareholder

Saved as disclosed in the following table, there is no other employee who is a substantial shareholder or an immediate family member of a Director, the CEO or a substantial shareholder whose remuneration exceeds \$100,000 for FY2023.

Remuneration Bands	Relationship to Directors or the CEO
<b>\$100,001 to \$200,000</b>	
Liong Cailin, Wendy <sup>1</sup>	Daughter of Mr Liong Kiam Teck, and niece of, Mr Neo Tiam Boon, Mr Neo Tiam Poon, @ Neo Thiam Poon and Mr Neo Thiam An
Liong Chai Yin, Fiona <sup>2</sup>	Daughter of Mr Liong Kiam Teck and niece of Mr Neo Tiam Boon, Mr Neo Tiam Poon, @ Neo Thiam Poon and Mr Neo Thiam An

<sup>1</sup> Directors of Nexus Point Investments Pte Ltd, Que Holdings Pte. Ltd., Sino Tac Resources Pte. Ltd., Alpha Air Pte. Ltd., Invest (CR) Pte Ltd, The Investment Firm Pte. Ltd., Sireerin Group, TA Construction (Myanmar) Company Limited, TACC (C.R) Ltd. and Premier Facility Management Co. Ltd.

<sup>2</sup> Directors of Nexus Point Investments Pte Ltd and Sireerin Group.

# STATEMENT OF CORPORATE GOVERNANCE

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## RISK MANAGEMENT AND INTERNAL CONTROLS

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

The Board determines the Group's levels of risk tolerance and risk policies, and oversees the Management in the design, implementation and monitoring of the Group's risk management and internal control systems.

The Group recognised the importance of maintaining a sound system of risk management and internal controls to safeguard the shareholders' interest and the Group's assets. The Group maintains a system of internal controls for all companies within the Group. The controls are to provide reasonable assurance (but not absolute guarantee) that assets are adequately safeguarded, operational and information technology controls are in place, business risks are suitably addressed and proper accounting records are maintained.

The AC reviews and reports to the Board on the adequacy and effectiveness of the Group's internal control and risk management system. In assessing the adequacy and effectiveness of internal controls and risk management system, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The key risks of the Group are deliberated by management and reported to the AC regularly. The AC is assisted by a Risk Management Committee ("RMC") comprising senior management personnel, including the CEO, CFO, COO and other senior personnel, has oversight of risk management in the Group to ensure that a robust risk management system is maintained. The AC reviews the adequacy and effectiveness of the internal controls and risk management system, which includes the documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes. AC reviews with the internal and external auditor their audit report and findings. Internal auditors provide assurance that the internal controls over the key risks of the Group are adequate and effective.

For the financial year ended 31 December 2023, the Board has received assurance from the CEO and CFO (also in his capacity as Risk Officer) in the execution of their respective duties as CEO and CFO and to the best of their knowledge and belief, the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and regarding the effectiveness of the Company's risk management and internal control system. The Board also received assurances from the key management personnel of the Group's subsidiaries who are responsible regarding the adequacy and effectiveness of the risk management and internal control systems of the respective Group's subsidiaries.

Based on the review of the key risks identified, and the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by management, the RMC and the AC, and the aforesaid assurances from the CEO, CFO and other key management personnel, the Board, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems were adequate and effective for the year ended 31 December 2023. The AC concurs with the Board.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.



## STATEMENT OF CORPORATE GOVERNANCE

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### AUDIT COMMITTEE

#### Principle 10: The Board has an Audit Committee (“AC”) which discharges its duties objectively.

The AC comprises the following three members all of whom, including the Chairman, are independent.

Mr Fong Heng Boo	Chairman	Lead Independent Director
Mr Mervyn Goh Bin Guan	Member	Independent Director
Mr Pang Teng Tuan	Member	Independent Director

As announced on 27 February 2024, at the conclusion of the forthcoming AGM and upon Mr Mervyn Goh’s re-election as Director, Mr Mervyn Goh who has served as a Director for more than 9 years and cease to be independent at the conclusion of the forthcoming AGM, will be re-designated Non-Independent and Non-Executive Director. He will remain as AC member.

The Chairman of the AC, Mr Fong Heng Boo, has over 49 years of experience in auditing, finance, business development and corporate governance. Mr Fong graduated from the University of Singapore (now known as the National University of Singapore) with a Bachelor of Accountancy (Honours) in 1973. Mr. Mervyn Goh graduated from the National University of Singapore with a Bachelor of Laws (Honours) in 1989 and was called to the Singapore Bar in 1990. Mr Pang Teng Tuan graduated from the Queensland University of Technology with a Bachelor of Business (Accountancy) degree and is a CPA with CPA Australia. He had considerable experience in investment management. All the AC members are informed of changes in accounting standards and issues through updates from the external auditors. The Board is satisfied that the members of the AC including the Chairman have recent and relevant accounting or related financial management expertise or experience to discharge the AC’s functions.

The AC functions under the terms of reference that sets out its key responsibilities are as follows:

- (a) To review the financial statements of the Company and the Group, in particular significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any announcements relating to the Group’s financial performance before submission to the Board;
- (b) To review and report to the board annually on the adequacy and effectiveness of the Group’s internal controls including financial, operational, compliance and information technology controls and risk management systems;
- (c) To review the assurance from the CEO and the CFO on the financial records and financial statements;
- (d) To review the audit plan of the internal and external auditors and report including key audit matters included in the Independent Auditor’s Report;
- (e) To review the scope adequacy, effectiveness and independence of the external audit and internal audit functions;
- (f) To review the independence of the external auditors and make recommendations to the Board on the appointment, re-appointment and removal of the external auditors and internal auditors, and their remuneration;
- (g) To review interested person transactions and potential conflicts of interest; and
- (h) To review arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The AC reviewed the key audit matters (“KAMs”) for FY2023. The AC considered the approach, methodology and key assumptions applied. The AC concluded that Management’s accounting treatment and estimates in the KAMs were appropriate. The KAMs are as set out in the independent auditor’s report section of this Annual Report.

## STATEMENT OF CORPORATE GOVERNANCE

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The AC has explicit authority to investigate any matter within its terms of reference. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. The AC has full access to and co-operation of the management and has full discretion to invite any Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions. No member of the AC or any Director is involved in the deliberations and voting on any resolutions in respect of matters he is interested in.

The AC meets with both the independent and internal auditors without the presence of the management at least once a year. These meetings enable the external auditors and internal auditors to raise issues encountered in the course of their work directly to the AC.

No former partner or Director of the Company's existing auditing firm or auditing corporation is a member of the AC.

The Company confirms compliance with Rule 712 and Rule 715 of the Listing Manual of the SGX-ST in engaging CLA Global TS Public Accounting Corporation ("CLA Global TS") as the independent auditor of the Company which is registered with the Accounting and Corporate Regulatory Authority ("ACRA"). CLA Global TS are the independent auditor of the Company and of its Singapore Significant subsidiaries. The AC has reviewed the amount of non-audit services rendered to the Group by the independent auditor. During the year, no fees paid to the independent auditor of the Company for non-audit services. The AC has recommended that CLA Global TS be nominated for re-appointment as auditors at the forthcoming AGM.

The Company has engaged EisnerAmper PAC an accounting firm registered with ACRA as its internal auditor ("IA"). The IA reports directly to the Chairman of the AC on all internal audit matters. The IA identifies, evaluates significant risks and develop risk-based audit plan for approval by the AC and provides independent assessment and reasonable assurances on areas of operation reviewed, advise and recommend the best practices that will improve and add value to the Company. IA has unfettered access to all the Company's documents, records, properties and personnel, including the AC. IA has confirmed their independence to the AC.

The internal audit follows the professional standards set by the Institute of Internal Auditors. The AC is satisfied that the internal audit function is independent, effective and adequately resourced to carry out its function.

The AC reviews the adequacy of the internal audit function to ensure that internal audits are conducted effectively and that Management provides the necessary co-operation to enable the IA to perform its function. The AC also reviews the IA's reports and remedial actions implemented by Management to address any internal control inadequacies identified.

The AC is responsible for the oversight and monitoring of any whistleblowing matters. The Company has a whistle-blowing policy by which staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to the Executive Chairman with a copy of such raised concerns to the AC Chairman. Such concerns raised are independently investigated and appropriate follow-up action is taken.

The Company will treat all information received confidentially and protect the identity and the interest of all whistle blowers. The Company will not tolerate the harassment or victimisation of a whistleblower. Furthermore, no person should suffer reprisal as a result of reporting a genuine concern, even if they turn out to be mistaken. Where it is determined that there is a prima facie case that an employee has suffered adverse treatment, harassment or victimisation as a result of his or her disclosure, a further investigation may take place and disciplinary action may be taken against the perpetrator in accordance with the relevant procedures.

Following evaluation of a complaint, and depending on the nature of the complaint, investigation may be conducted internally by an independent team nominated by the Executive Chairman, or referred to the external auditors or investigated by an independent committee of inquiry nominated by the AC Chairman. If the Executive Chairman decides not to proceed with the investigation, the decision must be explained as fully as possible to the person who raised the concern. It is then open to the person to make disclosure again to the AC Chairman. The AC Chairman shall report to the AC on recommended disciplinary or remedial action, if any. The AC will bring recommended actions to the other members of the Board for attention and after conclusion of deliberations, the agreed course of action will be dealt with by the executives.

The policy is communicated to all employees as part of the Group's efforts to promote awareness of fraud control.

## STATEMENT OF CORPORATE GOVERNANCE

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### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

**Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

The Group supports and encourages active shareholders' participation at general meetings. The Board believes that general meetings serve as an opportune forum for the shareholders to meet the Board and key management personnel, and to interact with them. All general meetings of the Company are held in Singapore which give shareholders the opportunity to participate effectively in and to vote thereat.

The Company's AGMs are the principal forums for dialogue with shareholders. Shareholders are encouraged to attend the AGMs and extraordinary general meetings ("EGMs") to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Every shareholder has the right to receive notice of general meetings and to vote thereat. Notice of a general meeting is sent out at least 14 days before the meeting so that sufficient notice of meeting is given to shareholders to attend the meeting or appoint proxies to attend and vote in their stead. Notices of the AGM and EGM will be announced on SGXNET.

The Company's Constitution allowing appointment of proxies for a shareholder who is absent from a general meeting to exercise his vote in absence through his proxy or proxies. The Company's Constitution allows a member (other than a relevant intermediary as defined in Section 181 of the Companies Act) to appoint one or two proxies to attend and vote at its general meetings. The Companies Act allows relevant intermediaries which include CPF Approved Nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF Approved Nominees' proxies.

The Board welcomes questions from shareholders who have an opportunity to submit questions relating to the resolutions at the AGM in advance of the meeting within a cut-off time given or at the meeting itself. The Company will endeavour to address questions received before the cut-off time before the AGM and publish the questions and answers. The Board will also address questions raised by shareholders present at the AGM. Minutes of the AGM including the questions and answers at the meeting will be published in the Company's corporate website as soon as practicable at <http://www.tiongaik.com.sg> and SGXNET within one (1) month.

All the Directors normally attend the general meetings of shareholders. The Chairmen of the AC, RC and NC are normally available at the meeting to answer those questions relating to the work of these Committees. The Company's external auditors will also be present to assist the Directors in addressing queries by shareholders. In 2023, the Company held one general meeting which was attended by all the current Directors.

In compliance with the Listing Rules of the SGX-ST, all resolutions tabled at the forthcoming AGM would be put to vote by poll, the procedures of which will be explained by the appointed scrutineer at the general meeting. This will allow greater transparency and more equitable participation by shareholders. The poll results will be read out to shareholders immediately after vote tabulations. The result of the resolutions will be announced after the general meetings via SGXNET.

The Board supports the Code's provision regarding "non-bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will explain the reasons and material implications.

The details of dividend payment to shareholders (if any) will be disclosed via the release of the announcements through SGXNET. The company does not have a policy on payment of dividend. The Board will consider the Group's level of cash and retained earnings and projected capital expenditure and investments in proposing a dividend.

# STATEMENT OF CORPORATE GOVERNANCE

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## ENGAGEMENT WITH SHAREHOLDERS

**Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.**

In line with continuous obligations of the Company pursuant to the Listing Rules of the SGX-ST, the Board's policy is that all shareholders be informed of all major developments that impact the Group.

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price. Information is disseminated to shareholders on a timely basis through:

- (a) SGXNET announcements;
- (b) Annual Report prepared and issued to all shareholders;
- (c) News releases on major developments of the Group;
- (d) Notices of and explanatory memoranda for AGM and EGM; and
- (e) Company's website at [www.tiongaik.com.sg](http://www.tiongaik.com.sg) at which shareholders can access timely information on the Group.

In accordance with the Listing Rules of the SGX-ST, the Company does not practise selective disclosure and price-sensitive and trade-sensitive information are publicly released on an immediate basis where required under the Listing Rules.

The Company's investor relations policy is to communicate with its shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNET. Financial results of the Group are released within prescribed periods under the Listing Rules.

Price-sensitive and/or trade-sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods. The Board also ensures timely, reliable and full disclosure of material corporate developments and material information to shareholders in compliance with statutory requirements and the Listing Rules of the SGX-ST.

The Company strives to reach out to shareholders and investors via its online investor relations site within its corporate website at <http://www.tiongaik.com.sg> where it updates shareholders and investors on the latest news and business developments of the Group. Shareholders and investors are also provided with an investor relations contact at [tac@tiongaik.com.sg](mailto:tac@tiongaik.com.sg). Investors are able to raise their questions to the Company's person in charge of investor relation at [tac@tiongaik.com.sg](mailto:tac@tiongaik.com.sg). The message will be forwarded to the relevant parties and the company will respond as soon as practicable.

The Company has also posted the contact of the Lead Independent Director on its corporate website to facilitate shareholders and other stakeholders who wish to communicate with the Lead Independent Director.



## STATEMENT OF CORPORATE GOVERNANCE

### ENGAGEMENT WITH STAKEHOLDERS

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.**

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. The identified key stakeholders of the Group include employees, customers, contractors and suppliers, investors, community, government and regulatory agencies.

The engagement approach with the stakeholders are set out in our Sustainability Report. In accordance with the Listing Rules of SGX-ST, the Group will issue its sustainability report in respect of its financial year ended 31 December 2023 by 31 July 2024 and will upload the full Sustainability Report in its Corporate website mentioned below.

The Group maintains a corporate website at <http://www.tiongaik.com.sg> at which stakeholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group. The Company has an online investor relations site within its corporate website as an outreach to shareholders and all other stakeholders. Shareholders and stakeholders are provided with an investor relations contact at [tac@tiongaik.com.sg](mailto:tac@tiongaik.com.sg).

### Interested Persons Transactions

When a potential conflict of interest arises, the Director concerned does not participate in discussions and is refrained from exercising any influence over other members of the Board.

The Company has established review and approval procedures to ensure that interested person transactions ("IPT") entered into by the Group are conducted on normal terms and are not prejudicial to the interest of the shareholders. For the year under review, the Board meets quarterly to review if the Company will be entering into any IPT.

The AC has reviewed the rationale and terms of the Group's IPT and is of the view that the IPT are on normal commercial terms and are not prejudicial to the interests of the shareholders.

The Company does not have a shareholders' mandate for IPT. Details of IPT for the year ended 31 December 2023 are as follows:

Name of Interested person and nature of transaction	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
<u>Prestige Resources Pte Ltd</u> Management service	Associate of directors – Liong Kiam Teck ("LKT"), Neo Tiam Boon ("NTB"), Neo Tiam Poon @ Neo Thiam Poon ("NTP"), and Neo Thiam An ("NTA")	211	N.A.
<u>TAC Alliance Pte. Ltd.</u> Management service	Associate of directors – LKT, NTB, NTP and NTA	400	N.A.

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Name of Interested person and nature of transaction	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
<u>Sinotac Group Pte. Ltd</u> 3% interest from loan from a company in which certain directors have control	Associate of directors – LKT, NTB, NTP and NTA	365	N.A.
Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes		525	N.A.
<u>Neo Tiam Boon</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director and his spouse	165	N.A.
<u>Liong Kiam Teck</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director and his child	135	N.A.
<u>Neo Thiam Poon</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director	45	N.A.
<u>Neo Bee Lan</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director's siblings	15	N.A.
<u>Lee Hua Yong</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director's spouse	15	N.A.
<u>Lee Kim Lian, Juliana</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Independent Director's spouse	30	N.A.

## STATEMENT OF CORPORATE GOVERNANCE

### Dealing in Securities

The Company has issued an Internal Compliance Code (the “Internal Compliance Code”) to all employees of the Group setting out the implications of insider trading.

For the year under review, with the adoption of half yearly reporting of the financial statements from FY2021, all Directors and employees of the Group are prohibited from dealing in the Company’s securities one month before and up to the release of the half year and full year financial statements. Circulars are issued to all Directors and employees of the Group to remind them of, inter alia, laws of insider trading and the importance of not dealing in the shares of the Company and within the Group on short-term consideration and during the prohibitive periods. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

The Directors and senior management are briefed that the Company should comply with the best practice pursuant to Listing Rule 1207(19)(c) in not dealing in its securities during the restricted trading periods. The Company has complied with Listing Rule 1207(19)(c).

### Material Contracts

Saved as mentioned above, there were no other material contracts entered into by the Company or its subsidiary companies involving the interest of the CEO, any Director, or controlling shareholder since the end of the previous financial year.

### Table A

Information as set out in appendix 7.4.1 relating to Mr Fong Heng Boo and Mr Mervyn Goh Bin Guan who are proposed for re-election as Directors at the AGM.

Pursuant to the Company’s Constitution, Mr. Liong Kiam Teck, Mr. Mervyn Goh Bin Guan and Mr Fong Heng Boo will retire by rotation.

Name of Director	Fong Heng Boo	Mervyn Goh Bin Guan
Date of Appointment	1 December 2017	20 September 2011
Date of last re-appointment (if applicable)	25 May 2021	27 April 2023
Age	74 (8 December 1949)	60 (27 October 1963)
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After having considered the qualifications, working experiences and skills of Mr Fong, the Board with the recommendation of the NC is of the view that he has requisite experience and capabilities to assume the responsibilities as lead independent director of the Company.	After having considered the qualifications, working experiences and skills of Mr Goh, the Board with the recommendation of the NC, approved the re-designation of Mr Goh from Independent Director to Non-Independent and Non-Executive Director with effect from the conclusion of the AGM.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Non-Executive Director (AC and RC Chairman, NC member)	Independent Non-Executive Director (NC Chairman, member of AC and RC)

## STATEMENT OF CORPORATE GOVERNANCE

Name of Director	Fong Heng Boo	Mervyn Goh Bin Guan
Professional qualifications	Bachelor of Accountancy (Honours), University of Singapore (now known as: National University of Singapore)	Bachelor of Laws (Honours) in National University of Singapore
Working experience and occupation(s) during the past 10 years	Director (special duties) at Singapore Totalisator Board (led the Finance and Investment Functions)	2008 to 2010: The Great Eastern Life Assurance Company Limited – Vice President  2011 to current: Consultant in Lawhub LLC
Shareholding interest in the listed issuer and its subsidiaries	None	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships  * “Principal Commitments” has the same meaning as defined in the Code.  # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	Past (for the last 5 years) 1. CapitalLand China Trust Management Ltd (former CapitalLand Retail China Trust Management Ltd) (Independent Director) 2. CapitalLand Township Development Fund II Pte Ltd (Non Executive Director) 3. CapitalLand Township Development Fund Pte Ltd (Non Executive Director) 4. Singapore Health Services Pte Ltd (Non Executive Director) 5. Woodbridge Hospital Charity Fund Limited (Non Executive Director)	Past (for the last 5 years) None



STATEMENT OF CORPORATE GOVERNANCE

Name of Director	Fong Heng Boo	Mervyn Goh Bin Guan
	<p>Present</p> <ol style="list-style-type: none"> <li>1. Livingstone Health Holdings Limited. (Independent Director – SGX)</li> <li>2. Bonvest Holdings Limited (Independent Director – SGX)</li> <li>3. Keong Hong Holdings Limited (Independent Director – SGX)</li> <li>4. Shengye Capital Ltd (Independent Director – HKEx)</li> <li>5. Kwan Yong Holdings Limited (Independent Director – HKEx)</li> <li>6. UOA Development Bhd (Independent Director – Bursa Malaysia)</li> <li>7. Surbana Jurong Private Limited (NED)</li> <li>8. Agency for integrated Care Pte Ltd (NED)</li> </ol>	<p>Present</p> <ol style="list-style-type: none"> <li>1. Consultant in Lawhub LLC</li> </ol>
<p><u>Information required</u></p> <p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</p>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	NO	NO
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	NO	NO

## STATEMENT OF CORPORATE GOVERNANCE

Name of Director	Fong Heng Boo	Mervyn Goh Bin Guan
(c) Whether there is any unsatisfied judgment against him?	NO	NO
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	NO	NO
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	NO	NO
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	NO	NO
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	NO	NO
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	NO	NO
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	NO	NO

STATEMENT OF CORPORATE GOVERNANCE

Name of Director	Fong Heng Boo	Mervyn Goh Bin Guan
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	NO	NO
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes. I was an employee (General Manager, Corporate Affairs) of Amcol Holdings Ltd between January 1995 and May 1996. I was a prosecution witness in March 1998 in a court case involving three Directors of Amcol Holdings Ltd. The three directors were charged for failures to act honestly in their discharge of duties as Directors under section 157(1) and 157(3) of the Companies Act, cap 50. Save as aforesaid, I am not aware of any other information that will be relevant in relation to this section.	NO
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	NO	NO
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	NO	NO
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	NO	NO
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	NO	NO

## DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The directors present their statement together with the audited consolidated financial statements of TA Corporation Ltd (the "Company") and its subsidiaries (the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 13 to 95 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and
- (b) at the date of this statement, subject to the going concern assumption as set out in Note 1 to the financial statements, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

### Directors

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

Liong Kiam Teck  
 Neo Tiam Boon  
 Fong Heng Boo  
 Mervyn Goh Bin Guan  
 Pang Teng Tuan  
 Neo Tiam Poon @ Neo Thiam Poon (Alternate director to Liong Kiam Teck)  
 Neo Thiam An (Alternate director to Neo Tiam Boon)

### Arrangements to enable director to acquire shares and debentures

Neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose object was 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, other than as disclosed in this statement.

### Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, except as follows:

Name of directors, alternate directors and companies in which interests are held	Shareholdings/Debentures registered in name of directors and alternate directors		Shareholdings/Debentures in which directors and alternate directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
<u>The Company</u> (No. of ordinary shares)				
Liong Kiam Teck	174,187,102	174,187,102	-	-
Neo Tiam Boon	87,857,147	87,857,147	-	-
Neo Tiam Poon @ Neo Thiam Poon	83,599,752	83,599,752	-	-
Neo Thiam An	41,412,840	41,412,840	-	-

## DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### Directors' interests in shares and debentures (cont'd)

Name of directors, alternate directors and companies in which interests are held	Shareholdings/debentures registered in name of directors and alternate directors		Shareholdings/debentures in which directors and alternate directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
The Company (\$27 million 6.0% medium term notes due in July 2026 <sup>(i)</sup> )				
Liong Kiam Teck	2,000,000	2,000,000	-	-
Neo Tiam Boon	2,500,000	2,500,000	250,000	250,000
Neo Tiam Poon @ Neo Thiam Poon	750,000	750,000	-	-
Neo Thiam An	-	-	250,000	250,000
Mervyn Goh Bin Guan	-	-	500,000	500,000

<sup>(i)</sup> The Company entered into a fourth supplemental trust deed on 25 November 2022 with its trustee. Accordingly, the maturity date of the notes has been extended from 26 July 2023 to 26 July 2026.

By virtue of Section 7 of the Singapore Companies Act 1967, Liong Kiam Teck is deemed to have an interest in all subsidiaries of the Company.

The directors' interests in the shares and debentures of the Company at 21 January 2024 were the same as at 31 December 2023.

### Share options

#### (a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

#### (b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

#### (c) Unissued shares under options

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.



# DIRECTORS' STATEMENT

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Audit committee

The Audit Committee ("AC") comprises 3 members, all of whom are independent and non-executive. The Chairman of the AC is Fong Heng Boo and the other members of the AC are Mervyn Goh Bin Guan and Pang Teng Tuan.

The AC is authorised by the Board of Directors to investigate any matters within its terms of reference. It has unrestricted access to information pertaining to the Group, to both internal and external auditors, and to all employees of the Group. Reasonable resources have been made available to the AC to enable it to discharge its duties properly.

The key responsibilities of the AC include the following:

- To review the external and internal audit plans and audit reports, the scope and results of the internal audit procedures and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- To review the half-year and annual financial statements and any formal announcements relating to the Group's financial performance before submission to our Board of Directors 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 Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and any other relevant statutory or regulatory requirements;
- To review and report to the Board of Directors annually on the adequacy and effectiveness of the Group's internal controls including financial, operational, compliance and information technology controls and risk management systems;
- To review the independence of the external auditors and internal auditors and make recommendations to the Board on the appointment, re-appointment and removal of the external auditors and internal auditors;
- To review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST and potential conflicts of interest;
- To review arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and
- Generally undertake such other functions and duties as may be required by statute or the Listing Manual of the SGX-ST or by such amendments as may be made thereto from time to time.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The independent auditor and internal auditors have unrestricted access to the AC.

The AC has recommended to the directors the nomination of CLA Global TS Public Accounting Corporation for re-appointment as the external auditors of the Company at its forthcoming Annual General Meeting.

# DIRECTORS' STATEMENT

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept reappointment.

On behalf of the board of directors

.....  
Liong Kiam Teck  
*Director*

.....  
Neo Tiam Boon  
*Director*

4 July 2024

# INDEPENDENT AUDITOR'S REPORT

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TO THE MEMBERS OF TA CORPORATION LTD.

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the accompanying financial statements of TA Corporation Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics Applicable to Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 of the financial statements, which indicates that the Group's current assets amounted to \$350.3 million and its current liabilities amounted to \$348.3 million. However, the Group's current assets include development properties of \$196.1 million that may not be realisable within one year as the normal operating cycle for development properties exceeds one year.

The net current assets of the Group included Medium Term Notes of \$26.8 million reclassified from non-current liabilities to current liabilities as a result of suspension of interest payment after liquidation of a subsidiary, Tiong Aik Construction Pte. Ltd. and recognition of \$30.35 million of liabilities arising from corporate guarantees provided by the Company.

These events or conditions, along with other matters as set forth in Note 1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TA CORPORATION LTD.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key Audit Matter

#### Deconsolidation of Tiong Aik Construction Pte. Ltd. ("TAC") (Refer to Note 6 to the financial statements)

On 17 July 2023, TAC had been placed under provisional liquidation, which resulted in a loss of control over the subsidiary.

In accordance with SFRS(I) 10 *Consolidated Financial Statements*, with the loss of control in TAC, the Group has to (a) assess for impairment of asset and provision for liabilities, contingent liabilities and performance bonds up till date of deconsolidation; (b) derecognise the assets and liabilities of TAC from the consolidated balance sheet; and (c) recognise the gain or loss associated with the deconsolidation.

We focused on this area due to the significant degree of judgements involved in the determination of impairment of assets and completeness of liabilities before deconsolidation.

### How the audit addressed the matter

As part of our audit, we have carried out the following procedures:

- Reviewed Management's assessment of loss of control over the subsidiary group with reference to the relevant supporting documents and chain of events;
- Reviewed and evaluated the adequacy of Management's assessment for impairment of assets and provisions for liabilities, contingent liabilities, performance bonds and implications arising from breaches of loans, if any, on the date of deconsolidation; and
- Reviewed the accuracy of consolidation entries related to the deconsolidation of the subsidiary group.

We have also assessed the adequacy and appropriateness of the related disclosures made in the financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TA CORPORATION LTD.

## Key Audit Matter

### Accounting for construction contracts (Refer to Notes 3.2.1, 10, 24, 25 and 28 to the financial statements)

Construction projects contributed \$56.6 million of the Group's revenue for the year ended 31 December 2023. For these projects, the Group recognises revenue over time using the input method (i.e. "cost-to-cost" method).

Significant Management assumptions, judgements and estimates are required in determining the total budgeted costs for each project, which impacts percentage of completion. Also, significant judgements and estimates are required to determine the contract sum, particularly on accounting for variation orders, omissions, and any other variable considerations.

When a project is completed or likely to be completed later than contractually agreed, the Company may be held liable for liquidated damages. Provisions for onerous contracts are recognised whenever total budgeted costs exceed the contract sum on an individual project basis.

## How the audit addressed the matter

We obtained an understanding of the Group's process for estimating total budgeted costs. On an individual project basis, we also:

- Obtained understanding through inspection of contracts and project documentation;
- Verified total contract sum to contracts and variation orders and recomputed revenue recognised for the current financial year based on application of the input method;
- Assessed reasonableness of total budgeted costs, including inclusion of variation orders from suppliers;
- Evaluated the adequacy of provisions of liquidated damages for delays in project completion;
- Evaluated the adequacy of provisions for onerous contracts when total budgeted costs are likely to exceed the contract sum; and
- Held discussions with Management and Contracts Department to understand status of projects and its assessments of accounting implications

We have also assessed the adequacy and appropriateness of the related disclosures made in the financial statements.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TA CORPORATION LTD.

## Key Audit Matter

### Valuation of development properties (Refer to Notes 3.2.2 and 11 to the financial statements)

The Group owns \$196.1 million of development properties as at 31 December 2023 which represents 30% of the Group's total assets.

The development properties are held with the intention for development and sale in the ordinary course of business and are stated at the lower of cost and net realisable value ("NRV").

Management estimated NRV by obtaining professional valuations or using actual transacted price.

For the financial year ended 31 December 2023, the Group recognised a \$6.0 million in respect of write-down of certain development property.

Specific audit focus in this area is required, as the determination of the estimated NRV of the development properties involves significant judgements and is dependent upon the Group's assessment of market demand and market prices at the reporting date on the comparable properties of the same characteristics within the same vicinity based on the independent professional valuers' (the "valuer") estimation of the fair values of the land and the developments. The valuation process is inherently subjective and involves significant judgements in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied.

## How the audit addressed the matter

In respect of valuation of the properties by the management's professional valuer, we performed the procedures as described below for "Valuation of investment properties."

In obtaining sufficient audit evidence to determine the NRV of the development properties, we:

- Discussed with Management regarding its plan and status of the Group's development properties; and
- Obtained and reviewed the valuation reports from the valuer, together with our internal valuation specialists, to evaluate the appropriateness of valuation methodologies and significant underlying assumptions used in the valuation.

For uncompleted properties, we evaluated management's estimates of total costs to completion which are based on contracted amounts and projections based on historical experience.

We have also assessed the adequacy and appropriateness of the related disclosures made in the financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TA CORPORATION LTD.

## Valuation of investment properties (Refer to Notes 3.2.3 and 14 to the financial statements)

The Group holds a portfolio of investment properties comprising commercial units and dormitory, which are primarily located in Singapore. As at 31 December 2023, the carrying amounts of the Group's investment properties are \$248.0 million, which represents 38% of the Group's total assets.

These investment properties are held for long-term rental yield and/or capital appreciation. Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers.

The valuations involve significant judgement and estimate with regards to determining appropriate valuation methods, (i) by reference to market evidence of transacted prices per square meter in the open market for comparable properties, adjusted for differences such as location, age, tenure, and size; and (ii) discounted cash flow method.

In respect of valuation of the properties by the management's professional valuer, we performed the following:

- Evaluated the independence and competence of the valuer;
- Tested the reliability of information, including underlying lease and financial information provided to the external valuers;
- Assessed the reasonableness of the discount rate, rental rate, cost per bed by benchmarking these against those of comparable properties based on information available as at 31 December 2023;
- Together with our internal valuation specialists, we reviewed and assessed the appropriateness of inputs, assumptions, and methodology used by the Management and valuer; and
- Held discussions with Management, valuer, and our valuation specialist to understand, challenge, and clarify Management's valuation.

We have also assessed the adequacy and appropriateness of the related disclosures made in the financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TA CORPORATION LTD.

## *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# INDEPENDENT AUDITOR'S REPORT

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TO THE MEMBERS OF TA CORPORATION LTD.

## *Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITOR'S REPORT

---

TO THE MEMBERS OF TA CORPORATION LTD.

## 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 provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Lee Tze Shiong.

CLA Global TS Public Accounting Corporation  
Public Accountants and Chartered Accountants

4 July 2024



# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	6	36,840	48,260	32	2,590
Trade and other receivables	7	38,204	42,152	1,326	34,388
Deposits and prepayments	8	11,971	16,836	11	14
Inventories	9	3,534	7,263	-	-
Contract assets	10	4,372	27,697	-	-
Development properties	11	196,127	199,610	-	-
		291,048	341,818	1,369	36,992
Non-current asset held for sale	12	59,290	-	-	-
Total current assets		350,338	341,818	1,369	36,992
<b>Non-current assets</b>					
Property, plant and equipment	13	9,999	40,913	-	-
Investment properties	14	248,000	196,840	-	-
Goodwill	15	31	1,759	-	-
Subsidiaries	16	-	-	76,601	122,572
Associates and joint ventures	17	16,324	17,211	-	-
Other non-current assets	18	-	255	-	-
Trade and other receivables	7	26,011	50,760	75,453	44,605
Total non-current assets		300,365	307,738	152,054	167,177
<b>Total assets</b>		<b>650,703</b>	<b>649,556</b>	<b>153,423</b>	<b>204,169</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Borrowings	20	36,985	55,501	-	5,000
Trade and other payables	21	144,561	112,635	53,779	21,819
Lease liabilities	22	146	545	-	-
Term notes	23	26,823	-	26,823	-
Contract liabilities	24	93,362	98,399	-	-
Provisions	25	-	397	-	-
Income tax payable		3,610	3,547	-	-
		305,487	271,024	80,602	26,819
Liabilities directly associated with asset classified as held for sale	12	42,771	-	-	-
Total current liabilities		348,258	271,024	80,602	26,819
<b>Non-current liabilities</b>					
Borrowings	20	109,924	172,375	-	2,500
Trade and other payables	21	87,306	92,925	30,650	38,651
Lease liabilities	22	273	1,067	-	-
Term notes	23	-	26,929	-	26,929
Deferred tax liabilities	19	39	56	-	-
Total non-current liabilities		197,542	293,352	30,650	68,080
<b>Total liabilities</b>		<b>545,800</b>	<b>564,376</b>	<b>111,252</b>	<b>94,899</b>

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

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Capital, reserves and non-controlling interests</b>					
Share capital	26	154,189	154,189	154,189	154,189
Reserves	27	432	644	-	-
Translation reserves		(2,827)	(2,342)	-	-
Accumulated losses		(89,220)	(72,941)	(112,018)	(44,919)
Equity attributable to owners of the Company		62,574	79,550	42,171	109,270
Non-controlling interests	16	42,329	5,630	-	-
Total equity		104,903	85,180	42,171	109,270
<b>Total liabilities and equity</b>		<b>650,703</b>	<b>649,556</b>	<b>153,423</b>	<b>204,169</b>

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

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
<b>Continuing Operations</b>			
Revenue	28	138,364	356,372
Cost of sales		(106,631)	(301,205)
<b>Gross profit</b>		<b>31,733</b>	<b>55,167</b>
Other income	29	100,078	22,829
Gain on deconsolidation	6	11,888	-
Loss allowance recognised on financial assets		(11,579)	(607)
Selling and distribution costs		(407)	(1,048)
General and administrative expenses		(17,566)	(19,165)
Other operating expenses	30	(67,693)	(11,395)
Share of profit of associates and joint ventures		925	1,743
Finance costs	31	(12,898)	(11,304)
<b>Profit before income tax</b>		<b>34,481</b>	<b>36,220</b>
Income tax expense	32	(3,916)	(5,225)
<b>Profit from continuing operations</b>	33	<b>30,565</b>	<b>30,995</b>
<b>Discontinued operations</b>			
Loss from discontinued operations	12	(3,007)	(4,109)
<b>Total profit</b>		<b>27,558</b>	<b>26,886</b>
<b>Other comprehensive loss:</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(396)	(1,362)
Share of other comprehensive loss of associates and joint ventures		(694)	(280)
		(1,090)	(1,642)
<b>Total comprehensive income for the year</b>		<b>26,468</b>	<b>25,244</b>
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		(16,279)	12,136
Non-controlling interests		43,837	14,750
		27,558	26,886
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		(17,356)	10,698
Non-controlling interests		43,824	14,546
		26,468	25,244
<b>Earnings per share (cents):</b>			
Basic and diluted	34	(3.14)	2.34

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Share capital	Reserves	Translation reserves	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2023	154,189	644	(2,342)	(72,941)	79,550	5,630	85,180
<i>Total comprehensive income/ (loss) for the year:</i>							
(Loss)/profit for the year	-	-	-	(16,279)	(16,279)	43,837	27,558
Other comprehensive (loss)/ income for the year	-	-	(1,077)	-	(1,077)	(13)	(1,090)
Total	-	-	(1,077)	(16,279)	(17,356)	43,824	26,468
<i>Transactions with owners, recognised directly in equity:</i>							
Incorporation of new subsidiary (Note 16)	-	-	-	-	-	25	25
De-recognition of subsidiaries upon loss of control (Note 6)	-	(212)	592	-	380	(6,477)	(6,097)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(673)	(673)
	-	(212)	592	-	380	(7,125)	(6,745)
<b>Balance at 31 December 2023</b>	<b>154,189</b>	<b>432</b>	<b>(2,827)</b>	<b>(89,220)</b>	<b>62,574</b>	<b>42,329</b>	<b>104,903</b>
Balance at 1 January 2022	154,189	675	(904)	(85,108)	68,852	(8,849)	60,003
Expiry of warrants (Note 27)	-	(31)	-	31	-	-	-
<i>Total comprehensive income/ (loss) for the year:</i>							
Profit for the year	-	-	-	12,136	12,136	14,750	26,886
Other comprehensive loss for the year	-	-	(1,438)	-	(1,438)	(204)	(1,642)
Total	-	-	(1,438)	12,136	10,698	14,546	25,244
<i>Transactions with owners, recognised directly in equity:</i>							
Dividends paid to non-controlling shareholders	-	-	-	-	-	(67)	(67)
<b>Balance at 31 December 2022</b>	<b>154,189</b>	<b>644</b>	<b>(2,342)</b>	<b>(72,941)</b>	<b>79,550</b>	<b>5,630</b>	<b>85,180</b>

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

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Share capital	Reserves	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
<u>Company</u>				
Balance at 1 January 2022	154,189	31	(39,466)	114,754
Expiry of warrants (Note 27)	-	(31)	31	-
Loss for the year, representing total comprehensive loss for the year	-	-	(5,484)	(5,484)
Balance at 31 December 2022	154,189	-	(44,919)	109,270
Loss for the year, representing total comprehensive loss for the year	-	-	(67,099)	(67,099)
<b>Balance at 31 December 2023</b>	<b>154,189</b>	<b>-</b>	<b>(112,018)</b>	<b>42,171</b>

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



## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 \$'000	2022 \$'000
<b>Operating activities</b>			
Profit before income tax		34,481	36,220
Loss from discontinued operations	12	(3,007)	(4,109)
		<u>31,474</u>	<u>32,111</u>
Adjustments for:			
Depreciation expenses	33	4,725	5,638
Share of profit of associates and joint ventures		(925)	(1,743)
Impairment loss/(reversal of impairment loss) of joint ventures	29,30	1,243	(426)
Dividends income	29	(132)	-
Impairment of goodwill	30	1,728	-
Gain on disposal of other non-current assets	29,30	(69)	(2)
Gain in fair value of investment properties	29,30	(91,850)	(15,360)
Gain on disposal of property, plant and equipment	29	(4,262)	(325)
Finance costs	31	12,898	11,291
Interest income	29	(1,238)	(1,253)
Loss allowance recognised on financial assets		11,579	607
Write-down of development properties, net	30	6,012	-
Gain on deconsolidation	6	(11,888)	-
Operating cash flows before changes in working capital		<u>(40,705)</u>	<u>30,538</u>
Change in working capital, net of effects from deconsolidation and disposal of subsidiaries:			
Trade and other receivables		(97,452)	6,998
Deposits and prepayments		3,865	(5,441)
Inventories		2,950	(3,600)
Contract assets		23,325	4,448
Development properties		(2,529)	99,737
Trade and other payables		98,086	12,508
Contract liabilities		14,244	(18,529)
Provisions		(397)	(5,482)
Cash generated from operations		<u>1,387</u>	<u>121,177</u>
Income tax paid		(3,599)	(4,312)
Interest paid		(12,898)	(13,703)
Net cash (used in)/generated from operating activities		<u>(15,110)</u>	<u>103,162</u>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 \$'000	2022 \$'000
<b>Investing activities</b>			
Interest received		1,238	1,253
Purchase of property, plant and equipment	13(b)	(4,099)	(2,262)
Proceeds from disposal of property, plant and equipment		6,169	744
Proceeds from disposal of asset held for sale		-	4,935
Proceeds from disposal of other non-current assets		324	138
Repayment from associates and joint ventures		17,296	796
Investment in associates	17	(125)	-
Dividends received from joint ventures		132	5
Discontinued operations, net of cash	12	(1,846)	-
Deconsolidation, net of cash	6	(6,813)	-
Net cash generated from investing activities		<u>12,276</u>	<u>5,609</u>
<b>Financing activities</b>			
Loan from a company in which certain directors have control		5,509	3,000
Proceeds from borrowings and term notes		89,620	281,924
Proceeds from issue of shares in subsidiaries to non-controlling shareholders		25	-
Repayment of borrowings and term notes		(101,932)	(409,394)
Repayment of principal portion of lease liabilities		(1,138)	(957)
Uplifting/(pledged) cash and fixed deposits		(18,698)	5,204
Dividends paid to non-controlling shareholders		(673)	(67)
Net cash used in financing activities		<u>(27,287)</u>	<u>(120,290)</u>
Net decrease in cash and cash equivalents		(30,121)	(11,519)
Cash and cash equivalents at beginning of the year		42,467	54,005
Effect of exchange rate changes		3	(19)
<b>Cash and cash equivalents at end of the year</b>	<b>6</b>	<u><u>12,349</u></u>	<u><u>42,467</u></u>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1 General

The Company is incorporated in Singapore with its principal place of business and registered office at 1 Jalan Berseh, #03-03 New World Centre, Singapore 209037. The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore Dollar ("S\$"), which is also the functional currency of the Company. All financial information presented in S\$ have been rounded to the nearest thousand, unless otherwise stated.

The principal activity of the Company is that of investment holding.

The principal activities of its significant subsidiaries, associates and joint ventures are disclosed in Notes 16 and 17 respectively.

### *Going concern*

The Group's current assets amounted to \$350.3 million (2022: \$341.8 million) and its current liabilities amounted to \$348.3 million (2022: \$271.0 million). However, the Group's current assets include development properties of \$196.1 million (2022: \$199.6 million) that may not be realisable within one year as the normal operating cycle for development properties exceeds one year.

Notwithstanding that the above indicates existence of events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, management believes that the use of going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2023 is still appropriate. In view of these circumstances, management has prepared a cash flow forecast containing major cash inflows and outflows of the Group over the next 12 months till 31 December 2024. The key assumptions applied in the cash flow forecast are:

- (a) The Company will be able to obtain approval from its shareholders for the proposed disposal of its investment properties and development properties at an extraordinary general meeting to be convened on 25 July 2024;
- (b) The Group will be able to realise certain development properties at specified minimum values;
- (c) The Group will be able to monetize certain assets at specified minimum values;
- (d) Management believes that the banks will not demand repayment of corporate guarantees (Note 36), loans (current and non-current) (Note 20) which are revolving or repayable on demand and the banks will continue to support the Group with banking facilities currently utilised by the Group secured by properties for which fair values are higher than the bank loans as at 31 December 2023; and
- (e) Successful implementation and completion of consensual restructuring the Group's outstanding debts and businesses.

In view of the above, these condensed financial statements have been prepared on a going concern basis as the Board is of the view that the Group will be able to generate adequate cashflows from its other operations to meet the Group's working capital requirement and to operate as going concern while implementing the Group's restructuring plan and banks will not demand repayment of corporate guarantees, loans which are revolving or repayable on demand and the banks will continue to support the Group with banking facilities currently utilised by the Group secured by properties for which fair values are higher than the bank loans as at 31 December 2023.

In the event that the key assumptions set out above do not materialise, there will be material uncertainty that the Group and the Company may not be able to continue as going concern. If the going concern assumption is no longer appropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention.

The preparation of these financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

#### *Interpretations and amendments to published standards effective in 2023*

On 1 January 2023, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

### 2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.2 Basis of consolidation (cont'd)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

#### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or the cost on initial recognition of an investment in an associate or a joint venture, whichever is applicable.

In the Company's separate financial statements, investments in subsidiaries, associates and joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

### 2.3 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values of assets given by the Group to the former owners of the acquiree, liabilities incurred by the Group and equity interests issued by the Group in exchange for control of the acquiree. The fair values are those prevailing at the acquisition date. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at their fair values prevailing at the acquisition date. Subsequent changes in such fair values are adjusted against the cost of acquisition if they qualify as measurement period adjustments. Accounting for subsequent changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.3 Business combinations (cont'd)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.
- Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).
- If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.
- The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, subject to a maximum of one year from acquisition date.

### 2.4 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.4 Financial instruments (cont'd)

#### *Financial assets*

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.4 Financial instruments (cont'd)

#### *Financial assets* (cont'd)

##### *Amortised cost and effective interest method* (cont'd)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

##### *Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

##### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely the properties construction industry, real estate investment and development and the distribution business.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.4 Financial instruments (cont'd)

#### *Financial assets* (cont'd)

#### *Significant increase in credit risk* (cont'd)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- breach of settlement contract or default in contractual obligations.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group also considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract. For loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full without recourse by the Group to actions such as realising security held (if any).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.4 Financial instruments (cont'd)

#### *Financial assets* (cont'd)

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower; or
- (b) a breach of contract, such as a default or past due event; or
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

##### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### *Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.4 Financial instruments (cont'd)

#### *Financial assets* (cont'd)

##### *Measurement and recognition of expected credit losses* (cont'd)

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals for finance lease receivables; and
- Nature of business practice and legal framework certain geographic region.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI.

#### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### *Financial liabilities*

##### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.4 Financial instruments (cont'd)

#### *Financial liabilities* (cont'd)

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### Financial liabilities

Trade and other payables are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and term notes are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

##### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 2.5 Leases

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment property.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.5 Leases (cont'd)

#### The Group as lessor (cont'd)

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

#### The Group as lessee

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee which represent the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.5 Leases (cont'd)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within "property, plant and equipment". Right-of-use asset which meets the definition of an investment property is presented within "investment properties" and accounted for in accordance with the accounting policy for investment properties.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset (except when it meets the definition of an investment property) is impaired and accounts for any identified impairment loss as described below.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### 2.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over the estimated useful lives of the assets using the straight-line method, on the following bases:

	<u>Useful lives</u>
Leasehold properties	Over remaining lease periods
Plant and equipment	3 to 7 years
Motor vehicles	5 years

Depreciation is not provided on properties under construction and freehold land. Building on freehold land is depreciated over 30 years.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end, with the effect of any changes in estimates accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

### 2.8 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from the property. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

### 2.9 Development properties

Development properties are properties held for development and sale in the ordinary course of business. They include completed properties and properties in the course of development. Unsold properties are stated at the lower of cost and estimated net realisable value. Net realisable value represents the estimated selling price net of selling expenses. For incomplete properties, all estimated cost to complete the properties are deducted when estimating net realisable value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.10 Contract assets and liabilities

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

### 2.11 Non-current assets held for sale or distribution

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held as sale (held for distribution) are generally measured at the lower of their carrying amount and fair value less costs to sell (fair value less costs to distribute).

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale or distribution.

### 2.12 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of (i) the consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) the fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the business combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.13 Other non-current assets

Club memberships are stated at cost less any impairment loss.

### 2.14 Associates and joint ventures (Equity accounted investees)

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates or joint ventures. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates or joint ventures.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Any goodwill representing the excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the investee at date of acquisition is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 1-36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. The carrying amount of the investment is reduced by the amount of impairment loss. Impairment loss is reversed to the extent that the recoverable amount of the investment subsequently increases.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.14 Associates and joint ventures (Equity accounted investees) (cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9 *Financial Instruments*. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the sum of fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture, is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income, relating to that reduction in ownership interest, if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where a group entity transacts with an associate or joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### 2.15 Impairment of non-financial assets (excluding goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.15 Impairment of non-financial assets (excluding goodwill) (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it.

### 2.17 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 2.18 Revenue recognition

The Group recognises revenue from the following major sources:

- construction contracts;
- sale of development properties;
- sale of goods;
- worker training and other services; and
- rental income.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.18 Revenue recognition (cont'd)

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

#### Revenue from construction contracts

(i) *Main contractor for properties construction*

The Group constructs residential, industrial and commercial properties with customers under its provision of services as a main contractor. Contracts are entered into before construction of the properties begins.

(ii) *Air conditioning and mechanical ventilation systems ("ACMV")*

The Group is involved in ACMV business through supplying and installation of air conditioning ventilation systems.

(iii) *General builders and general engineering*

The Group carries out fabrication and repair of metal formworks, erection of building structural steels and provision of general engineering services.

(iv) *Manufacturing of precast components*

The Group manufactures concrete precast components for the building industry.

Under the terms of the contracts for (i) to (iii) above, the Group's performance does not create an asset with alternative use to the Group and the Group has an enforceable right to payment for work done. Revenue from construction contracts is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15 *Revenue from Contracts with Customers*.

The Group becomes entitled to invoice customers for construction projects based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment.

For construction contracts, the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year.

Revenue from precast components is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied which is the point when control of goods has transferred to the customer.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.18 Revenue recognition (cont'd)

#### Sale of development properties

The Group develops and sells residential and commercial properties before completion of construction of the properties. Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other related costs incurred to date as a proportion of the estimated total construction and other related costs to be incurred.

Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

For development properties whereby the Group has no enforceable right to payment until legal title has passed to the customer, revenue is recognised when the legal title has been transferred to the customer. The revenue is measured at the transaction price agreed under the contract.

#### Revenue from sale of goods

The Group sells lubricants, petroleum and related products. Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied, which is the point when control of goods has transferred to the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Under the Group's standard contract terms, customers do not have a right of return.

#### Worker training and other services

The Group offers construction related training courses and other services. Revenue is recognised as and when the service is rendered, which is the point when control of service has transferred to the customer.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.18 Revenue recognition (cont'd)

#### Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the relevant lease.

#### Interest income

Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and the applicable effective interest rate.

#### Dividend income

Dividend income from investments is recognised when the shareholder's right to receive the dividend is legally established.

### 2.19 Borrowing costs

Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended sale, are added to the cost of those assets, until such time when the assets are substantially ready for their intended sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for inclusion as cost of the assets.

Borrowing costs relating to borrowings taken up specifically to finance development properties for which associated revenue is not recognised over time, development of investment properties or properties are added to the cost of the projects or assets.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.20 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

### 2.21 Employee leave entitlement

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 end of the reporting period.

### 2.22 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.22 Income tax (cont'd)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; they relate to income taxes levied by the same taxation authority; and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.23 Foreign currency transactions and translation

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the respective entities operate (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the relevant period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

On consolidation, exchange differences arising from the translation of income and expenses of foreign operations, the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and the translation of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in foreign currency translation reserve, a component of the Group's equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the end of the reporting period.

On the disposal of a foreign operation, accumulated foreign currency translation reserve related to that foreign operation is transferred from equity to profit or loss when the gain or loss on disposal is recognised.

### 2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, fixed deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2 Material accounting policies (cont'd)

### 2.24 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Equity accounting ceased when the investment in associates and joint ventures are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

## 3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimates (as described in Note 3.2) that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### 3.1.1 Going concern assumption

The judgements relating to the going concern assumption are set out in Notes 1 and 4(b)(vi).

#### 3.1.2 Sale of development properties

As described in Note 2, the Group develops and sells residential and commercial properties before completion of construction of the properties. Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms.

In determining the point of transfer of control, management reviews the legally binding terms and arrangements of the sales contracts. Judgement is exercised in concluding the timing of revenue recognition, particularly in jurisdictions where terms in sale and purchase agreements are not standardised. Accordingly, timing of revenue recognition for properties in the same jurisdiction may vary depending on the contractual terms and arrangement.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### 3.2.1 Construction contracts

The Group recognises revenue from construction of residential, industrial and commercial properties using the percentage of completion method. The stage of completion is measured by reference to proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

Significant assumptions and judgements are involved in estimating costs to completion for construction contracts; and in the case of contract work, the recoverable amounts for any variation work. Estimates of cost to completion which have yet to be contracted for are based on past experience, prevailing market conditions, and factors specific to the construction contracts, taking into consideration impact arising from COVID-19 pandemic. The COVID-19 pandemic has resulted in business disruptions and operational changes, which have increased the estimation uncertainty relating to budgeted time and costs needed to complete ongoing projects.

Management has reviewed costs incurred during the period which construction activities were suspended and determined costs which do not represent additional progress towards satisfaction of the Group's performance obligation and accordingly, presented them as part of 'General and administrative expenses' instead of contract costs incurred.

The Singapore Government has introduced various support measures including Jobs Support Scheme, foreign worker levy waivers and rebates and co-sharing of prolongation costs amongst others. Management has assessed their eligibility on the conditions precedent for such measures, if applicable before recognising them as a reduction of cost or contract modifications. Significant estimates and judgments are involved in determining the adjustments to costs and contract sums.

During the course of a project, the contract sum may also be adjusted for variations, omissions and other variable consideration (including liquidated damages). Variations could relate to unpriced change orders approved by customers for which management has to estimate the transaction price. In estimating certain variable consideration to be included in the transaction price, management applies either a probability-weighted approach or most likely amount approach.

Management reviews construction contracts for foreseeable losses whenever there is indication that the sum of fixed price contract and any variation sums may be lower than the total expected construction cost.

The above judgements and estimates affect the amount of revenue recognised (Note 28), the cost included in cost of sales; the recognised profits included; contract assets (Note 10), contract liabilities (Note 24) and provisions (Note 25). Management's estimates take into account known significant events and information available when the financial statements are prepared. They are subject to periodic reassessment. Current estimates may be subject to material change in future depending on market conditions and the results of actions to be taken in future.

#### 3.2.2 Net realisable value of development properties

Development properties (Note 11) are stated at the lower of cost or net realisable value. In determining the net realisable value, management estimates the potential sales proceeds less cost to sell. The estimated selling prices are based either on (i) actual selling price or (ii) selling prices for comparable developments and takes into consideration prevailing market conditions.

In assessing the recoverable amounts of properties for sale and the related costs, management considers the specific courses of action that it has taken or plans to take and expectations regarding the results of these actions. Write-down of development properties is charged to profit or loss (included in other operating expenses).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

### 3.2 Key sources of estimation uncertainty (cont'd)

#### 3.2.3 Fair value of investment properties

As at 31 December 2023, the carrying value of the Group's investment properties of approximately \$248.0 million (2022: \$196.8 million) accounted for 39% (2022: 30%) of the Group's total assets. The Group, with reliance on independent professional valuers, applies estimates, assumptions and judgements in the determination of fair values for investment properties. The valuation forms the basis for the carrying amounts of the investment properties held directly by the Group in the consolidated financial statements. There is significant judgement in determining the key inputs used in the valuation. These key inputs include discount rate, rental rate, market value of comparable property, capitalisation rate and cost per square metre, and are dependent on the nature of each investment property and the prevailing market conditions. The key unobservable inputs used to determine the fair value of the investment properties are disclosed in Note 14.

Significant valuation issues are reported to the Group's Audit Committee and disclosed in Note 14.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: inputs other than quoted prices included in 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).

#### 3.2.4 Recoverable amount of receivables from associates/joint ventures and investment in associates

##### (a) *Dalian Shicheng Property Development (S) Pte. Ltd. ("DSPDS")*

The Group has 42.97% (31 December 2022: 25.37%) equity stake in the associate, DSPDS. The ability to recover receivables from and the carrying amount of investment in DSPDS is dependent on the ability to sell the properties of Dalian Shicheng Property Development Co., Ltd. ("DSPDC"), a subsidiary of DSPDS in Dalian, PRC, at the values estimated by management with the assistance of an independent valuer. The properties named "Singapore Garden" is a multi-phased mixed development in Dalian, PRC.

The investment in DSPDS remained fully impaired as at 31 December 2023 and 2022 based on management's assessment, which takes into consideration the market value of unsold units and undeveloped land.

In addition to the full impairment of the investment in DSPDS, the Group has made an allowance of \$28.6 million (2022: \$28.5 million) for impairment of receivables from DSPDS which represents all receivables from DSPDS as at 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

### 3.2 Key sources of estimation uncertainty (cont'd)

#### 3.2.4 Fair value of investment properties (cont'd)

##### (b) *Soon Zhou Investments Pte. Ltd. ("SZI") group, comprising SZI and its subsidiaries*

The Group has 50% equity stake in the joint venture, SZI. The Group assesses at the end of each financial year whether the receivables due from SZI are recoverable. As at 31 December 2023, the carrying amount of receivables due from SZI is S\$19.5 million (31 December 2022: S\$24.2 million) (net of allowance of S\$5.2 million (31 December 2022: S\$Nil)).

In 2015, SZI and its wholly-owned subsidiary Dalian Blue Oasis Properties Co., Ltd. ("DBOP") entered into agreements to purchase completed and partially completed property units and rights of usage of basement and carpark in DSPDC's multi-phase mixed development in PRC (Singapore Garden, the "Development") for amounts totalling RMB201.1 million (equivalent to \$42.2 million).

In 2018, DBOP issued a notification letter to DSPDC on its intent to cancel the sale and purchase agreements ("SPAs") for the sale of residential units from DSPDC to DBOP due to non-delivery of the fully paid purchased residential units within the contracted period under the SPAs by DSPDC. A cancellation agreement was entered into between both parties whereby DSPDC had to refund RMB148.4 million (approximately \$29.4 million) due to DBOP and as at 31 December 2023, DBOP has receivables (including interest income receivable) amounting to RMB 48.5 million (equivalent to \$ 9.0 million) (2022: RMB51.6 million (equivalent to \$10.6 million)) from DSPDC relating to the refund.

Rights of usage of carpark bought by DBOP have not been transferred as at 31 December 2023. After considering the financial position of SZI group and the valuation of the properties in the Development at 31 December 2023 by an independent valuer, management expects the amount of \$19.5 million (2022: \$24.2 million) to be recoverable from SZI. The fair values of the properties are determined using direct comparison method (2022: Direct comparison method).

#### 3.2.5 Expected credit losses of trade and other receivables (other than disclosed in Note 3.2.4 above) and contract assets

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of trade and other receivables and contract assets are disclosed in Notes 7 and 10 respectively in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

#### 3.2 Key sources of estimation uncertainty (cont'd)

##### 3.2.6 Impairment in investments in subsidiaries, associates and joint ventures

The Group assesses annually whether there any indication of impairment in its investments in subsidiaries, associates and joint ventures. Management has carried out a review of the recoverable amount of the investment in subsidiaries, associates and joint ventures having regard to the existing performance and the carrying value of the net tangible assets of the respective subsidiaries, associates and joint ventures.

Where there is indicator of impairment, management has estimated the recoverable amount based on higher of fair value less costs to sell or value-in-use. Significant estimates and judgements are involved in determining the appropriate valuation method (for fair value assessment) and assumptions applied.

As at the end of the reporting period, allowance for impairment loss of \$99.3 million (2022: \$53.3 million) and impairment loss of \$1.2 million (2022: reversal of \$0.4 million) have been made for investments in subsidiaries (Note 16) and joint ventures (Note 17) respectively based on the market conditions reflecting the recoverability of the net assets in subsidiaries, associates and joint ventures.

### 4 Financial instruments, financial risks and capital management

#### (a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Financial assets</b>				
Financial assets at amortised cost	<b>101,438</b>	143,853	<b>76,811</b>	81,583
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	<b>439,971</b>	460,365	<b>111,252</b>	94,899
Lease liabilities	<b>419</b>	1,612	-	-

The Group and Company do not have any significant financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4 Financial instruments, financial risks and capital management

### (b) Financial risk management policies and objectives

The Group's overall financial risk management program seeks to minimise potential adverse effects of financial performance of the Group arising from foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

### (i) Foreign exchange risk management

The Group's exposure to foreign currency risk primarily arises from its foreign currency denominated trade and other receivables, and trade and other payables. The Group has some investments in foreign subsidiaries and associates, whose net assets are exposed to currency translation risk. As far as possible, the Group relies on natural hedges of matching foreign currency denominated assets and liabilities of the same currency. The Group does not have any derivative financial instruments relating to foreign currency risk.

US Dollar is the currency which gives rise to most of the Group's foreign exchange exposures. At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities denominated in US Dollar are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets	4	2	-	-
Liabilities	638	4,142	-	-

### Foreign currency sensitivity

The following illustrates the sensitivity to a 10% increase and decrease in US Dollar against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to the Board of Directors. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

A 10% weakening of the functional currency of each group entity and the Company against the US Dollar would increase (decrease) loss before tax for the year of the Group and Company by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
US Dollar	63	414	-	-

A 10% strengthening of the functional currency of each group entity and the Company against the US Dollar would have decreased/(increased) loss before tax of the Group and Company for the year by the same amount shown above, on the basis that all other variables remain constant.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4 Financial instruments, financial risks and capital management (cont'd)

#### (b) *Financial risk management policies and objectives* (cont'd)

##### (ii) Interest rate risk management

The Group's and the Company's exposure to interest rate risk relates primarily to debt obligations. The interest rates for borrowings are stated in Note 20 to the financial statements.

The Group may from time to time enter into derivative financial instruments to manage its exposures to interest rate risk.

##### Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and on the assumption that the change took place at the beginning of a financial year and is held constant throughout the reporting period.

Had interest rates been 50 basis points higher or lower and all other variables were held constant, the amount of interest capitalised as part of the Group's development properties as at 31 December 2023 would have increased/decreased by \$0.2 million (2022: \$0.2 million); and the Group's loss before tax for the financial year ended 31 December 2023 would have increased/decreased by \$0.7 million (2022: \$0.9 million).

##### (iii) Managing interest rate benchmark reform and associated risks

The Group has not completed its transition from Interbank Offered Rate ("IBORs") and Singapore Swap Offer Rate ("SOR") to new benchmark rates as at 31 December 2023. The key risk for the Group arising from the transition is interest rate basis risk. If the bilateral negotiations with the Group's counterparties are not successfully concluded before the cessation of existing interest rate benchmarks, there are significant uncertainties with regard to the interest rate that would apply. This gives rise to additional interest rate risk that was not anticipated when the contracts were entered into and is not captured by the Group's interest rate risk management strategy.

##### Non-derivative financial liabilities

The Group's IBORs exposures to non-derivative financial liabilities as at 31 December 2023 included secured bank loans indexed to, SIBOR and SOR. The Group is still in the process of communication with the counterparties for all, SIBOR and SOR indexed exposures and specific changes have yet been agreed.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4 Financial instruments, financial risks and capital management (cont'd)

#### (b) Financial risk management policies and objectives (cont'd)

#### (iii) Managing interest rate benchmark reform and associated risks (cont'd)

*Total amounts of unreformed contracts, including those with an appropriate fallback clause*

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBORs (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 31 December 2023 and 2022. The amounts of financial liabilities are shown at their carrying amounts.

	SIBOR		SOR		LIBOR	
	Total amount of unreformed contracts \$'000	Amount with appropriate fallback clause \$'000	Total amount of unreformed contracts \$'000	Amount with appropriate fallback clause \$'000	Total amount of unreformed contracts \$'000	Amount with appropriate fallback clause \$'000
<b>Group</b>						
<b>2023</b>						
Secured bank loans	6,352	6,596	3,150	12,150	35,330	-*
<b>2022</b>						
Secured bank loans	6,596	6,870	12,150	3,150	-	53,376
<b>Company</b>						
<b>2023</b>						
Secured bank loans	-	-	-	-	-	-
<b>2022</b>						
Secured bank loans	-	-	-	-	-	-

\* In 2022, the loan was refinance to Secured Overnight Financing Rate (SOFR)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4 Financial instruments, financial risks and capital management (cont'd)

#### (b) Financial risk management policies and objectives (cont'd)

##### (iv) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group.

The carrying amounts of financial assets and contract assets as stated in the statements of financial position and the exposure to calls on corporate guarantees (Note 36), represents the Group's and Company's maximum exposure to credit risk without taking into account the value of any collateral which can reduce the exposure.

To measure the exposures to credit risk, trade receivables and contract assets have been grouped based on characteristics and the days past due derived from the Group's own trading records. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group uses its trading records to rate its major customers and other debtors.

The tables below detail the credit quality of the Group's and Company's trade and other receivables and contract assets as well as maximum exposure to credit risk:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>2023</b>						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	27,296	(3,415)	23,881
Other receivables	7	(ii)	12-month ECL	40,334	-	40,334
Other receivables	7	(iii)	Lifetime ECL - credit impaired	37,329	(37,329)	-
Contract assets	10	(i)	Lifetime ECL (simplified approach)	4,372	-	4,372
				<b>109,331</b>	<b>(40,744)</b>	<b>68,587</b>
<b>2022</b>						
Trade receivables	7	(i)	Lifetime ECL (simplified approach)	39,544	(4,699)	34,845
Other receivables	7	(ii)	12-month ECL	58,067	-	58,067
Other receivables	7	(iii)	Lifetime ECL - credit impaired	30,605	(30,605)	-
Contract assets	10	(i)	Lifetime ECL (simplified approach)	27,697	-	27,697
				<b>155,913</b>	<b>(35,304)</b>	<b>120,609</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4 Financial instruments, financial risks and capital management (cont'd)

#### (b) Financial risk management policies and objectives (cont'd)

#### (iv) Overview of the Group's exposure to credit risk (cont'd)

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<u>2023</u>						
Other receivables	7	(iii)	Lifetime ECL	96,006	(20,553)	75,453
<u>2022</u>						
Other receivables	7	(iii)	Lifetime ECL	101,053	(22,060)	78,993

- (i) The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.
- (ii) The Group determines that these receivables are not past due and have low risk of default.
- (iii) Loss allowance has been determined after taking into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate.

Cash and cash equivalents are subject to immaterial credit loss.

#### (v) Credit risk management

Before accepting any new customer, management assesses the potential customer's credit quality and defines credit limits by customer. Limits granted to customers are reviewed periodically. The Group's exposure to credit risks and the credit limits to counterparties are continuously monitored. The Group monitors collections due and follow up with debtors as part of the credit management process.

Trade receivables consist of a number of customers from the construction and real estate industry. The Group does not have any significant credit risk exposure to any single counterparty or any group of related counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with good credit-ratings.

The Group carries out construction work for the public and private sectors. Credit risks are taken into consideration in the decision to participate in tenders for construction contracts.

Rental deposits are received as security from tenants of its investment properties.

At 31 December 2023, the maximum aggregate amount the Group can be liable under the financial guarantees in Note 36 is approximately \$18.2 million (2022: \$23.7 million).

## NOTES TO THE FINANCIAL STATEMENTS

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4 Financial instruments, financial risks and capital management (cont'd)

#### (b) *Financial risk management policies and objectives* (cont'd)

##### (v) Credit risk management (cont'd)

The maximum amount the Company could be liable to settle under the corporate guarantees given to banks in connection with facilities utilised by the subsidiaries is stated in Note 36.

Management monitors the financial performance of the parties in respect of which the Group or the Company has provided guarantees to third parties.

##### (vi) Liquidity risk management

##### Going concern assessment

As of 31 December 2023, the Group's current assets amounted to \$350.3 million (2022: \$341.8 million) and its current liabilities amounted to \$348.3 million (2022: \$271.0 million). However, the Group's current assets include development properties amounting to \$199.6 million (2022: \$199.6 million) that may not be realisable within one year as the normal operating cycle for development properties exceeds one year.

The factors above, along with the other matters disclosed in Note 1 to the financial statements, indicate the existence of events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. Notwithstanding this, management has assessed that the Group is still able to maintain sufficient liquidity to enable the Group to continue as a going concern for at least the next 12 months from the date of authorisation of these financial statements as disclosed in Note 1 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4 Financial instruments, financial risks and capital management (cont'd)

### (b) Financial risk management policies and objectives (cont'd)

#### (vi) Liquidity risk management (cont'd)

##### Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents future interest which are not included in the carrying amount of the financial liability on the statements of financial position.

<u>Group</u>	<u>Weighted average effective interest rate</u>	<u>On demand or within 1 year</u>	<u>Within 2 to 5 years</u>	<u>After 5 years</u>	<u>Adjustment</u>	<u>Total</u>
	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>2023</u>						
Non-interest bearing	-	191,336	-	-	-	191,336
Lease liabilities (fixed rate)	4.0	161	308	-	(50)	419
Fixed interest rate instruments	4.1	15,621	61,184	119	(4,951)	71,973
Variable interest rate instruments	6.4	77,918	102,794	7,234	(11,284)	176,662
		<u>285,036</u>	<u>164,286</u>	<u>7,353</u>	<u>(16,285)</u>	<u>440,390</u>
<u>2022</u>						
Non-interest bearing	-	141,076	-	-	-	141,076
Lease liabilities (fixed rate)	4.3	607	1,108	36	(139)	1,612
Fixed interest rate instruments	3.8	44,342	58,026	1,584	(4,362)	99,590
Variable interest rate instruments	3.9	63,736	62,185	102,396	(8,618)	219,699
		<u>249,761</u>	<u>121,319</u>	<u>104,016</u>	<u>(13,119)</u>	<u>461,977</u>
<u>Company</u>						
<u>2023</u>						
Non-interest bearing	-	37,428	-	-	-	37,428
Fixed interest rate instruments	3.9	20,595	57,859	-	(4,630)	73,824
Variable interest rate instruments		-	-	-	-	-
		<u>58,023</u>	<u>57,859</u>	<u>-</u>	<u>(4,630)</u>	<u>111,252</u>
<u>2022</u>						
Non-interest bearing	-	4,641	-	-	-	4,641
Fixed interest rate instruments	3.7	33,336	52,294	-	(2,872)	82,758
Variable interest rate instruments	5.7	2,572	5,286	-	(358)	7,500
		<u>40,549</u>	<u>57,580</u>	<u>-</u>	<u>(3,230)</u>	<u>94,899</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4 Financial instruments, financial risks and capital management (cont'd)

#### (b) Financial risk management policies and objectives (cont'd)

##### (vi) Liquidity risk management (cont'd)

##### Non-derivative financial assets (cont'd)

The following table details the expected maturity for non-derivative financial assets based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The adjustment column represents the future interest which is not included in the carrying amount of the financial asset on the statements of financial position.

<u>Group</u>	<u>Weighted average effective interest rate</u>	<u>On demand or within 1 year</u>	<u>Within 2 to 5 years</u>	<u>After 5 years</u>	<u>Adjustment</u>	<u>Total</u>
	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>2023</u>						
Non-interest bearing	-	56,412	-	-	-	56,412
Fixed interest rate instruments	2.7	24,962	-	-	(678)	24,284
Variable interest rate instruments	3.0	21,289	-	-	(547)	20,742
		<u>102,663</u>	<u>-</u>	<u>-</u>	<u>(1,225)</u>	<u>101,438</u>
<u>2022</u>						
Non-interest bearing	-	77,941	-	-	-	77,941
Fixed interest rate instruments	3.0	21,289	-	-	(547)	20,742
Variable interest rate instruments	2.4	46,269	-	-	(1,099)	45,170
		<u>145,499</u>	<u>-</u>	<u>-</u>	<u>(1,646)</u>	<u>143,853</u>
<u>Company</u>						
<u>2023</u>						
Non-interest bearing	-	26,175	-	-	-	26,175
Variable interest rate instruments	4.8	53,061	-	-	(2,425)	50,636
		<u>79,236</u>	<u>-</u>	<u>-</u>	<u>(2,425)</u>	<u>76,811</u>
<u>2022</u>						
Non-interest bearing	-	28,639	-	-	-	28,639
Variable interest rate instruments	4.7	55,426	-	-	(2,482)	52,944
		<u>84,065</u>	<u>-</u>	<u>-</u>	<u>(2,482)</u>	<u>81,583</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4 Financial instruments, financial risks and capital management (cont'd)

### (b) Financial risk management policies and objectives (cont'd)

#### (v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables, and other current liabilities approximate their respective fair values due to relatively short-term maturity of these financial instruments.

The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

### (c) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while optimising the return to stakeholders through a mix of equity balance and debts which comprise bank borrowings (Note 20), lease liabilities (Note 22) and term notes (Note 23).

Management reviews the capital structure on an annual basis. As a part of this review, management considers the cost of capital; and the tenures and risks associated with each class of capital. Management also reviews compliance with financial covenants associated with borrowings. During the current year ended 31 December 2023, the Group sought a consent solicitation to (i) suspend compliance with the financial covenant requirements for its term notes (Note 23) from 26 July 2023 to 26 July 2026, (ii) extend the maturity date of the term notes to July 26, 2026 (iii) amend the non-disposal provision under Trust Deed of the term note and (iv) waive non-disposal provision of the assets of its principal subsidiaries. The suspension of compliances with the relevant financial covenants, extension of maturity date, and the amendment and waiver were approved in November 2022.

The Group balances its overall capital structure through issuance of new debt or the redemption of existing debt, issuance of new shares or payment of dividends. The Group's overall strategy for capital management remains unchanged from the prior year.

## 5 Related company and related party transactions

Some of the transactions and arrangements are between members of the Group and with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Transactions between members of the Group have been eliminated on consolidation and are not disclosed.

Transactions with related parties during the year other than disclosed elsewhere in the financial statements were as follows:

	Group	
	2023 \$'000	2022 \$'000
<u>Income from associates</u>		
Construction revenue	-	41
Accounting and administrative services	<u>53</u>	<u>58</u>
<u>Income from associates and joint ventures</u>		
Interest income	845	1,028
Sale of goods	<u>412</u>	<u>684</u>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 5 Related company and related party transactions (cont'd)

	Group	
	2023 \$'000	2022 \$'000
<u>Income from/(expenses charged by) companies in which certain directors have control</u>		
Sales and service of air-conditioners	12	7
Maintenance income	94	-
Management fee income	122	311
Rental income	32	37
Ad-hoc services rendered	44	69
Others	54	-
Worker management services	(40)	(345)
Medical fee expense	(16)	(73)
Dormitory rental expense	(272)	(313)
Interest expense	<u>(1,019)</u>	<u>(890)</u>
<u>Directors</u>		
Interest expense	<u>(370)</u>	<u>(375)</u>
<u>Key management personnel</u>		
Interest expense	<u>(15)</u>	<u>(15)</u>

#### *Compensation of directors and key management personnel*

The remuneration of directors and other key management personnel during the year was as follows:

	Group	
	2023 \$'000	2022 \$'000
Short-term benefits	1,306	2,338
Post-employment benefits (including Central Provident Fund)	89	104
Director fees	268	196
	<u>1,663</u>	<u>2,638</u>

The remuneration of directors and other key management personnel is determined by the Remuneration Committee having regard to the financial performance of the Group, the performance of individuals and market trends.

### 6 Cash and bank balances

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank and in hand	17,748	27,242	32	2,590
Fixed deposits <sup>(1)</sup>	19,092	21,018	-	-
	<u>36,840</u>	48,260	<u>32</u>	2,590
Less: Pledged cash and fixed deposits <sup>(2)</sup>	(24,491)	(5,793)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	<u>12,349</u>	42,467	<u>32</u>	2,590

<sup>(1)</sup> Fixed deposits earn interest ranging from 0.20% to 4.95% (2022: 0.10% to 4.05%) per annum.

<sup>(2)</sup> Tenure for pledged fixed deposits range from 1 to 12 months (2022: 1 to 12 months).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 6 Cash and bank balances (cont'd)

#### Deconsolidation of subsidiary

On 17 July 2023, the Group placed its wholly-owned subsidiary, Tiong Aik Construction Pte. Ltd. under liquidation. The effects of the deconsolidation on the cash flows of the Group were:

	Group 2023 \$'000
Carrying amounts of assets and liabilities as at the date of deconsolidation:	
Cash and bank balances	6,813
Trade and other receivables	89,937
Deposits and prepayments	1,000
Inventories	8
Property, plant and equipment (Note 13)	20,671
Total assets	<u>118,429</u>
Trade and other payables	83,942
Contract liabilities	19,110
Current income tax liabilities	228
Deferred income tax liabilities	43
Lease liabilities	1,298
Bank borrowings	19,599
Total liabilities	<u>124,220</u>
Net liabilities derecognised	(5,791)
Less: Non-controlling interests	(6,477)
Reclassification of capital reserve	(212)
Reclassification of currency translation reserve	592
Net liabilities disposed of	<u>(11,888)</u>
Gain on disposal	11,888
Consideration on deconsolidation	-
Less: Cash and cash equivalents in subsidiary deconsolidated	<u>(6,813)</u>
Net cash outflow on deconsolidation	<u>(6,813)</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 7 Trade and other receivables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables due from:				
Sale of goods and services	2,230	7,955	-	-
Property development customers	13,926	12,154	-	-
Construction contract customers	9,632	17,759	-	-
Associates	57	244	-	-
Joint ventures	85	1,294	-	-
Companies in which certain directors have control	1,366	138	1,326	-
Less: Loss allowance				
- Associates	(57)	(57)	-	-
- Third parties	(3,358)	(4,642)	-	-
	<b>23,881</b>	<b>34,845</b>	<b>1,326</b>	-
Other receivables due from:				
Third parties	5,906	1,056	-	-
Associates	38,658	55,254	-	-
Joint ventures	32,994	32,298	-	-
Subsidiaries	-	-	96,006	101,053
Companies in which certain directors have control	103	63	-	-
Less: Loss allowance				
- Third parties	(1,638)	(171)	-	-
- Associates	(28,803)	(28,776)	-	-
- Joint ventures	(6,888)	(1,658)	-	-
- Subsidiaries	-	-	(20,553)	(22,060)
	<b>40,332</b>	<b>58,066</b>	<b>75,453</b>	<b>78,993</b>
Staff loans	2	1	-	-
Grant receivables	-	-	-	-
Total trade and other receivables	<b>64,215</b>	<b>92,912</b>	<b>76,779</b>	<b>78,993</b>
Current	38,204	42,152	1,326	34,388
Non-current	26,011	50,760	75,453	44,605
	<b>64,215</b>	<b>92,912</b>	<b>76,779</b>	<b>78,993</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 7. Trade and other receivables (cont'd)

### 7.1 Trade receivables

Credit periods generally range from 30 to 120 days (2022: 30 to 120 days). No interest is charged on overdue trade receivables. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix.

	Expected weighted credit loss rate	Estimated total gross carrying amount at default	Lifetime ECL	Total
	%	\$'000	\$'000	\$'000
<b>2023</b>				
Current (not past due)	*	4,981	-	4,981
1 to 90 days past due	*	2,237	-	2,237
91 to 180 days past due	0.9	334	(3)	331
181 to 360 days past due	40.1	3,641	(1,460)	2,181
More than 360 days past due	12.1	16,103	(1,952)	14,151
		<b>27,296</b>	<b>(3,415)</b>	<b>23,881</b>
<b>2022</b>				
Current (not past due)	*	2,853	-	2,853
1 to 90 days past due	*	14,363	-	14,363
91 to 180 days past due	0.9	1,152	(10)	1,142
181 to 360 days past due	1.2	6,111	(72)	6,039
More than 360 days past due	30.6	15,065	(4,617)	10,448
		<b>39,544</b>	<b>(4,699)</b>	<b>34,845</b>

\* The weighted credit loss rate is assessed as negligible. Included in amounts past due more than 180 days is \$13.8 million (2022: \$11.9 million) for which billings were made based on contractual arrangements with the buyers for certain development properties. Corresponding contract liabilities (Note 24) are recognised for these billings.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

Group	\$'000
Balance as at 1 January 2022	4,741
Amounts written off against allowance	(102)
Loss allowance recognised in profit or loss during the year	60
Balance as at 31 December 2022	4,699
Exchange differences	(16)
Amounts written off against allowance	(193)
Recovery	(26)
Loss allowance recognised in profit or loss during the year	4,575
Deconsolidation	(5,624)
<b>Balance as at 31 December 2023</b>	<b>3,415</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 7. Trade and other receivables (cont'd)

#### 7.2 Other receivables

Interest is charged at 2.5% to 6.75% (2022: 2.0% to 6.8%) per annum by the Group and Company on other receivables due from certain associates, joint ventures and subsidiaries.

The Company's other receivables due from subsidiaries are repayable on demand.

For purpose of impairment assessment, other receivables are considered to have low risk of default as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition apart for those which loss allowance has been recognised. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

The following table shows the movement in ECL that has been recognised for credit impaired other receivables.

<u>Group</u>	<u>\$'000</u>
Balance as at 1 January 2022	30,058
Loss allowance recognised in profit or loss during the year	<u>547</u>
Balance as at 31 December 2022	30,605
Derecognised	(109)
Amounts written off against allowance	(171)
Loss allowance recognised in profit or loss during the year	<u>7,004</u>
<b>Balance as at 31 December 2023</b>	<b><u>37,329</u></b>

### 8 Deposits and prepayments

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	2022	<u>2023</u>	2022
	<u>\$'000</u>	\$'000	<u>\$'000</u>	\$'000
Deposits placed with third parties	<b>383</b>	2,681	-	-
Prepayments	<b>11,588</b>	14,155	<b>11</b>	14
	<b><u>11,971</u></b>	<u>16,836</u>	<b><u>11</u></b>	<u>14</u>

### 9 Inventories

	<u>Group</u>	
	<u>2023</u>	2022
	<u>\$'000</u>	\$'000
Finished goods	<b>1,829</b>	7,031
Raw materials	<b>1,705</b>	232
	<b><u>3,534</u></b>	<u>7,263</u>

The cost of inventories recognised as an expense for the financial year amounted to \$22.7 million (2022: \$14.2 million).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10 Contract assets

	Group	
	2023	2022
	\$'000	\$'000
Retention monies on contract work:		
- Third parties	2,718	19,567
Accrued income:		
- Construction contract customers	1,654	8,130
	<u>4,372</u>	<u>27,697</u>

Amounts relating to construction contracts customers are balances due from customers under construction contracts that arise when the Group completed the work but not billed. The Group had previously recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. Retention monies are classified as current as they are expected to be received within the Group's normal operating cycle.

Significant changes in contract assets in the current and prior year are due to changes in (i) retention monies which will coincide with the progress of work performed; (ii) measurement of progress contract asset which have not been billed as at year end; and (iii) variable consideration arising from delay of completion of contract work (netted against accrued income).

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. None of the amounts due from customers at the end of the reporting period is past due and no loss allowance is recognised as the credit loss rate is assessed as negligible.

## 11 Development properties

	Group	
	2023	2022
	\$'000	\$'000
Completed properties held for sale	152,395	155,718
Properties under development:		
Unsold units	34,684	34,844
Contract costs (Note (i))	9,048	9,048
	<u>43,732</u>	<u>43,892</u>
	<u>196,127</u>	<u>199,610</u>

The cost of development properties recognised as an expense includes \$6.0 million in respect of write-down of certain development property to net realisable value of \$18 million.

Development properties are classified as current assets in accordance with SFRS(I) 1-1 *Presentation of Financial Statements* as they are expected to be realised in the normal operating cycle.

The carrying amount of development properties which are mortgaged to banks as security for credit facilities obtained by the Group (Note 20) amounted to \$191.3 million (2022: \$194.5 million).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 11 Development properties (cont'd)

The cost of development properties includes the following items which have been charged during the year:

	Group	
	2023 \$'000	2022 \$'000
Interest expense capitalised (Note 31)	206	2,412
Reversal of significant financial component	-	(5,073)
Write-down of development properties, net (Note 30)	<u>6,012</u>	<u>-</u>

#### Note (i) Contract Costs - Capitalised commission

Management expects the incremental commission fees paid to property agents as a result of securing sale contracts to be recoverable from customers. The Group has therefore capitalised the commission fees and amortised these commission fees when the related revenue is recognised.

	Group	
	2023 \$'000	2022 \$'000
Balance at beginning of the year	9,048	6,711
Additions	-	2,374
Exchange differences	-	(37)
Balance at end of the year	<u>9,048</u>	<u>9,048</u>

The weighted average rate of capitalisation of the interest expenses for the financial year ended 31 December 2023 is 7.23% (2022: 4.95%) per annum.

Particulars of the development properties as at 31 December 2023 are as follows:

Description	Location	Approximate saleable area (Sq Metres)	Completed/ estimated date of completion	Tenure	Site area (Sq Metres)
<u>Properties in Thailand</u>					
De Iyara Grande (Commercial and residential)	Khlong Luang District Pathum Thani, Thailand	1,049*	Completed	Freehold	16,000
iResidence (Serviced apartment)	Khlong Luang District Pathum Thani, Thailand	3,399*	Completed	Freehold	1,586
Commercial and residential	Khlong Sam District Pathum Thani, Thailand	44,684**	Completed	Freehold	89,580



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 11 Development properties (cont'd)

Particulars of the development properties as at 31 December 2023 are as follows:

Description	Location	Approximate saleable area (Sq Metres)	Completed/ estimated date of completion	Tenure	Site area (Sq Metres)
<u>Property in Cambodia</u>					
The Gateway (Commercial and residential)	Russian Boulevard, Phnom Penh, Cambodia	64,200	Completed #	Freehold	6,072
<u>Property in Singapore</u>					
Ascent @ 456 (Commercial)	456 Balestier Road	899*	Completed	Freehold	1,084

\* Area of completed units yet to be sold.

\*\* Except for Phase 1 with saleable area of 4,760 Sq Metres which was completed in August 2021, the remaining phases' development plans have not been finalised.

# The development is completed except for Residential Tower 2 development with saleable area of 19,448 Sq Metres which is substantially completed.

## 12 Non-current asset held for sale / liabilities directly associated with asset classified as held for sale

On 18 January 2024, the Company entered into a sale and purchase agreement for the disposal of 567,000 ordinary shares of Aston Air Control Pte Ltd ("AAC") held by the Company, representing 90% of the issued and paid-up share capital of AAC.

AAC and was presented as a disposal group classified as held-for-sale as at 31 December 2023, and the entire results from AAC was presented separately on the statement of comprehensive income as "Discontinued operations" for the financial year ended 31 December 2023. The disposal group was previously presented under the "Construction" reportable segment of the Group (Note 35). The disposal was completed on 18 January 2024.

(a) The results of the discontinued operations and the re-measurement of the disposal group are as follows:

	Group	
	2023 \$'000	2022 \$'000
Revenue	12,297	9,316
Expenses	(15,304)	(13,425)
Profit before tax from discontinued operations	(3,007)	(4,109)
Tax (Note 32)	-	-
<b>(Loss)/profit after tax from discontinued operations</b>	<b>(3,007)</b>	<b>(4,109)</b>

(b) The impact of the discontinued operations on the cash flows of the Group was as follows:

	Group	
	2023 \$'000	2022 \$'000
Operating cash inflows	971	651
Investing cash outflows	(28)	55
Financing cash outflows	(64)	(176)
<b>Total cash (outflows)/inflows</b>	<b>879</b>	<b>530</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 12 Non-current asset held for sale / liabilities directly associated with asset classified as held for sale (cont'd)

(c) Details of the assets of disposal group classified as held-for-sale were as follows:

	<u>Group</u> 2023
	\$'000
Property, plant and equipment (Note 13)	244
Inventory	770
Trade and other receivables	7,338
Cash and cash equivalents	<u>1,846</u>

(d) Details of the liabilities directly associated with disposal group classified as held-for-sale were as follows:

	<u>Group</u> 2023
	\$'000
Trade and other payables	8,308
Lease liabilities	<u>91</u>

(e) Cumulative income recognised in other comprehensive income relating to disposal group classified as held-for-sale were as follows:

	<u>Group</u> 2023
	\$'000
Currency translation differences	<u>(33)</u>

(f) Details of assets and liabilities in non-current asset held for sale in 2023 classified as "non-current asset held for sale" and "liabilities directly associated with asset classified as held for sale" were as follows:

	<u>Group</u> 2023
	\$'000
Property, plant and equipment (Note 13)	8,401
Investment property (Note 14)	40,690
Subsidiaries	<u>10,199</u>
Total non-current asset held for sale	<u>59,290</u>
Borrowings (Note 20)	34,372
Liabilities directly associated with subsidiaries	<u>8,399</u>
Total liabilities directly associated with asset classified as held for sale	<u>42,771</u>
Balance at end of the year	<u>16,519</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 13 Property, plant and equipment

Group	Freehold properties	Leasehold properties	Work in progress	Plant and equipment	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost:</b>						
At 1 January 2022	11,113	51,859	-	43,268	9,022	115,262
Additions	-	-	-	2,017	490	2,507
Exchange differences	(827)	(261)	-	(678)	(184)	(1,950)
Written off	-	(1,025)	-	(17)	(249)	(1,291)
Disposals	-	-	-	(1,413)	(654)	(2,067)
At 31 December 2022	10,286	50,573	-	43,177	8,425	112,461
Additions	175	1,188	664	2,788	618	5,433
Exchange differences	(392)	(6)	-	(497)	(54)	(949)
Disposals	(118)	(66)	-	(2,848)	(2,086)	(5,118)
Reclassified to assets held for sale (Note 12)	-	(10,831)	-	-	-	(10,831)
Discontinued operations (Note 12)	-	(42)	-	(650)	(464)	(1,156)
Deconsolidation (Note 6)	(2,781)	(38,733)	-	(26,584)	(2,649)	(70,747)
<b>At 31 December 2023</b>	<b>7,170</b>	<b>2,083</b>	<b>664</b>	<b>15,386</b>	<b>3,790</b>	<b>29,093</b>
<b>Accumulated depreciation:</b>						
At 1 January 2022	1,870	20,032	-	39,067	7,304	68,273
Depreciation (Note 33)	268	2,380	-	2,260	730	5,638
Exchange differences	(122)	(26)	-	(568)	(156)	(872)
Written off	-	(875)	-	(12)	(240)	(1,127)
Disposals	-	-	-	(994)	(654)	(1,648)
At 31 December 2022	2,016	21,511	-	39,753	6,984	70,264
Depreciation (Note 33)	218	1,705	-	2,281	521	4,725
Exchange differences	(70)	13	-	(445)	(48)	(550)
Disposals	-	(66)	-	(1,337)	(1,808)	(3,211)
Reclassified to assets held for sale (Note 12)	-	(2,430)	-	-	-	(2,430)
Discontinued operations (Note 12)	-	(42)	-	(630)	(240)	(912)
Deconsolidation (Note 6)	(605)	(20,098)	-	(25,783)	(2,306)	(48,792)
<b>At 31 December 2023</b>	<b>1,559</b>	<b>593</b>	<b>-</b>	<b>13,839</b>	<b>3,103</b>	<b>19,094</b>
<b>Accumulated impairment losses:</b>						
At 1 January 2022	-	1,284	-	-	-	1,284
Impairment loss	-	-	-	-	-	-
At 31 December 2022	-	1,284	-	-	-	1,284
Deconsolidation (Note 6)	-	(1,284)	-	-	-	(1,284)
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value:</b>						
<b>At 31 December 2023</b>	<b>5,611</b>	<b>1,490</b>	<b>664</b>	<b>1,547</b>	<b>687</b>	<b>9,999</b>
At 31 December 2022	8,270	27,778	-	3,424	1,441	40,913

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 13 Property, plant and equipment (cont'd)

- (a) The carrying amount of the Group's property, plant and equipment includes the following right-of-use ("ROU") assets:

	2023 \$'000	2022 \$'000
Plant and equipment	63	84
Motor vehicles	-	604
Leasehold properties	48	27,778
Total	<u>111</u>	<u>28,466</u>

The depreciation arising from ROU assets charged during the year is as follows:

	2023 \$'000	2022 \$'000
Plant and equipment	34	132
Motor vehicles	238	392
Leasehold properties	739	2,380
Total	<u>1,011</u>	<u>2,904</u>

Additions to ROU assets amounted to \$1.3 million (2022: \$0.2 million) for the year ended 31 December 2023.

- (b) Cash payments of \$4.1 million (2022: \$2.3 million) were made to purchase property, plant and equipment during the year.
- (c) Certain leasehold properties were mortgaged to banks as security for credit facilities obtained by the Group (Note 20).
- (d) Details of properties are as follows:

Location	Description	Title	Gross area (Sq Metres)
1 Jalan Berseh, #03-04 to #03-05 New World Centre, Singapore 209037	Commercial	Leasehold (99 years from 31 March 1994)	63

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 14 Investment properties

	Group	
	2023 \$'000	2022 \$'000
<u>At fair value</u>		
Balance at beginning of the year	196,840	181,480
Reclassified to assets held for sale (Note 12)	(40,690)	-
Changes in fair value included in profit or loss	91,850	15,360
Balance at end of the year	<u>248,000</u>	<u>196,840</u>

Details of the investment properties are as follows:

Location	Description	Title	Gross area (Sq Metres)
1 Tuas South Street 12 Singapore 636946	Dormitory	Leasehold (20 years from 7 July 2014)	52,038

The fair values of the Group's investment properties have been determined on the basis of valuations carried out at or close to the respective year end dates by independent qualified valuers experienced in the location and category of the properties being valued. The valuations were arrived at (i) by reference to market evidence of transacted prices per square metre in the open market for comparable properties, adjusted for differences such as location, age and size; (ii) discounted cash flow analysis; and/or (iii) income capitalisation method.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. Fair value measurements of the Group's investment properties at 31 December 2023 and 2022 are classified as Level 3 in the fair value hierarchy, as defined in Note 3 to the financial statements.

The following table shows the significant unobservable inputs used in the valuation models for the investment properties classified as Level 3 in the fair value hierarchy:

Valuation technique	Significant unobservable input(s)	Commercial	Dormitory
Direct comparison method	Comparable price (Adjusted price per number of beds) <sup>(1)</sup>	NA	\$27,000 (2022: Average of \$17,000)
Direct comparison method	Comparable price (Adjusted price per square metre) <sup>(1)</sup>	NA (2022: \$10,900 to \$24,400)	NA (2022: NA)
Discounted cash flow (DCF) analysis	Discount rate <sup>(2)</sup>	NA	8% (2022: 8%)

NA: Not applicable.

<sup>(1)</sup> Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

<sup>(2)</sup> Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.

The investment properties are mortgaged to banks as security for credit facilities obtained by the Group (Note 20).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 15 Goodwill

	Group	
	2023	2022
	\$'000	\$'000
<b>At cost:</b>		
Beginning of financial year	2,595	2,595
Written off (Note 30)	(1,728)	-
End of financial year	<u>867</u>	<u>-</u>
<b>Accumulated impairment losses:</b>		
Beginning and end of financial year	<u>836</u>	<u>836</u>
Carrying amount:	<u><u>31</u></u>	<u><u>1,759</u></u>

Goodwill acquired in a business combination is allocated, at acquisition, to the following cash-generating units ("CGUs") that are expected to benefit from that business combination:

	Group	
	2023	2022
	\$'000	\$'000
<u>Cash-generating units</u>		
Tiong Aik Resources (S) Pte Ltd and its subsidiary	-	1,728
Others	<u>31</u>	<u>31</u>
	<u><u>31</u></u>	<u><u>1,759</u></u>

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

During the financial year ended 31 December 2023, the Group recognised impairment loss amounting of S\$1.728 million on goodwill allocated to the Tiong Aik Resources (S) Pte Ltd, which was placed under Creditor Voluntary Liquidation on 15 September 2023. The Group has lost control of Tiong Aik Resources (S) Pte Ltd, and all its assets and liabilities were derecognised from the Group's consolidated balance sheet.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16 Subsidiaries

	Company	
	2023 \$'000	2022 \$'000
<u>Cash-generating units</u>		
Unquoted equity shares at cost	175,917	130,992
Add: Additions during the year	-	46,050
Less: Reclassified to assets held for sale (Note 12)	(1,958)	
Less: Strike off, at cost	-	(1,125)
Allowance for impairment		
Balance at beginning of the year	(53,345)	(51,608)
Charge during the year	(45,971)	(2,030)
Reclassified to assets held for sale (Note 12)	1,958	
Written off	-	293
Balance at end of the year	(97,358)	(53,345)
	<u>76,601</u>	<u>122,572</u>

The Company carried out a review of the recoverable amounts of the investments in subsidiaries based on fair value less costs to sell. Based on the review performed, additional impairment loss of \$46.0 million (2022: \$2.0 million) was recognised during the financial year ended 31 December 2023.

Details of the Company's significant subsidiaries are as follows:

Name of significant subsidiaries	Principal activities/country of incorporation and operations	Group's proportion of voting power held	
		2023 %	2022 %
Aston Air Control Pte Ltd <sup>(6)</sup>	Installation and contractor for servicing of air conditioning systems/Singapore	-	90
Sino Holdings (S'pore) Pte Ltd	Investment holding/Singapore	100	100
Cornerstone Builders Pte. Ltd. (formerly known as TA Builders Pte. Ltd.)	Building construction/Singapore	100	100
Tiong Aik Construction Pte Ltd <sup>(5)</sup>	Building construction/Singapore	-	100
<u>Held by Sino Holdings (S'pore) Pte Ltd</u>			
TA Realty Pte. Ltd.	Real estate development/Singapore	100	100
Nexus Point Investments Pte. Ltd.	Dormitory operator/Singapore	62	62
Sireerin Signature Co., Ltd <sup>(1)</sup>	Real estate development/Thailand	70	70
Prime Industries Pre-cast Pte. Ltd.	Structural works, specialised construction and related activities/Singapore	100	100
Pure Genesis Sdn. Bhd. <sup>(2)</sup>	Manufacturer of pre-cast, pre-stressed reinforced concrete products/Malaysia	100	100



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 16 Subsidiaries (cont'd)

Name of significant subsidiaries	Principal activities/country of incorporation and operations	Group's proportion of voting power held	
		2023 %	2022 %
Que Holdings Pte. Ltd.	Trading in lubricants/Singapore	51	51
Invest (CR) Pte. Ltd.	Investment holding/Singapore	85	85
<u>Held by Invest (CR) Pte. Ltd.</u> TACC (C.R) Ltd. <sup>(3)</sup>	Real estate development/Cambodia	72.25	72.25
<u>Held by Cornerstone Builders Pte. Ltd.</u> Quest Homes Pte. Ltd.	Real estate development/Singapore	100	100
<u>Held by Que Holdings Pte. Ltd.</u> TA Resources Myanmar Company Limited <sup>(4)</sup>	Trading in lubricants/Myanmar	51	51

#### Note

Apart from Sireerin Signature Co., Ltd which the Group's proportion of ownership interest is 49%, the ownership interest in the above significant subsidiaries is the same as voting power held.

- (1) Audited by Sasikrig Audit & Legal Consulting, Thailand.
- (2) Audited by P.S.Yap, Isma & Associates, Malaysia.
- (3) No statutory audit requirement. The entity is audited by Fii & Associates, Cambodia for consolidation purposes.
- (4) No statutory audit requirement. The entity is audited by CLA Global TS Public Accounting Corporation for consolidation purposes.
- (5) Tiong Aik Construction Pte. Ltd. was placed under Creditors Voluntary Liquidation on 17 July 2023.
- (6) Aston Air Control Pte Ltd was disposed of on 18 January 2024 (Note 38) and reclassified to non-current asset held for sale as at 31 December 2023.

All other subsidiaries listed above are audited by CLA Global TS Public Accounting Corporation, Singapore.

#### Non-controlling interests

	Group	
	2023 \$'000	2022 \$'000
<u>Carrying value of non-controlling interests</u>		
Nexus Point Investments Pte. Ltd.	38,439	(3,201)
Que Holdings Pte. Ltd.	3,165	3,901
Tiong Aik Resources (S) Pte Ltd (in liquidation)	-	5,797
Other subsidiaries with immaterial non-controlling interests	725	(867)
	<b>42,329</b>	<b>5,630</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 16 Subsidiaries (cont'd)

*Summarised financial information of subsidiaries with material non-controlling interests*

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

<u>Name of significant subsidiaries</u>	Nexus Point Investments Pte. Ltd. \$'000	Que Holdings Pte. Ltd. \$'000
<b>2023</b>		
<b><u>Summarised income statements</u></b>		
Revenue	35,110	2,174
Profit after taxation	109,579	(54)
Other comprehensive loss	-	(75)
<b>Total comprehensive income/(loss)</b>	<b>109,579</b>	<b>(129)</b>
<u>Attributable to non-controlling interests:</u>		
• Profit/(loss) after taxation	41,640	(26)
• Other comprehensive loss	-	(37)
• <b>Total comprehensive income/(loss)</b>	<b>41,640</b>	<b>(63)</b>
• Dividend paid to non-controlling interests	-	-
<b><u>Summarised financial position</u></b>		
Current assets	23,172	6,714
Non-current assets	248,206	2
Current liabilities	(28,059)	(256)
Non-current liabilities	(142,164)	-
<b>Net assets</b>	<b>101,155</b>	<b>6,460</b>
<b><u>Summarised cash flows</u></b>		
Net cash generated from/(used in) operating activities	(22,765)	(110)
Net cash generated from/(used in) investing activities	(105)	1,655
Net cash (used in)/generated from financing activities	(31,465)	(2,640)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 16 Subsidiaries (cont'd)

*Summarised financial information of subsidiaries with material non-controlling interests (cont'd)*

<u>Name of significant subsidiaries</u>	Nexus Point Investments Pte. Ltd. \$'000	Que Holdings Pte. Ltd. \$'000	Tiong Aik Resources (S) Pte Ltd \$'000
<u>2022</u>			
<u>Summarised income statements</u>			
Revenue	26,401	6,892	6,480
Profit after taxation	28,507	214	3,377
Other comprehensive loss	-	(51)	-
<b>Total comprehensive income</b>	<b>28,507</b>	<b>163</b>	<b>3,377</b>
<u>Attributable to non-controlling interests:</u>			
• Profit after taxation	10,832	105	1,452
• Other comprehensive loss	-	(25)	-
• <b>Total comprehensive income</b>	<b>10,832</b>	<b>80</b>	<b>1,452</b>
• <b>Dividend paid to non-controlling interests</b>	<b>-</b>	<b>67</b>	<b>-</b>
<u>Summarised financial position</u>			
Current assets	23,054	10,331	11,269
Non-current assets	156,171	1,477	3,216
Liabilities	(15,777)	(3,589)	(1,003)
Non-current liabilities	(171,872)	(257)	-
<b>Net (liabilities)/assets</b>	<b>(8,424)</b>	<b>7,962</b>	<b>13,482</b>
<u>Summarised cash flows</u>			
Net cash generated from/(used in) operating activities	15,001	(2,444)	4,158
Net cash generated from/(used in) investing activities	(73)	1,652	(1,717)
Net cash (used in)/generated from financing activities	(22,029)	627	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 17 Associates and joint ventures

	Group	
	2023 \$'000	2022 \$'000
<u>Associates</u>		
Cost of investment in associates	10,674	10,674
Additional investments	125	-
Allowance for impairment in an associate (Note 30)	(4,936)	(4,811)
Share of post-acquisition total comprehensive income, net of dividend received	1,579	1,653
	<u>7,442</u>	<u>7,516</u>
<u>Joint ventures</u>		
Cost of investment in joint ventures	12,189	12,189
Allowance for impairment in joint ventures (Note 30)	(1,118)	-
Share of post-acquisition total comprehensive loss, and dividend received	(4,405)	(4,710)
	<u>6,666</u>	<u>7,479</u>
Interest in an unincorporated joint venture	<u>2,216</u>	<u>2,216</u>
Total associates and joint ventures	<u>16,324</u>	<u>17,211</u>

(a) Details of the Group's significant associates and joint ventures are as follows:

Name of significant associates and joint ventures	Principal activities/ Country of incorporation and operations	Effective equity interest		Proportion of ownership and voting power held	
		2023 %	2022 %	2023 %	2022 %
<u>Associates</u>					
<u>Held by Sino Holdings (S'pore) Pte Ltd</u>					
Meadows Bright Development Pte Ltd <sup>(1)</sup>	Real estate development/ Singapore	50	50	50	50
Dalian Shicheng Property Development (S) Pte. Ltd. <sup>(5)</sup>	Investment holding/ Singapore	42.97	25.37	42.97	25.37
FSKH Development Pte. Ltd. <sup>(3)</sup>	Real estate development/ Singapore	20	20	20	20
<u>Held by Dalian Shicheng Property Development (S) Pte. Ltd.</u>					
Dalian Shicheng Property Development Co., Ltd. <sup>(4)</sup>	Development of properties/People's Republic of China	42.97	25.37	42.97	25.37

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 17 Associates and joint ventures (cont'd)

(a) Details of the Group's significant associates and joint ventures are as follows: (cont'd)

Name of significant associates and joint ventures	Principal activities/ Country of incorporation and operations	Effective equity interest		Proportion of ownership and voting power held	
		2023 %	2022 %	2023 %	2022 %
<u>Joint ventures</u>					
<u>Held by Sino Holdings (S'pore) Pte Ltd</u>					
Soon Zhou Investments Pte. Ltd. <sup>(2)</sup>	Investment holding/ Singapore	50	50	50	50
Eternal Synergy Pte. Ltd. <sup>(5)</sup>	Trading/Singapore	50	50	50	50
Synergy Truck Pte. Ltd. <sup>(5)</sup>	Trading/Singapore	50	50	50	50
<u>Held by Soon Zhou Investments Pte. Ltd.</u>					
Blue Oasis Investments Pte. Ltd. <sup>(2)</sup>	Investment holding/ Singapore	50	50	50	50
Dalian Blue Oasis Properties Co., Ltd. <sup>(4)</sup>	Investment holding/ People's Republic of China	50	50	50	50
<u>Held by Synergy Truck Pte. Ltd.</u>					
Myanmar Synergy Company Limited <sup>(6)</sup>	Trading/Myanmar	50	50	50	50
<u>Held by Eternal Synergy Pte. Ltd.</u>					
Eternal Company Limited <sup>(6)</sup>	Trading/Myanmar	50	50	50	50

All of the above associates and joint ventures are accounted for using the equity method in these consolidated financial statements.

<sup>(1)</sup> Audited by FIRST Assurance Public Accounting Firm, Singapore.

<sup>(2)</sup> Audited by BDO LLP, Singapore.

<sup>(3)</sup> Audited by Ernst & Young LLP, Singapore.

<sup>(4)</sup> Audited by BDO China Shu Lan Pan CPAs LLP, China.

<sup>(5)</sup> Audited by Chan Leng Leng & Co, Singapore.

<sup>(6)</sup> No statutory audit requirement. Chan Leng Leng & Co, performed review for consolidation purposes.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 17 Associates and joint ventures (cont'd)

(a) Summarised financial information in respect of each of the Group's material associates is set out below.

#### Meadows Bright Development Pte Ltd and its subsidiaries

	2023 \$'000	2022 \$'000
Current assets	23,026	22,788
Current liabilities	<u>(13,404)</u>	<u>(13,410)</u>
Equity	<u>9,622</u>	<u>9,378</u>
Other income	271	279
Profit for the year, representing total comprehensive income for the year	<u>244</u>	<u>241</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in Meadows Bright Development Pte Ltd recognised in the consolidated financial statements:

	2023 \$'000	2022 \$'000
Net assets of the associate	9,622	9,137
Proportion of the Group's ownership in the associate	<u>50%</u>	<u>50%</u>
Carrying amount of the Group's interest in the associate	<u>4,811</u>	<u>4,569</u>

#### Dalian Shicheng Property Development (S) Pte. Ltd. ("DSPDS") and its subsidiary, Dalian Shicheng Property Development Co., Ltd. ("DSPDC")

	2023 \$'000	2022 \$'000
Current assets	26,454	28,883
Non-current assets	11	14
Current liabilities	<u>(127,409)</u>	<u>(125,022)</u>
Capital deficiency	<u>(100,944)</u>	<u>(96,125)</u>
Revenue	3,526	166
Loss for the year	(6,285)	(6,292)
Other comprehensive income for the year	1,216	1,741
Total comprehensive income/(loss) for the year	<u>(5,070)</u>	<u>(4,551)</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 17 Associates and joint ventures (cont'd)

- (b) Summarised financial information in respect of each of the Group's material associates is set out below. (cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Dalian Shicheng Property Development (S) Pte. Ltd. recognised in the consolidated financial statements:

	2023 \$'000	2022 \$'000
Net liabilities of the associate	(100,944)	(96,125)
Proportion of the Group's ownership in the associate	<u>25.37%</u>	<u>25.37%</u>
	(25,609)	(24,387)
Pre-acquisition losses not recorded by the Group	<u>8,007</u>	<u>8,007</u>
	<u>(17,602)</u>	<u>(16,380)</u>
Carrying amount of the Group's interest in the associate comprising cost plus share of post-acquisition results of the associate	-	-
Cumulative share of losses not recognised	<u>(17,602)</u>	<u>(16,380)</u>

At 31 December 2023 and 2022, management considers the amount of investment in DSPDS to be fully impaired as explained in Note 3.2.4 (a). The ability to recover the advances from the associate in the future is dependent on the ability of the associates' PRC wholly owned subsidiary to generate profits from its operations and remit the funds from the PRC into Singapore, which is subject to the PRC exchange control regulations.

Management has assessed that there are tax liabilities associated with the sales and purchase transactions (as described in Note 3.2.4 (a)). Based on probability-weighted approach, management has determined the tax obligation to be \$3.3 million (2022: \$3.2 million) for DSPDC and \$0.4 million (2022: \$0.4 million) for DBOP. These potential tax obligations have been recognised by the associate and joint venture at the end of the financial year. Due to the uncertainty associated with such tax items, it is possible that on conclusion of such tax matters at a future date, the final outcome may differ significantly.

#### FSKH Development Pte. Ltd.

	2023 \$'000	2022 \$'000
Current assets	19,603	75,651
Current liabilities	<u>(6,450)</u>	<u>(61,521)</u>
Equity	<u>13,153</u>	<u>14,130</u>
Revenue	-	128,966
(Loss)/Profit for the year, representing total comprehensive income for the year	<u>(978)</u>	<u>6,837</u>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 17 Associates and joint ventures (cont'd)

- (b) Summarised financial information in respect of each of the Group's material associates is set out below. (cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in FSKH Development Pte. Ltd. recognised in the consolidated financial statements:

	2023 \$'000	2022 \$'000
Net assets of the associate	13,153	14,130
Proportion of the Group's ownership in the associate	20%	20%
	<u>2,631</u>	<u>2,826</u>
Carrying amount of the Group's interest in the associate comprising cost plus share of post-acquisition results of the associate	<u>2,631</u>	<u>2,826</u>

#### Aggregate information of other associates that are not individually material

	2023 \$'000	2022 \$'000
Aggregate carrying amount of the Group's interests in these associates	<u>-</u>	<u>-</u>
Aggregate cumulative share of losses not recognised	<u>(200)</u>	<u>(198)</u>

- (c) Summarised financial information in respect of each of the Group's material joint ventures are set out below.

#### Soon Zhou Investments Pte. Ltd. ("SZI") and its subsidiaries

	2023 \$'000	2022 \$'000
Current assets	21,561	22,018
Non-current assets	17,717	20,670
Current liabilities	(51,867)	(50,609)
Non-current liabilities	-	(772)
Capital deficiency	<u>(12,589)</u>	<u>(8,963)</u>
Revenue	(283)	-
Profit/(loss) for the year	3,663	(4,468)
Other comprehensive (loss) for the year	(7,289)	(1,430)
Total comprehensive income/(loss) for the year	<u>(3,626)</u>	<u>(6,196)</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 17 Associates and joint ventures (cont'd)

- (c) Summarised financial information in respect of each of the Group's material joint ventures are set out below. (cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Soon Zhou Investments Pte. Ltd. recognised in the consolidated financial statements:

	2023 \$'000	2022 \$'000
Net liabilities of the joint venture	(12,589)	(8,693)
Proportion of the Group's ownership in the joint venture	50%	50%
	<u>(6,295)</u>	<u>(4,347)</u>
Carrying amount of the Group's interest in the joint venture	-	-
Cumulative share of losses not recognised	<u>(6,295)</u>	<u>(4,347)</u>

#### Synergy Truck Pte. Ltd. and its subsidiary

	2023 \$'000	2022 \$'000
Current assets	11,545	13,605
Non-current assets	3,301	3,737
Current liabilities	(10,624)	(12,265)
Non-current liabilities	(916)	(2,167)
Equity	<u>3,306</u>	<u>2,910</u>
Revenue	3,225	1,831
Profit/(loss) for the year	450	(1,295)
Other comprehensive (loss)/income for the year	(54)	9
Total comprehensive income/(loss) for the year	<u>396</u>	<u>(1,286)</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in Synergy Truck Pte. Ltd. recognised in the consolidated financial statements:

	2023 \$'000	2022 \$'000
Net assets of the joint venture	3,306	2,910
Proportion of the Group's ownership in the joint venture	50%	50%
	<u>1,653</u>	<u>1,455</u>
Premium paid on acquisition	667	426
Less: Allowance for impairment (Note 30)	(1,118)	-
Carrying amount of the Group's interest in the joint venture	<u>1,202</u>	<u>1,881</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 17 Associates and joint ventures (cont'd)

- (c) Summarised financial information in respect of each of the Group's material joint ventures are set out below. (cont'd)

#### Eternal Synergy Pte. Ltd. and its subsidiary

	2023 \$'000	2022 \$'000
Current assets	6,394	10,611
Non-current assets	220	7
Current liabilities	(836)	(3,384)
Non-current liabilities	-	(420)
Equity	<u>5,778</u>	<u>6,814</u>
Revenue	6,200	8,805
Profit for the year	1,045	2,226
Other comprehensive loss for the year	(1,817)	(504)
Total comprehensive (loss)/income for the year	(772)	1,722
Dividends received from the joint venture during the year	<u>132</u>	<u>5</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in Eternal Synergy Pte. Ltd. recognised in the consolidated financial statements:

	2023 \$'000	2022 \$'000
Net assets of the joint venture	5,778	6,814
Proportion of the Group's ownership in the joint venture	<u>50%</u>	<u>50%</u>
	2,889	3,407
Premium paid on acquisition	<u>2,073</u>	<u>2,073</u>
Carrying amount of the Group's interest in the joint venture	<u>4,962</u>	<u>5,480</u>

#### Aggregate information of joint ventures that are not individually material

	2023 \$'000	2022 \$'000
The Group's share of profit/(loss) for the year	391	(210)
The Group's share of other comprehensive loss	(8)	(32)
The Group's share of total comprehensive income/(loss)	<u>383</u>	<u>(242)</u>
Dividends received from the joint venture during the year	<u>-</u>	<u>-</u>
Aggregate carrying amount of the Group's interests in these joint ventures	<u>482</u>	<u>118</u>
Cumulative share of losses not recognised	<u>(3,743)</u>	<u>(3,731)</u>

- (d) The Group's 49% interest in an unincorporated joint venture is recorded at cost contributed towards acquisition of a land. The joint venture has no operating results.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 18 Other non-current assets

	Group	
	2023 \$'000	2022 \$'000
Club memberships, at cost	255	416
Less: Disposal during the year	(24)	(129)
Less: Discontinued operations (Note 12)	(40)	-
Less: Deconsolidation of subsidiary (Note 6)	(191)	-
Less: Allowance for impairment loss	-	(32)
	-	255

### 19 Deferred tax liabilities

The following are the major deferred tax liabilities recognised by the Group and the movements thereon, during the current and prior reporting period:

	Accelerated tax depreciation \$'000
At 1 January 2022	50
Charged to profit or loss (Note 32)	6
At 31 December 2022	56
Charged to profit or loss (Note 32)	26
Deconsolidation of subsidiary (Note 6)	(43)
<b>At 31 December 2023</b>	<b>39</b>

### 20 Borrowings

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Unsecured</u>				
Bank loans	4,504	8,177	-	-
Bank overdrafts	115	-	-	-
Invoice financing	590	1,397	-	-
<u>Secured</u>				
Bank loans	176,072	204,310	-	7,500
Reclassified to assets held for sale (Note 12)	(34,372)	-	-	-
	141,700	204,310	-	7,500
Invoice financing	-	13,992	-	-
	146,909	227,876	-	7,500
Less: Amount due for settlement within 12 months (shown under current liabilities)	(36,985)	(55,501)	-	(5,000)
Amount due for settlement after 12 months	109,924	172,375	-	2,500

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 20 Borrowings (cont'd)

Borrowings amounting to \$4.6 million and \$127.3 million bear fixed interest rate and variable interest rate respectively (Note 4(b)(iv)).

Management estimates that the carrying amounts of the bank loans approximate their fair values as the bank loan primarily bear variable market interest rates.

The Group has the following secured bank loans:

- Loans of \$87.6 million (2022: \$108.6 million) are secured by mortgages over the Group's investment properties (Note 14) and certain fixed deposits.
- Loans of \$38.6 million (2022: \$61.8 million) are secured by mortgages over the Group's development properties (Note 11) and certain fixed deposits.
- Loans of \$34.4 million (2022: \$Nil) are secured by mortgages over the Group's properties classified as held for sales (Note 12) and legal assignment of rental proceeds from the rental income of the property, legal assignment of contracts and contracts proceeds over projects, and debentures incorporating a first floating charge over the receivables of the borrower in respect of their project.
- Loan of \$Nil (2022: \$9.0 million) is secured by the Group's corporate guarantees, shares in the associate and loan to the associate.

Notwithstanding the above, the Company's bank loans are secured by legal assignment of sales proceeds from the development property of a subsidiary and corporate guarantees from two of its subsidiaries. Corporate guarantees are provided for all other borrowings by the Company. Certain loans are also secured by guarantees from certain non-controlling shareholders of partially-owned subsidiaries. The fair value of these corporate guarantees is assessed by the management to be insignificant as the primary securities are the mortgaged properties.

### Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2023	Financing cash flows <sup>(i)</sup>	New lease liabilities	Other changes <sup>(ii)</sup>	31 December 2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Bank loans (Note 20)	212,487	(12,312)	-	(53,971)	146,204
Invoice financing (Note 20)	15,389	(14,799)	-	-	590
Bank overdraft (Note 20)	-	115	-	-	115
Lease liabilities (Note 22)	1,612	(1,138)	1,334	(1,389)	419
Term notes (Note 23)	26,929	-	-	(106)	26,823
Loan from a company in which certain directors have interest in (Note 21)	12,950	5,509	-	-	18,459
Advance from associates (Note 21)	11,945	-	-	(1,196)	10,749
	<u>281,312</u>	<u>(22,625)</u>	<u>1,334</u>	<u>(56,662)</u>	<u>203,359</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 20 Borrowings (cont'd)

	1 January 2022	Financing cash flows <sup>(i)</sup>	New lease liabilities	Other changes <sup>(ii)</sup>	31 December 2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Bank loans (Note 20)	326,929	(118,593)	-	4,151	212,487
Invoice financing (Note 20)	24,471	(9,082)	-	-	15,389
Lease liabilities (Note 22)	2,487	(957)	245	(163)	1,612
Term notes (Note 23)	26,724	205	-	-	26,929
Loan from a company in which certain directors have interest in (Note 21)	9,950	3,000	-	-	12,950
Advance from associates (Note 21)	11,674	-	-	271	11,945
	<b>402,235</b>	<b>(125,427)</b>	<b>245</b>	<b>4,259</b>	<b>281,312</b>

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

(ii) Other changes include interest accruals and payments, advance from associate offset with other receivables and reclassification of bank loans directly associated with assets held for sale (Note 12).

### 21 Trade and other payables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables:				
Third parties	12,991	58,522	-	-
Companies in which certain directors have control	65	193	-	-
Associates	1,461	-	-	-
Joint ventures	304	52	-	-
Other payables:				
Third parties	71,716	11,663	10,763	15
Subsidiaries	-	-	9,886	34,115
Associates	10,749	11,945	12,191	11,922
Joint ventures	602	1,145	-	-
Companies in which certain directors have control	804	1,415	-	-
Non-controlling shareholders of subsidiaries	56,619	67,347	-	-
Non-controlling directors of subsidiaries	727	-	-	-
Loan from a company in which certain directors have interest in	18,459	12,950	18,459	12,950
Accrued operating expenses	38,969	5,857	33,130	1,468
Accrued contract cost	322	819	-	-
Retention payables	8,704	25,783	-	-
Deposits received	9,337	7,869	-	-
Advance billings	38	-	-	-
Total trade and other payables	<b>231,867</b>	<b>205,560</b>	<b>84,429</b>	<b>60,470</b>
Current	144,561	112,635	53,779	21,819
Non-current	87,306	92,925	30,650	38,651
	<b>231,867</b>	<b>205,560</b>	<b>84,429</b>	<b>60,470</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 21 Trade and other payables (cont'd)

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. No interest is charged on trade payables which are overdue.

The balances owing to related parties are unsecured and repayable on demand. Included in other payables due to non-controlling shareholders of subsidiaries and associates are \$56.6 million (2022: \$39.7 million) and \$12,191 (2022: \$Nil) which bear average interest at 3% (2022: 3.2%) and 2.5% (2022: Nil%) per annum respectively. The Company's other payables to subsidiaries and associates bear interest of 2.5% per annum (2022: 2.5%). Loan from a company in which certain directors have interest in bear interest at 3% per annum. Retention payables are classified as current as they are expected to be repaid within the Group's normal operating cycle.

The carrying amounts of the non-current trade and other payables approximate their fair values.

### 22 Lease liabilities

	2023 \$'000	2022 \$'000
Maturity analysis:		
Within 1 year	161	607
Within 2 to 5 years	308	1,108
Year 6 onwards	-	36
	<u>469</u>	<u>1,751</u>
Less: Unearned interest	<u>(50)</u>	<u>(139)</u>
	<u>419</u>	<u>1,612</u>
Current	146	545
Non-current	<u>273</u>	<u>1,067</u>
	<u>419</u>	<u>1,612</u>

The average effective interest rate approximates 3.04% (2022: 3.99%) per annum. Interest rates are fixed at the contract rates.

The Group's obligations amounting to \$Nil (2022: \$0.9 million) were secured by the lessor's title to the leased assets.

### 23 Term notes

	<u>Group and Company</u>	
	2023 \$'000	2022 \$'000
<u>Unsecured</u>		
Multi-currency term notes, net of issuance cost	<u>26,823</u>	<u>26,929</u>

The term notes which are listed on SGX-ST bear interest at the fixed rate of 6.0% per annum. As disclosed in Note 4(c), the maturity date of the term notes has been extended to 26 July 2026. Interest is payable on a half-yearly basis.

On 25 July 2023, the Company announced the suspension of interest payment as the Company intends to, in due course, engage with its Noteholders. Accordingly, the Company has reclassified the term notes to current liabilities.

The carrying amount of the term notes approximates its fair value. The fair value of the term notes is determined based on the over-the-counter quoted price.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 24 Contract liabilities

	Group	
	2023 \$'000	2022 \$'000
Construction contracts	12,264	14,713
Amounts received in advance for development properties	81,098	83,686
	<u>93,362</u>	<u>98,399</u>

Contract liabilities on construction contracts represent the progress billings exceeding costs incurred plus recognised profits. The amount is recognised as revenue when the Group performs under the contract.

Significant changes in the contract liabilities balances during the period are as follows.

	Group	
	2023 \$'000	2022 \$'000
Revenue recognised that was included in contract liabilities at the beginning of the year	(14,713)	(21,759)
Progress billing of construction contracts	12,264	14,713
Decrease due to cash received, excluding amounts recognised as revenue during the year	(2,588)	(11,483)
	<u>(5,037)</u>	<u>(18,529)</u>

### 25 Provisions

	Group	
	2023 \$'000	2022 \$'000
Balance at beginning of the year	397	5,879
Utilisation	(397)	(5,482)
Balance at end of the year	<u>-</u>	<u>397</u>

At the end of the reporting period, the Group recognised \$Nil (2022: \$0.4 million) provisions for unavoidable costs of fulfilling certain construction contract obligations with customers, that were in excess of the economic benefits expected to be received under the contracts.

### 26 Share capital

	Group and Company			
	2023	2022	2023	2022
			\$'000	\$'000
Number of ordinary shares				
Issued and paid up:				
At beginning and end of the year	<u>518,068,220</u>	518,068,220	<u>154,189</u>	154,189

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 27 Reserves

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Capital reserve	432	644	-	-
	<b>432</b>	<b>644</b>	<b>-</b>	<b>-</b>

The capital reserve arose from the gift of shares in the Company previously owned by the executive directors to certain employees of the Group.

### 28 Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product and service lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (Note 35).

A disaggregation of the Group's revenue for the year is as follows:

	Group	
	2023 \$'000	2022 \$'000
Revenue from:		
Construction		
- Construction contracts	56,632	180,146
- Sale of goods	23,995	8,665
- Worker training and other services	7,557	10,915
	<b>88,184</b>	<b>199,726</b>
Real estate investment		
- Rental of properties	36,948	26,891
Real estate development		
- Rendering of service	-	300
- Sale of development properties	1,815	119,713
Distribution		
- Sale of goods	11,417	9,742
	<b>138,364</b>	<b>356,372</b>
<u>Timing of revenue recognition *</u>		
At a point in time	44,471	149,334
Over time	72,651	190,655

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 28 Revenue (cont'd)

#### Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

	2023 \$'000	2022 \$'000
Construction contracts	<u>36,177</u>	<u>96,108</u>

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amount presented above.

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

Management expects that the transaction price allocated to the unsatisfied contracts as of 31 December 2023 will be recognised as revenue over the next 2 years (2022: 2 years).

\* These disclosures under SFRS(I) 15 are not applicable to revenue from lease contracts amounting to \$20.9 million (2022: \$16.4 million).

### 29 Other income

	<u>Group</u>	
	2023 \$'000	2022 \$'000
Rental income	378	3,452
Management fee income from companies in which certain directors have control (Note 5)	105	311
Project management and administrative fee	74	58
Calling of performance bond	-	275
Interest income	399	208
Interest income from associates and joint ventures (Note 5)	839	1,028
Government grant income	115	222
Gain in fair value of investment properties, net (Note 14)	92,000	15,360
Gain on disposal of property, plant and equipment	4,262	325
Gain on disposal of other non-current assets	69	9
Dividends income from associates and joint ventures (Note 5)	132	-
Reversal of impairment loss on joint ventures (Note 17)	-	426
Other sundry income	1,705	1,155
	<u>100,078</u>	<u>22,829</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 30 Other operating expenses

	Group	
	2023 \$'000	2022 \$'000
Depreciation expenses (Note 33)	4,725	4,456
Property tax and repair and maintenance	762	1,501
Rental expenses – short term and low value leases	542	651
Net fair value loss on investment properties (Note 14)	150	-
Write-down of development properties (Note 11)	6,012	-
Goodwill written off (Note 15)	1,728	-
Impairment loss on accrued income and retention	17,838	-
Impairment loss on investment in associates and joint ventures (Note 17)	1,243	-
Impairment loss on other non-current assets	-	7
Legal and professional fees	1,020	1,853
Foreign exchange losses, net	2,642	2,288
Recognition of performance bonds	30,350	-
Fines and penalties	-	1
Write-off obsolete inventories	8	-
Trainers' fee	471	463
Others	202	175
	<u>67,693</u>	<u>11,395</u>

### 31 Finance costs

	Group	
	2023 \$'000	2022 \$'000
Interest on borrowings	10,285	11,787
Interest from a non-controlling interest	2,778	1,859
Interest on lease liabilities	41	70
Total borrowing costs	<u>13,104</u>	<u>13,716</u>
Less: Amounts included as cost of development properties (Note 11)	<u>(206)</u>	<u>(2,412)</u>
	<u>12,898</u>	<u>11,304</u>

### 32 Income tax expense

	Group	
	2023 \$'000	2022 \$'000
Current income tax:		
- for the year	3,883	4,488
- under provision in prior years	7	731
Deferred income tax (Note 19)	<u>26</u>	<u>6</u>
	<u>3,916</u>	<u>5,225</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 32 Income tax expense (cont'd)

Income tax in Singapore is calculated at 17% (2022: 17%) of the estimated assessable profit/(loss) for the financial year. Taxation for other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions. The total charge for the financial year can be reconciled to the accounting profit/(loss) as follows:

	Group	
	2023 \$'000	2022 \$'000
Profit before income tax	<u>34,481</u>	<u>36,220</u>
Tax credit at Singapore statutory rate of 17% (2022: 17%)	5,862	6,157
Tax effect of (income)/expenses that are not (taxable)/deductible in determining taxable profit	(2,728)	(3,304)
Effect of differences in tax rate in other jurisdictions	81	75
Deferred tax benefits not recognised	1,592	1,693
Under/(over) provision in prior years	7	731
Tax exempt income	(58)	(63)
Utilisation of deferred tax benefits previously not recognised	(997)	(54)
Others	157	(10)
	<u>3,916</u>	<u>5,225</u>

Subject to the agreement by the tax authorities, at the end of the reporting period, the Group has the following unutilised tax losses available for offset against future profits.

	Group	
	2023 \$'000	2022 \$'000
Balance at beginning of the year	90,792	80,751
Adjustment in respect of prior year	(861)	(3,844)
Addition during the year	9,320	14,190
Utilisation during the year	(5,868)	(305)
Balance at end of the year	<u>93,383</u>	<u>90,792</u>
Deferred tax benefit on above unrecorded	<u>15,875</u>	<u>15,435</u>

No deferred tax asset has been recognised on unutilised tax losses due to the unpredictability of future profit against which the tax losses can be utilised. The tax losses have no expiry date.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 33 Profit/(loss) for the year

This has been arrived at after charging/(crediting):

	Group	
	2023 \$'000	2022 \$'000
Depreciation expenses (Note 13)	4,725	5,638
Depreciation allocated to construction projects in progress	-	(1,182)
Depreciation charged as other operating expense (Note 30)	<u>4,725</u>	<u>4,456</u>
Cost of development properties recognised as cost of sales	753	102,281
Directors' remuneration:		
- of the Company	833	1,630
- of the subsidiaries	262	179
Employee benefits (excluding directors' remuneration)	25,728	33,447
Audit fees paid/payable to:		
- auditors of the Company	288	205
- other auditors	37	135
Non-audit fees paid/payable to auditors of the Company	<u>-</u>	<u>-</u>

#### Government grant

Grant income is deducted against the related expenses to the effect as disclosed below:

	Group	
	2023 \$'000	2022 \$'000
Employee benefits <sup>(1)</sup>	-	426
Cost of sales <sup>(2)</sup>	<u>-</u>	<u>523</u>

<sup>(1)</sup> Includes wage support received under the Jobs Support Scheme ("JSS") and foreign worker levy waiver and rebate under the Foreign Worker Levy Waiver amounting to \$Nil (2022: \$0.4 million).

The Group received wage support for local employees under JSS from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Grant income is recognised in profit or loss on a systematic basis from April 2020 to December 2021 in which the related salary cost is recognised as expenses.

<sup>(2)</sup> Cost of sales is reduced by grant income amounting to \$Nil (2022: \$0.5 million) which represents support given by the Singapore Government under the Construction Support Package, wage support, foreign worker levy waiver and rebate and property tax expenses (refer to (1)).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 34 Earnings per share

The calculation of the basic loss per share is based on the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

There were no dilutive loss per share for the financial years ended 31 December 2023 and 2022 as there were no dilutive potential ordinary shares outstanding.

	2023 \$'000	2022 \$'000
(Loss)/profit attributable to equity holders of the Company (\$'000)	<u>(16,279)</u>	<u>12,136</u>
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	<u>518,068</u>	<u>518,068</u>
Basic and diluted earnings per share (cents per share)	<u>(3.14)</u>	<u>2.34</u>

### 35 Segment information

For the purpose of resource allocation and assessment of segment performance, the Group's operating decision makers have determined the business segments as follows:

#### Construction

General builders and construction contractors, training of workers, general engineering, sale of construction materials and design, installation and maintenance of air conditioning and mechanical ventilation systems.

#### Real estate investment

Investment in real estate.

#### Real estate development

Development of residential and commercial projects and project management services.

#### Distribution

Sale and distribution of petroleum based lubricant products, automotive tyres and commercial vehicles.

#### Others

This comprises management and administration services.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.

All assets are allocated to reportable segments except for club memberships (Note 18). Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

All liabilities are allocated to reportable segments. Liabilities incurred jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 35 Segment information (cont'd)

	Construction	Real estate investment	Real estate development	Distribution	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2023</b>							
<b>REVENUE</b>							
External revenue	87,772	36,551	2,708	11,333	-	-	138,364
Inter-segment revenue	17,462	767	396	1,634	-	(20,259)	-
	<b>105,234</b>	<b>37,318</b>	<b>3,104</b>	<b>12,967</b>	<b>-</b>	<b>(20,259)</b>	<b>138,364</b>
<b>RESULT</b>							
Segment result	(29,576)	112,499	(7,132)	1,087	(30,737)	-	46,141
Interest income	34	1,050	77	77	-	-	1,238
Finance costs	(838)	(7,916)	(1,303)	(89)	(2,752)	-	(12,898)
(Loss)/profit before income tax	(30,380)	105,633	(8,358)	1,075	(33,489)	-	34,481
Income tax expense	(5)	(3,611)	(20)	(280)	-	-	(3,916)
(Loss)/profit for the year	<b>(30,385)</b>	<b>102,022</b>	<b>(8,378)</b>	<b>795</b>	<b>(33,489)</b>	<b>-</b>	<b>30,565</b>
<b>STATEMENT OF FINANCIAL POSITION</b>							
Segment assets	40,439	372,671	225,265	10,959	1,369	-	650,703
Unallocated corporate assets	-	-	-	-	-	-	-
Total assets	<b>40,439</b>	<b>372,671</b>	<b>225,265</b>	<b>10,959</b>	<b>1,369</b>	<b>-</b>	<b>650,703</b>
Segment liabilities	<b>147,422</b>	<b>212,671</b>	<b>99,844</b>	<b>2,955</b>	<b>82,908</b>	<b>-</b>	<b>545,800</b>
<b>OTHER INFORMATION</b>							
Additions to non-current assets	3,990	106	27	27	-	-	4,150
Associates and joint ventures	-	2,216	7,441	6,667	-	-	16,324
Depreciation expenses	4,232	251	74	168	-	-	4,725
Gain in fair value of investment properties	-	91,850	-	-	-	-	91,850
Loss allowance/(reversal of loss allowance) recognised on financial assets	5,011	5,398	1,187	(17)	-	-	11,579

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 35 Segment information (cont'd)

	Construction	Real estate investment	Real estate development	Distribution	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2022</u>							
<b>REVENUE</b>							
External revenue	199,726	26,891	120,013	9,742	-	-	356,372
Inter-segment revenue	25,487	1,282	276	5,906	-	(32,951)	-
	<u>225,213</u>	<u>28,173</u>	<u>120,289</u>	<u>15,648</u>	<u>-</u>	<u>(32,951)</u>	<u>356,372</u>
<b>RESULT</b>							
Segment result	(1,234)	34,344	13,148	746	(733)	-	46,271
Interest income	29	1,186	3	35	-	-	1,253
Finance costs	(1,064)	(5,715)	(1,851)	(70)	(2,604)	-	(11,304)
(Loss)/profit before income tax	(2,269)	29,815	11,300	711	(3,337)	-	36,220
Income tax expense	(685)	(3,491)	(915)	(134)	-	-	(5,225)
(Loss)/profit for the year	<u>(2,954)</u>	<u>26,324</u>	<u>10,385</u>	<u>577</u>	<u>(3,337)</u>	<u>-</u>	<u>30,995</u>
<b>STATEMENT OF FINANCIAL POSITION</b>							
Segment assets	99,110	250,763	235,407	15,367	48,654	-	649,301
Unallocated corporate assets	255	-	-	-	-	-	255
Total assets	<u>99,365</u>	<u>250,763</u>	<u>235,407</u>	<u>15,367</u>	<u>48,654</u>	<u>-</u>	<u>649,556</u>
Segment liabilities	<u>138,368</u>	<u>170,773</u>	<u>189,454</u>	<u>4,997</u>	<u>60,784</u>	<u>-</u>	<u>564,376</u>
<b>OTHER INFORMATION</b>							
Additions to non-current assets	1,997	441	15	54	-	-	2,507
Associates and joint ventures	-	2,216	7,516	7,479	-	-	17,211
Depreciation expenses	4,626	258	241	346	-	-	5,471
Gain in fair value of investment properties	-	15,360	-	-	-	-	15,360
Loss allowance/(reversal of loss allowance) recognised on financial assets	60	582	-	(35)	-	-	607
Impairment loss on other non-current assets	7	-	-	-	-	-	7

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 35 Segment information (cont'd)

#### Geographical segments

	Singapore	Myanmar	Cambodia	Other countries <sup>(i)</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2023</b>					
Revenue	127,097	9,332	1,288	647	138,364
Non-current assets	298,424	1,753	11	177	300,365
<b>2022</b>					
Revenue	313,682	8,334	31,776	2,580	356,372
Non-current assets	295,344	1,438	19	10,937	307,738

(i) Includes Malaysia, Thailand and India.

### 36 Guarantees and contingent liabilities

- The Company together with a joint guarantor provided joint and several corporate guarantees to a bank in respect of bank loan of an associate (2022: associate). The total bank loan outstanding at 31 December 2023 was \$Nil (2022: \$10.0 million). Management has assessed the fair value to be insignificant. Further information is provided in Note 3.2.4.
- The Company provided joint and several corporate guarantees to banks in respect of bank facilities provided to its other joint venture entities. The total bank borrowings outstanding as at 31 December 2023 was \$6.1 million (2022: \$6.1 million). Management has assessed the fair value to be insignificant.
- The Company provided corporate guarantees to banks in respect of bank facilities provided to its subsidiaries. The total bank borrowings outstanding at 31 December 2023 was \$168 million (2022: \$220.0 million). The fair values of the corporate guarantees were assessed by management to be insignificant at the inception of the guarantees as the primary securities were mortgaged properties.
- Corporate guarantees have been given by the Group to financial institutions in respect of bankers' guarantees amounting to \$4.1 million (2022: \$4.5 million), performance bonds/guarantees amounting to \$34.3 million (2022: \$31.3 million) and standby letter of credit amounting to \$2 million (2022: \$6.2 million).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 37 Operating lease arrangements

#### The Group as lessee

At 31 December 2023, the Group is committed to \$25,000 (2022: \$73,000) for short-term leases.

#### The Group as lessor

Operating leases, in which the Group is the lessor, arise from the Group's investment properties with lease terms of between 1 to 5 years. Certain operating lease contracts contain one year extension option and market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

	<u>Group</u>	
	2023 \$'000	2022 \$'000
Year 1	25,604	13,898
Year 2	679	2,148
Year 3	101	356
Year 4	94	95
Year 5	93	95
Total	<u>26,570</u>	<u>16,592</u>

### 38 Events after reporting period

- (i) On 18 January 2024, the Company entered into a sale and purchase agreement for the disposal of 567,000 ordinary shares of Aston Air Control Pte Ltd ("AAC") held by the Company, representing 90% of the issued and paid up share capital of AAC.

The Disposal was completed on 18 January 2024 and the Company has ceased to own any interest in AAC and AAC's interest in Alpha Air Pte Ltd ("AAPL") and Alpha Air (Cambodia) Ltd ("AACL") and AAC together with AAPL and AACL have ceased to be subsidiaries of the Company.

- (ii) On 8 March 2024, the Company had received a letter of intent from SGUnited Capital Pte. Ltd., a third-party, indicating its interest to purchase the New World Centre Properties for a purchase consideration of S\$43,000,000.

The Proposed New World Centre disposal constitutes a "major transaction" as defined under the Listing Manual and must be approved by the Shareholders at a general meeting. Accordingly, the Company is seeking Shareholders' approval for the Proposed New World Centre Disposal at the EGM.

- (iii) On 31 March 2024, the Company received a letter of intent from BA Shoppes Pte. Ltd., a third-party, indicating its interest to purchase the Ascent@456 Properties for a purchase consideration of S\$18,000,000.

The Proposed Ascent @ 456 disposal constitutes a "major transaction" as defined under the Listing Manual and must be approved by the Shareholders at a general meeting. Accordingly, the Company is seeking Shareholders' approval for the Proposed New World Centre Disposal at the EGM.

# NOTES TO THE FINANCIAL STATEMENTS

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 39 New or revised accounting standards and interpretations

At the date of authorisation of these financial statements, the Group and the Company have not applied the following SFRS(I) pronouncements that have been issued but are not yet effective:

Effective for annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants
- Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements

Effective date is to be determined

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Management does not expect any material impact arising from applying these new or revised accounting standards and interpretations in the period of their initial adoption.

## 40. Authorisation of financial statements

These financial statements for the financial year ended 31 December 2023 were authorised for issued in accordance with a resolution of Board of Directors of TA Corporation Ltd on 4 July 2024.

## SHAREHOLDERS' INFORMATION

AS AT 28 JUNE 2024

### SHARE CAPITAL

Issued and fully paid capital	:	S\$154,188,832
Total number of shares in issue	:	518,068,220
Treasury Shares	:	Nil
Subsidiary Holdings	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per share

### STATISTICS OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 99	9	1.38	271	0.00
100 – 1,000	101	15.52	64,891	0.01
1,001 – 10,000	231	35.48	1,040,336	0.20
10,001 – 1,000,000	292	44.85	24,752,460	4.78
1,000,001 and above	18	2.77	492,210,262	95.01
	651	100.00	518,068,220	100.00

### SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Liong Kiam Teck <sup>(2)</sup>	174,187,102	33.62	–	–
Neo Tiam Boon <sup>(3)</sup>	87,857,147	16.96	–	–
Neo Tiam Poon @ Neo Thiam Poon	83,599,752	16.14	–	–
Neo Thiam An	41,412,840	7.99	–	–
Koh Wee Seng <sup>(1)</sup>	23,682,690	4.57	23,758,945	4.59

#### Notes:

(1) Koh Wee Seng is deemed to have interest in 23,758,945 Shares in the capital of the Company held by his mother, Tan Su Lan@Tan Soo Lung.

## SHAREHOLDERS' INFORMATION

AS AT 28 JUNE 2024

### TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Liong Kiam Teck	174,166,149	33.62
2.	Neo Tiam Boon	87,857,147	16.96
3.	Neo Tiam Poon @ Neo Thiam Poon	83,599,752	16.14
4.	Neo Thiam An	41,412,840	7.99
5.	Tan Su Lan @ Tan Soo Lung	23,758,945	4.59
6.	Koh Wee Seng	23,682,690	4.57
7.	Phillip Securities Pte Ltd	15,462,134	2.99
8.	United Overseas Bank Nominees Pte Ltd	10,084,000	1.95
9.	UOB Kay Hian Pte Ltd	7,679,000	1.48
10.	Maybank Securities Pte. Ltd.	6,700,699	1.30
11.	Lim & Tan Securities Pte Ltd	3,941,643	0.76
12.	Tan Lee Hua	3,268,100	0.63
13.	HSBC (Singapore) Nominees Pte Ltd	3,130,435	0.60
14.	Lim Seng Kuan	2,581,500	0.50
15.	DBS Nominees Pte Ltd	1,327,770	0.25
16.	Yeo Lai Huat	1,256,000	0.24
17.	Yap Bau Tan	1,248,600	0.24
18.	Lee Chee Hong	1,052,858	0.20
19.	Ko Lee Meng	965,000	0.19
20.	King Wan Construction Pte Ltd	930,000	0.18
		494,105,262	95.38

### PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on information available to the Company as at 28 June 2024, approximately 15.83% of the issued ordinary shares of the Company are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

### TREASURY SHARES – RULE 1207(9)(F)

The Company does not hold any Treasury Shares.

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“**AGM**”) of TA Corporation Ltd. (the “**Company**”) will be held at the Heron Room, Level 2, Seletar Country Club, 101 Seletar Club Road, Singapore 798273 on Thursday, 25 July 2024 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following ordinary resolutions:

### AS ORDINARY BUSINESS

1.	To receive and adopt the Directors’ Statement and Audited Financial Statements of the Company and its subsidiaries for the year ended 31 December 2023 and the Auditors’ Report thereon.	<b>(Resolution 1)</b>
2.	To approve Directors’ fees of S\$158,315 for the financial year ended 31 December 2023 (2022: S\$158,313).	<b>(Resolution 2)</b>
3.	To re-elect Mr Fong Heng Boo, a Director retiring under Regulation 89 of the Constitution of the Company.  Mr Fong Heng Boo will, upon being re-elected as a Director of the Company, remain as Chairman of the Audit Committee, Chairman of the Remuneration Committee and a member of the Nominating Committee. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“ <b>SGX-ST</b> ”).	<b>(Resolution 3)</b> <b>(See Explanatory Note 1)</b>
4.	To re-elect Mr Mervyn Goh Bin Guan, a Director retiring under Regulation 89 of the Constitution of the Company.  Mr Mervyn Goh Bin Guan will, upon being re-elected as a Director of the Company, be re-designated from Independent Director to Non-Executive and Non-Independent Director. Mr Mervyn Goh will cease as Chairman of the Nominating Committee but remain as a member of the Nominating Committee, Audit Committee and Remuneration Committee.	<b>(Resolution 4)</b> <b>(See Explanatory Note 2)</b>
5.	To re-appoint CLA Global TS Public Accounting Corporation as Auditors of the Company and to authorise the Directors to fix their remuneration.	<b>(Resolution 5)</b>
6.	<b>AS SPECIAL BUSINESS</b>  To consider, and if thought fit, to pass the following Ordinary Resolutions with or without modifications:  <b>Authority to allot and issue shares</b>  “That pursuant to Section 161 of the Companies Act 1967 (the “ <b>Companies Act</b> ”), and the listing rules of the Singapore Exchange Securities Trading Limited (“ <b>SGX-ST</b> ”) approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:  (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or  (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “ <b>Instruments</b> ”) including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors in their absolute discretion deem fit; and	<b>(Resolution 6)</b> <b>(See Explanatory Note 3)</b>



## NOTICE OF THE ANNUAL GENERAL MEETING

	<p>(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force; provided always that:</p> <p>(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), and for the purpose of this Resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:</p> <p>(a) new shares arising from the conversion of exercise of convertible securities;</p> <p>(b) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and</p> <p>(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares,</p> <p>whereby adjustments in accordance with (a) or (b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution, and</p> <p>(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."</p>	
7.	<p><b>Renewal of the Share Buy Back Mandate</b></p> <p>"(a) That for the purposes of the Companies Act 1967 ("<b>Companies Act</b>") and the Listing Manual of the Singapore Exchange Securities Trading Limited ("<b>SGX-ST</b>"), the Directors of the Company be hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire issued shares in the capital of the Company ("<b>Shares</b>") each fully paid up not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:</p> <p>(i) on-market purchases ("<b>Market Purchase</b>"), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, for the purpose; and/or</p> <p>(ii) off-market purchases ("<b>Off-Market Purchase</b>") in accordance with any equal access scheme as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Listing Manual of the SGX-ST.</p> <p>(the "<b>Share Buy Back Mandate</b>")</p>	<p><b>(Resolution 7)</b> <b>(See Explanatory Note 4)</b></p>

NOTICE OF THE ANNUAL GENERAL MEETING

	<p>(b) Unless varied or revoked by the members of the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of this Resolution and expiring on the earliest of:</p> <ul style="list-style-type: none"> <li>(i) the conclusion of the next AGM of the Company or the date by which such AGM is required by law or the Constitution to be held;</li> <li>(ii) the date on which the authority contained in the Share Buy Back Mandate is varied or revoked by the shareholders in a general meeting; or</li> <li>(iii) the date on which the Share Buy Back is carried out to the full extent mandated.</li> </ul> <p>(c) In this Resolution:</p> <p><b>“Maximum Limit”</b> means that number of issued Shares representing 10 per cent (10%) of the issued ordinary shares of the Company as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings held by the Company as at the date of the passing of this Resolution) unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding treasury shares and subsidiary holdings);</p> <p><b>“Relevant Period”</b> means the period commencing from the date of the AGM when the Resolution relating to the Share Buy Back Mandate is passed expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier; and</p> <p><b>“Maximum Price”</b> means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share in the event of any Share Buy Back determined by the Directors, but in any event, not exceeding the maximum price, which:</p> <ul style="list-style-type: none"> <li>(i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and</li> <li>(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Average Closing Price (as defined hereinafter),</li> </ul> <p>For the above purposes:</p> <p><b>“Average Closing Price”</b> means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase on an equal access scheme, and deemed to be adjusted for any corporate action that occurs during the relevant 5 Market Days and the day on which a Market Purchase was made, or as the case may be, the day of the making of the offer pursuant to an Off-Market Purchase on an equal access scheme; and</p>	
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## NOTICE OF THE ANNUAL GENERAL MEETING

	<p>“<b>day of the making of the offer</b>” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.</p> <p>(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient, incidental, necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”</p>	
8.	<p><b>ANY OTHER BUSINESS</b></p> <p>To transact any other business that may be properly transacted at an Annual General Meeting.</p>	

### BY ORDER OF THE BOARD

Foo Soon Soo  
Tam Siew Kheong  
Company Secretaries  
Singapore, 10 July 2024

### Explanatory Notes:

- Detailed information on Mr Fong Heng Boo as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST are found in the Statement of Corporate Governance of the Company's Annual Report 2023.
- Detailed information on Mervyn Goh Bin Guan as set out in Appendix 7.4.1 of the Listing Manual are found in the Statement of Corporate Governance of the Company's Annual Report 2023.
- Resolution 6, if passed, will empower the Directors of the Company from the date of the AGM until the next annual general meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares excluding (treasury shares and subsidiary holdings) of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time the Resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company for this purpose shall be the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed (after adjusting for new shares arising from the conversion of convertible securities or share options on issue at the time this Resolution is passed and any subsequent bonus issues consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company.
- Resolution 7, if passed, will renew the Share Buy Back Mandate and will authorise the Directors to purchase or otherwise acquire Shares on the terms and subject to the conditions of the Resolution. The rationale for, the authority and limitation on, the sources of funds to be used and the illustrative financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy Back Mandate based on the audited accounts of the Company and the Group for the financial year ended 31 December 2023 and certain assumptions are set out in greater detail in the Appendix enclosed together with the Annual Report 2023.

### NOTES ABOUT THE CONDUCT OF THE AGM

- The AGM will be held in a wholly physical format at the Heron Room, Level 2, Seletar Country Club, 101 Seletar Club Road, Singapore 798273 on Thursday, 25 July 2024 at 10.00 a.m. There will be no option to participate virtually.
- Printed copies of this Notice of AGM, Appendix to this Notice, Proxy Form and the Request Form for a printed copy of the Annual Report 2023 will be despatched by post to the members of the Company. The Annual Report 2023 will not be despatched to the members of the Company. All documents (the Annual Report 2023, this Notice of AGM, Appendix to this Notice, the Proxy Form, and Request Form have been, or will be, published on the SGX website at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.tiongaik.com.sg/ir-annual-reports>.
- Submission of proxies
  - A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.
  - A member who is a relevant intermediary (as defined in Section 181 of the Companies Act 1967) is entitled to appoint more than two proxies to attend, speak and vote at the meeting.
  - A proxy need not be a member of the Company.

## NOTICE OF THE ANNUAL GENERAL MEETING

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- (d) If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- (e) The Proxy Form (a copy of which is attached hereto), duly completed and signed, must be submitted by:
  - (i) Mail to the Company's registered office at No. 1 Jalan Berseh #03-03, New World Centre, Singapore 209037; or
  - (ii) Electronic mail to agm@tacorp.com.sg (a clear scanned signed form in PDF)

**To be received by the Company no later than 10.00 a.m. on 22 July 2024 being 72 hours before the time fixed for the AGM.**

- (f) An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her votes at the AGM in person if appointed as proxy of his/her CPF Agent Bank and/or SRS Operator. If the CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their respective CPF Agent Banks and SRS Operators to appoint the Chairman of the Meeting to act as their proxy.
4. Submission of questions
- (a) Members, CPF Investors and SRS Investors may submit substantial and relevant questions related to the resolutions to be tabled at the AGM ahead of the AGM by email to agm@tacorp.com.sg by 10.00 a.m. on 18 July 2024.
  - (b) The Company will endeavour to address all substantial and relevant questions if received by the prescribed deadline in (a) by 10.00 a.m. on 18 July 2024 and post the answers on SGXNET and the Company's website by 20 July 2024. For substantial and relevant questions received after the prescribed deadline, the Company will endeavour to address them together with questions raised at the AGM. Where substantially similar questions are received, they will be consolidated and not all questions may be individually addressed.
5. Minutes of AGM
- The minutes of the AGM together with the responses to the substantial and relevant question(s) by the shareholders not already answered and announced, will be posted on the SGXNet and the Company's website within one month after the date of the AGM.

### PERSONAL DATA PRIVACY

By submitting the Proxy Form, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

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# TA CORPORATION LTD.

Co. Registration No. 201105512R  
(Incorporated in the Republic of Singapore)

## PROXY FORM

### IMPORTANT

1. This Proxy Form is not valid for use by investors who hold shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF/SRS investors. Such investors should approach their relevant intermediaries as soon as possible to specify their voting instructions.

#### Personal Data Privacy

2. By submitting an instrument appointing a proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 July 2024.

I/We, \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of TA CORPORATION LTD (the "Company"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)
*and/or (delete as appropriate)			

or failing him/her/they, the Chairman of the Annual General Meeting (the "AGM") as my/our proxy/proxies, to vote for me/us on my/our behalf at the AGM of the Company to be held at the Heron Room, Level 2, Seletar Country Club, 101 Seletar Club Road, Singapore 798273 on 25 July 2024 at 10.00 a.m.\*\* and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated with a tick (✓) or an (X) in the spaces provided hereunder.

Please indicate your vote "For" or "Against" or "Abstain" with a tick (✓) or cross (X) within the box provided.

No	Ordinary Resolutions	No. of votes or indicate with a tick (✓) or cross (X)*		
		For	Against	Abstain
<b>Ordinary Business</b>				
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2023 and the Auditors' Report thereon.			
2.	To approve Directors' fees of S\$158,313 for the financial year ended 31 December 2023.			
3.	To re-elect Mr Fong Heng Boo as Director.			
4.	To re-elect Mr Mervyn Goh Bin Guan as Director.			
5.	To re-appoint CLA Global TS Public Accounting Corporation as Auditors of the Company and to authorise the Directors to fix their remuneration.			
<b>Special Business</b>				
6.	To authorize Directors to issue shares pursuant to Section 161 of the Companies Act 1967.			
7.	To renew the Share Buy Back Mandate.			

\* All resolutions would be put to vote by poll in accordance with the listing rules of Singapore Exchange Securities Trading Limited. If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick (✓) or cross (X) within the box provided. Alternatively, please indicate the number of votes as appropriate.

\*\* The Annual General Meeting of the Company will be held on 25 July 2024 in a wholly physical format. There will be no option for Shareholders to participate virtually.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total Number of Shares Held

Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM**

**Notes:**

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member appoints 2 proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.
2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. The number of shares in relation to each proxy shall be specified in the form of proxy.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a member of the Company.
4. This Proxy Form duly completed and signed, must be submitted by:

- (i) Mail to the Company’s registered office at No. 1 Jalan Berseh #03-03, New World Centre, Singapore 209037; or
- (ii) Electronic mail to [agm@tacorp.com.sg](mailto:agm@tacorp.com.sg) (a clear scanned signed form in PDF)

to be received by the Company no later than 72 hours before the time fixed for the AGM.

5. An investor who buys shares using CPF monies (“**CPF Investor**”) and/or SRS monies (“**SRS Investor**”) (as may be applicable) may attend and cast his/her votes at the AGM in person if appointed as proxy of his/her CPF Agent Banks and/or SRS Operators. If the CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their respective CPF Agent Banks and SRS Operators to appoint the Chairman of the Meeting to act as their proxy.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited) he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. This Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.
9. Personal data privacy: By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

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**TA CORPORATION LTD**

1 Jalan Berseh #03-03 | New World Centre | Singapore 209037

Tel: (65) 6392 2988 | Fax: (65) 6392 0988

[www.tiongaik.com.sg](http://www.tiongaik.com.sg)



**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Appendix is circulated to the Shareholders of TA Corporation Ltd (the “**Company**”) together with the Company’s Annual Report 2023 (as defined herein). Its purpose is to explain to the Shareholders the rationale and to provide information pertaining to the proposed renewal of the Share Buy Back Mandate (as defined herein), and to seek Shareholders’ approval of the same at the Annual General Meeting to be held on 25 July 2024.

The Notice of Annual General Meeting, a Proxy Form, and Request Form are enclosed with the Annual Report 2023.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward the Annual Report 2023 (including the Notice of Annual General Meeting, the Proxy Form and the Request Form) and this Appendix to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

For investors who have used their Central Provident Fund (“CPF”) monies to buy shares in the capital of the Company, this Appendix is forwarded to them at the request of their CPF approved nominees and is sent solely for information only.

The SGX-ST (as defined herein) assumes no responsibility for the contents of this document including the correctness of any of the statements or opinions made or reports contained in this document.



**TA CORPORATION LTD**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201105512R)

**APPENDIX**

**TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 10 JULY 2024**

**IN RELATION TO**

**THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE**

## **CONTENTS**

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## DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

<b>“ACRA”</b>	:	Accounting and Corporate Regulatory Authority of Singapore
<b>“AGM”</b>	:	Annual general meeting of the Company. Unless the context otherwise requires, “AGM” shall refer to the annual general meeting to be held on 25 July 2024
<b>“Annual Report 2023”</b>	:	The Company’s annual report for the financial year ended 31 December 2023
<b>“Appendix”</b>	:	This appendix to the Notice
<b>“Associate”</b>	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:  (i) his immediate family;  (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and  (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more,  (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<b>“Associated Company”</b>	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
<b>“Board”</b>	:	The board of Directors of the Company
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Company”</b>	:	TA Corporation Ltd
<b>“Companies Act”</b>	:	The Companies Act 1967 as amended, modified or supplemented from time to time
<b>“Constitution”</b>	:	The constitution of the Company, as amended, supplemented or modified from time to time

<b>“Controlling Shareholder”</b>	:	A person who:  (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company. The Exchange may determine that a person who satisfies this paragraph is not a controlling shareholder; or  (b) in fact exercises control over a company
<b>“Directors”</b>	:	The directors of the Company as at the date of this Appendix
<b>“EPS”</b>	:	Earnings per Share
<b>“FY”</b>	:	Financial year ended 31 December
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Latest Practicable Date”</b>	:	28 June 2024
<b>“Listing Manual”</b>	:	The rules of the listing manual of the SGX-ST applicable to an entity listed on the SGX-Mainboard, as amended or modified from time to time
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Notice”</b>	:	The Notice of AGM
<b>“NTA”</b>	:	Net tangible assets
<b>“Relevant Period”</b>	:	The period commencing from the date of the AGM when the resolution relating to the renewal of the Share Buy Back Mandate is passed expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier
<b>“SGX-Mainboard”</b>	:	The Mainboard of the SGX-ST
<b>“SGX-ST” or “the Exchange”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Buy Back”</b>	:	Buy back of Shares by the Company pursuant to the Share Buy Back Mandate
<b>“Share Buy Back Mandate”</b>	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set out in the Companies Act and the Listing Manual

<b>“Shareholders”</b>	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors in the Depository Register
<b>“Shares”</b>	:	Issued and paid up ordinary shares in the share capital of the Company
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<b>“S\$” and “cents”</b>	:	Dollars and cents respectively of the currency of Singapore
<b>“%” or “per cent”</b>	:	Per centum or percentage

**The terms “Depositors”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.**

The terms “treasury share”, “subsidiary” and “substantial shareholder” shall have the meanings ascribed to them respectively in Section 4, Section 5 and Section 81 of the Companies Act.

The term “subsidiary holdings” shall have the meaning ascribed to it in the Listing Manual.

**Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.**

**Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted.**

**Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.**

**Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.**



# LETTER TO SHAREHOLDERS

## TA CORPORATION LTD

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201105512R)

### Directors:

Liong Kiam Teck (*Executive Chairman*)  
Neo Tiam Boon (*Chief Executive Officer and Executive Director*)  
Fong Heng Boo (*Lead Independent Director*)  
Mervyn Goh Bin Guan (*Independent Director*)  
Pang Teng Tuan (*Independent Director*)  
Neo Tiam Poon @ Neo Thiam Poon (*Alternate Director to  
Mr Liong Kiam Teck*)  
Neo Thiam An (*Alternate Director to Mr Neo Tiam Boon*)

### Registered Office:

No. 1 Jalan Berseh  
#03-03 New World  
Centre Singapore  
209037

10 July 2024

**To: The Shareholders of TA Corporation Ltd**

Dear Sir/Madam

## THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

### 1. INTRODUCTION

#### 1.1. Annual General Meeting

Reference is made to the Notice of Annual General Meeting of TA Corporation Ltd (the “**Company**”) dated 10 July 2024, accompanying the Annual Report 2023, convening the AGM which is scheduled to be held on 25 July 2024 and the Ordinary Resolution 7 in relation to the Renewal of the Share Buy Back Mandate respectively, under the heading “Special Business” set out in the Notice.

#### 1.2. Purpose of this Appendix

The purpose of this Appendix is to provide the Shareholders with details in respect of the proposed renewal of the Share Buy Back Mandate (the “**Renewal**”).

### 2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

#### 2.1. Rationale for the proposed renewal of the Share Buy Back Mandate

The Directors constantly seek to increase Shareholders’ value and to improve, *inter alia*, the return on equity of the Group. The Renewal would give the Company the flexibility to undertake buy backs of the Shares at any time, subject to market conditions, during the period when the Share Buy Back Mandate is in force. A Share Buy Back at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. Further, amongst others, a Share Buy Back provides the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The Directors also expect that Share Buy Backs may also help mitigate against short term volatility of share price, offset the effects of short term speculation and bolster Shareholders’ confidence. Share Buy Backs will also allow the Directors greater control over the Company’s share capital structure, dividend payout and cash reserves.

The buy back of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NTA per Share of the Company and the Group, and will only be made when the Directors believe that such buy back would benefit the Company and its Shareholders.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy Back Mandate via market purchases or off-market purchases will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the financial position of the Company or the Group. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buy Back Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to adversely affect the listing status of the Company.

## **2.2. Mandate**

Any purchase or acquisition of Shares by the Company would have to be made in accordance with and in the manner prescribed by, the Companies Act and the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the AGM for the renewal of the Share Buy Back Mandate for the purchase or acquisition by the Company of its issued Shares. If approved, the renewed Share Buy Back Mandate will take effect from the date of the AGM and continue in force until the date of the next AGM of the Company or such date as the next AGM is required by law or by the Constitution to be held, unless prior thereto, Share Buy Backs are carried out to the full extent mandated or the Share Buy Back Mandate is revoked or varied by the Company in a general meeting.

## **2.3. The terms of the Share Buy Back Mandate**

The authority for and limitations placed on purchases of Shares by the Company under the Share Buy Back Mandate, are summarized below:

### **(a) Maximum number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired is limited to that number of Shares representing not more than 10% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company, ascertained as at the date of the AGM at which the Share Buy Back Mandate is approved (the “**Approval Date**”), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered (excluding treasury shares and subsidiary holdings). Any Shares which are held as treasury shares will be disregarded for the purposes of computing the 10% limit.

**For illustrative purposes only**, based on the existing issued and paid-up share capital of the Company Shares of 518,068,220 as at the Latest Practicable Date (with no Shares held as treasury shares and subsidiary holdings as at that date), and assuming that no further Shares are issued on or prior to the AGM, not more than 51,806,822 Shares (representing 10% of the Shares in issue as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buy Back Mandate.

**(b) Duration of authority**

- (i) Purchases or acquisitions of Shares may be made, at any time and from time to time, from the Approval Date up to the earlier of: the date on which the next AGM of the Company is held or required by law or the Constitution to be held;
- (ii) the date on which the authority contained in the Share Buy Back Mandate is varied or revoked by the Shareholders in a general meeting; or
- (iii) the date on which the Share Buy Back is carried out to the full extent mandated.

The Share Buy Back Mandate may be renewed at each AGM or other general meeting of the Company.

**(c) Manner of purchase of Shares**

Purchases or acquisitions of Shares may be made by way of:

- (i) on-market purchases ("**Market Purchase**"), transacted through the SGX-ST's trading system; and/or
- (ii) off-market purchases ("**Off-Market Purchase**") in accordance with any equal access scheme.

The Directors may impose such terms and conditions, which are consistent with the Share Buy Back Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) offers for the purchase of issued Shares shall be made to every person who holds issued Shares to purchase the same percentage of their issued Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of the offers are the same, except that there shall be disregarded:
  - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
  - (bb) if applicable, differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
  - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;

- (iii) the reasons for the proposed Share Buy Back;
- (iv) the consequences, if any, of Share Buy Backs by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (v) whether the Share Buy Back, if made, would have any effect on the listing of the Shares on the **SGX-ST**;
- (vi) details of any Share Buy Backs (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme) made by the Company in the previous twelve (12) months, specifying the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for such purchases; and
- (vii) whether the Shares purchased will be cancelled or kept as treasury shares.

**(d) Maximum purchase price**

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase on an equal access scheme, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the day on which a Market Purchase was made, or as the case may be, the day of the making of the offer pursuant to an Off-Market Purchase on an equal access scheme; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

## 2.4. Status of purchased Shares under the Share Buy Back Mandate

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and not held as treasury shares.

Any Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted by the Companies Act) and cancelled will be automatically de-listed by the SGX-ST and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase.

## 2.5. Treasury Shares

Some of the provisions on treasury shares under the Companies Act are summarised below:

### (a) Maximum Holdings

The number of Shares held as treasury and subsidiary holdings shares cannot at any time exceed 10% of the total number of issued Shares.

### (b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is allowed so long as the total value of the treasury share after the subdivision or consolidation is the same as before.

### (c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares (or any of them) for cash;
- (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employee's share scheme;
- (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares (or any of them); or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

## 2.6. Source of Funds for Share Buy Back

In buying back Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution, and the applicable laws in Singapore. The Company may not buy Shares on the SGX-ST for a consideration other than cash or in the case of Market Purchase, for settlement otherwise than in accordance with the trading rules of the **SGX-ST**. The buy back of Shares by the Company may be made out of the Company's profits or capital so long as the Company is solvent.

For this purpose, the Company is "solvent" if:–

- (a) it will be able to pay its debts in full at the time that payment is made for Shares under the Share Buy Back Mandate, and will be able to pay its debts as they fall due during the period of 12 months immediately following the date of the payment; or if it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; and
- (b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase or acquisition become less than the value of its liabilities (including contingent liabilities).

In determining, for the above purposes, whether the value of the Company's assets is less than the value of its liabilities (including contingent liabilities), the Directors (a) must have regard to the most recent financial statements of the Company and all other circumstances that the Directors know or ought to know would affect, or may affect, the value of the Company's assets and the value of the Company's liabilities (including contingent liabilities); and (b) may rely on valuations of assets or estimates of liabilities that are reasonable in the circumstances.

When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (including brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**");
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits available for the distribution of cash dividends by the total amount of the Purchase Price (including related brokerage, commission, stamp duties, applicable goods and service taxes, clearance fees and related expenses); or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits available for the distribution of cash dividends proportionately by the total amount of the Purchase Price (including related brokerage, commission, stamp duties, applicable goods and service taxes, clearance fees and related expenses).

The Company may use internal resources and/or external borrowings to fund purchases of Shares pursuant to the Share Buy Back Mandate.

The Directors do not propose to exercise the Share Buy Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected.

## 2.7. Financial effects of the Share Buy Back Mandate

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2022 and are not necessarily representative of future financial performance of the Group. Although the proposed Share Buy Back Mandate would authorise the Company to buy back up to 10% of the Company's issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily buy back or be able to buy back 10% of the issued Shares (excluding treasury shares and subsidiary holdings) in full.

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buy Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled.

The purchase price paid by the Company for the Shares (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. The Directors do not propose to exercise the Share Buy Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The proposed Share Buy Back Mandate will be exercised with a view to enhance the EPS and/or NTA per Share of the Group. The financial effects presented in this section of the Appendix are based on the assumptions set out below:

### (a) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued share capital of the Company comprised 518,068,220 Shares (with no Shares held as treasury shares and subsidiary holdings as at that date).

### Illustrative Financial Effects

Purely for illustrative purposes, on the basis of 518,068,220 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as treasury shares and subsidiary holdings on or prior to the AGM, the purchase by the Company of 10% of its issued Shares to hold as treasury shares will result in the purchase of 51,806,822 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 51,806,822 Shares at the Maximum Price of S\$0.07245<sup>1</sup> for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of

<sup>1</sup> The maximum Price of S\$0.07245 is calculate based on the Average Closing Price of the Shares for the five (5) consecutive Market Days prior to the last trading day before the Company requested for a trading halt on 17 July 2023.



funds required for the purchase or acquisition of 51,806,822 Shares is approximately S\$3.753 million (excluding related brokerage, commission, stamp duties, applicable goods and service taxes, clearance fees and related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 51,806,822 Shares at the Maximum Price of S\$0.0828<sup>2</sup> for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the e SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 51,806,822 Shares is approximately S\$4.290 million (excluding related brokerage, commission, stamp duties, applicable goods and service taxes, clearance fees and related expenses).

For illustrative purposes only, and on the basis of the assumptions set out above as well as the following:

- (i) the Share Buy Back Mandate had been effective on 1 January 2023; and
- (ii) such Share purchases are funded solely by internal resources,

the financial effects on the audited consolidated financial results of the Group and the Company for FY2023, are set out below:

As at 31 December 2023	Group			
	Market Purchase Before Share Purchase S\$'000	After share Purchase S\$'000	Off-Market Purchase Before Share Purchase S\$'000	After share Purchase S\$'000
Profit attributable to owners of the Company	(16,279)	(16,279)	(16,279)	(16,279)
Share Capital	154,189	154,189	154,189	154,189
Retained Earnings	(89,220)	(89,220)	(89,220)	(89,220)
Reserves	432	432	432	432
Translation and Other Reserves	(2,827)	(2,827)	(2,827)	(2,827)
Treasury Shares	–	(3,753)	–	(4,290)
Shareholders' Equity	62,574	58,821	62,574	58,284
Total Equity <sup>(1)</sup>	104,903	101,150	104,903	100,613
Net Tangible Assets (NTA) <sup>(2)</sup>	104,911	101,158	104,911	100,621
Current Assets	350,338	346,585	350,338	346,048
Current Liabilities	348,258	348,258	348,258	348,258
Working Capital	2,080	(1,673)	2,080	(2,210)
Total Borrowings	173,732	173,732	173,732	173,732
Cash and cash equivalents	36,840	33,087	36,840	32,550
Net Debt <sup>(3)</sup>	136,892	140,645	136,892	141,182

<sup>2</sup> The maximum Price of S\$0.0828 is calculate based on the Average Closing Price of the Shares for the five (5) consecutive Market Days prior to the last trading day before the Company requested for a trading halt on 17 July 2023.



<b>As at 31 December 2023</b>	<b>Group</b>			
	<b>Market Purchase Before Share Purchase S\$'000</b>	<b>After share Purchase S\$'000</b>	<b>Off-Market Purchase Before Share Purchase S\$'000</b>	<b>After share Purchase S\$'000</b>
Number of Shares as at 31 December 2023 ('000)	518,068	466,261	518,068	466,261
Weighted average number of Shares as at 31 December 2023 ('000)	518,068	466,261	518,068	466,261
<b>Financial Ratios</b>				
NTA per Share (cents) <sup>(2)</sup>	20.25	21.70	20.25	21.58
Gearing Ratio (times) <sup>(4)</sup>	1.66	1.72	1.66	1.73
Current Ratio (times) <sup>(5)</sup>	1.01	1.00	1.01	0.99
Basic EPS (cents) <sup>(6)</sup>	(3.14)	(3.49)	(3.14)	(3.49)

**Notes:**

- (1) Total Equity equals Shareholders' Equity plus non-controlling interests.
- (2) NTA equals Total Equity less intangible assets. NTA per Share equals NTA divided by the number of shares as at 31 December 2023.
- (3) Net Debt means Total Borrowings less Cash and cash equivalents.
- (4) Gearing Ratio equals Total Borrowings divided by Total Equity.
- (5) Current Ratio equals Current Assets divided by Current Liabilities.
- (6) Basic EPS equals Profit attributable to owners of the Company divided by the weighted average number of shares as at 31 December 2023.

<b>As at 31 December 2023</b>	<b>Company</b>			
	<b>Market Purchase Before Share Purchase S\$'000</b>	<b>After Share Purchase S\$'000</b>	<b>Off-Market Purchase Before Share Purchase S\$'000</b>	<b>After Share Purchase S\$'000</b>
Loss attributable to owners of the Company	(67,099)	(67,099)	(67,099)	(67,099)
Share Capital	154,189	154,189	154,189	154,189
Retained Earnings	(112,018)	(112,018)	(112,018)	(112,018)
Treasury Shares	–	(3,753)	–	(4,290)
Shareholders' Equity	42,171	38,418	42,171	37,881
Total Equity <sup>(1)</sup>	42,171	38,418	42,171	37,881
Net Tangible Assets (NTA) <sup>(2)</sup>	42,171	38,418	42,171	37,881
Current Assets	1,369	1,369	1,369	1,369
Current Liabilities	80,602	84,355	80,602	84,892
Working Capital	(79,233)	(82,986)	(79,233)	(83,523)
Total borrowings	26,823	26,823	26,823	26,823

As at 31 December 2023	Company			
	Market Purchase Before Share Purchase S\$'000	After Share Purchase S\$'000	Off-Market Purchase Before Share Purchase S\$'000	After Share Purchase S\$'000
Cash and cash equivalents	32	32	32	32
Net Debt <sup>(3)</sup>	26,791	26,791	26,791	26,791
Number of Shares as at 31 December 2023 ('000)	518,068	466,261	518,068	466,261
Weighted average number of Shares as at 31 December 2023 ('000)	518,068	466,261	518,068	466,261
<b>Financial Ratios</b>				
NTA per Share (cents) <sup>(2)</sup>	8.14	8.24	8.14	8.12
Gearing Ratio (times) <sup>(4)</sup>	0.64	0.70	0.64	0.71
Current Ratio (times) <sup>(5)</sup>	0.02	0.02	0.02	0.02
Basic LPS (cents) <sup>(6)</sup>	(12.95)	(14.39)	(12.95)	(14.39)

**Notes:**

- (1) Total Equity equals Shareholders' Equity plus non-controlling interests.
- (2) NTA equals Total Equity less intangible assets. NTA per Share equals NTA divided by the number of shares as at 31 December 2023.
- (3) Net Debt means Total Borrowings less Cash and cash equivalents.
- (4) Gearing Ratio equals Total Borrowings divided by Total Equity.
- (5) Current Ratio equals Current Assets divided by Current Liabilities.
- (6) Basic EPS equals Loss attributable to owners of the Company divided by the weighted average number of shares as at 31 December 2023.

The financial effects set out above are **for illustrative purposes only**. Although the Share Buy Back Mandate would authorise the Company to purchase up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or be able to purchase the entire 10% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

## 2.8. Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a share buy-back by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

## 2.9. Listing Manual

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares excluding treasury shares in a class that is listed is at all times held by the public. As at the Latest Practicable Date, approximately 15.83% of the issued share capital of the Company (with no Shares held as treasury shares or subsidiary holdings) are held in the hands of the public. "**Public**" means persons other than the directors, chief executive officer, substantial shareholders or Controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons. Assuming that the Company

repurchased the maximum of 10% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 6.47%. Therefore, as at the Latest Practicable Date, the Company would not be able to undertake buyback of its Shares up to the full 10% limit, and the Company would not exercise the full 10% limit, to ensure that the public shall hold not less than 10% of the issued share capital of the Company.

The Directors will use their best efforts to ensure that the Company does not effect buy back of Shares if the buy back of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity, adversely affect the orderly trading of the Shares or adversely affect the listing status of the Company.

Under the Listing Manual, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of shares over the last five (5) market days, on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 2.3(d) of this Appendix, conforms to this restriction.

Additionally, the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy Back Mandate at any time after any matter or development of a price-sensitive or trade-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive or trade-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing one month before the announcement of the Company’s half year and full year financial statements.

## 2.10. Take-over Obligations

Appendix 2 of the Take-over Code (“**Appendix 2**”) contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

### Obligation to make a Take-over Offer

Pursuant to the Take-over Code, an increase of a shareholder’s proportionate interest in the voting rights of the Company resulting from a share buy back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”).

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of six (6) months.

#### Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

- (a) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) A company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (c) A company with any of its pension funds and employee share schemes;
- (d) A person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) A financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a bona fide offer for their company may be imminent;
- (g) Partners; and
- (h) An individual, his close relatives, his related trusts, and any person who is accustomed to act according to the instructions and companies controlled by any of the above.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

## Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate unless so required under the Companies Act.

As Liong Kiam Teck, Neo Tiam Boon, Neo Tiam Poon @ Neo Thiam Poon, Neo Thiam An and persons presumed to be acting in concert with them under the Take-over Code have an aggregate shareholding interest of more than 50% in the Company as at the Latest Practicable Date, the increase in the shareholding, in the event the Company purchases the maximum number of Shares permissible under the Share Buy Back Mandate, will not require a general offer to be made under Rule 14.

Save as disclosed above, the Directors have confirmed that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholders are, or may be regarded as parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a Share Buy Back.

**The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company.**

### **2.11. Shares purchased by the Company**

No purchases of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

### **2.12. Reporting Requirements under the Companies Act**

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA. Within 30 days of a purchase of Shares, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including inter alia, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company, and such other information as required by the Companies Act.

### 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the registers of Directors' interests in Shares and Substantial Shareholders' interests in Shares, respectively, are as follows:

Directors	Number of Shares		Number of Warrants				
	Direct Interest	%	Deemed Interest	%	Direct Interest	Deemed Interest	Total
Liong Kiam Teck	174,187,102	33.622	–	–	–	–	–
Neo Tiam Boon	87,857,147	16.96	–	–	–	–	–
Fong Heng Boo	–	–	–	–	–	–	–
Mervyn Goh Bin Guan	–	–	–	–	–	–	–
Pang Teng Tuan	–	–	–	–	–	–	–
<b>Alternate Directors</b>							
Neo Tiam Poon @ Neo Thiam Poon (Alternate Director to Mr Liong Kiam Teck)	83,599,752	16.14	–	–	–	–	–
Neo Thiam An (Alternate Director to Mr Neo Tiam Boon)	41,412,840	7.99	–	–	–	–	–
<b>Substantial Shareholders</b>							
Koh Wee Seng <sup>(1)</sup>	23,682,690	4.57	23,758,945	4.59	–	–	–

**Note:**

(1) Mr Koh Wee Seng is deemed to have interest in 23,758,945 shares in the capital of the Company held by his mother, Tan Su Lan @ Tan Soo Lung.

### 4. DIRECTORS' RECOMMENDATIONS

The Directors, having carefully considered the terms and rationale of the proposed renewal of the Share Buy Back Mandate, are of the opinion that the proposed Share Buy Back Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 7, being the Ordinary Resolution relating to the proposed Share Buy Back Mandate, at the AGM.

### 5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed Share Buy Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

## **6. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at No. 1 Jalan Berseh, #03-03 New World Centre, Singapore 209037, during normal business hours from the date of this Appendix up to the date of the forthcoming AGM scheduled to be held on 25 July 2024:

- (a) the Constitution of the Company; and
- (b) the annual report of the Company for FY2023.

Yours faithfully  
For and on behalf of the Board of Directors  
**TA Corporation Ltd**

**Liong Kiam Teck**  
Executive Chairman