

TWGC 長運

TIONG WOON CORPORATION HOLDING LTD

SHAPING A SUSTAINABLE & RESILIENT FUTURE

ANNUAL REPORT 2023

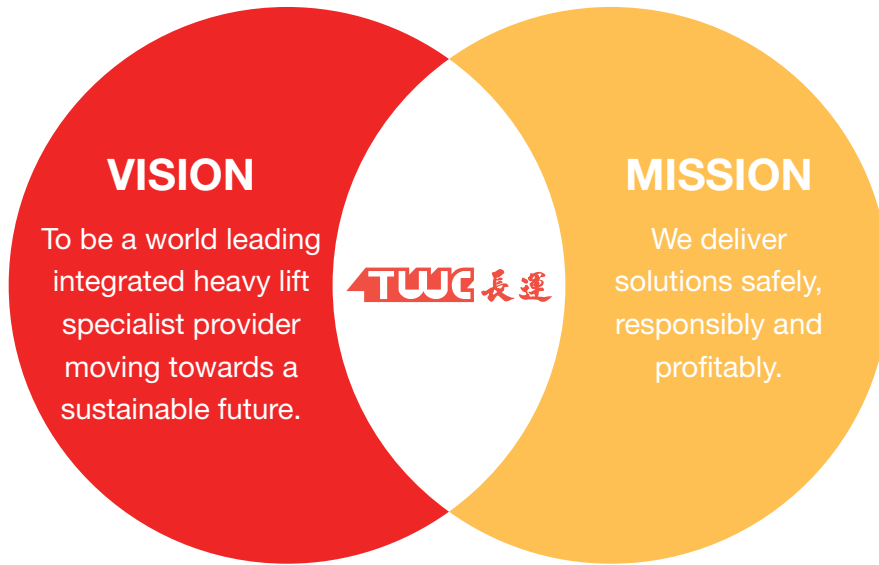


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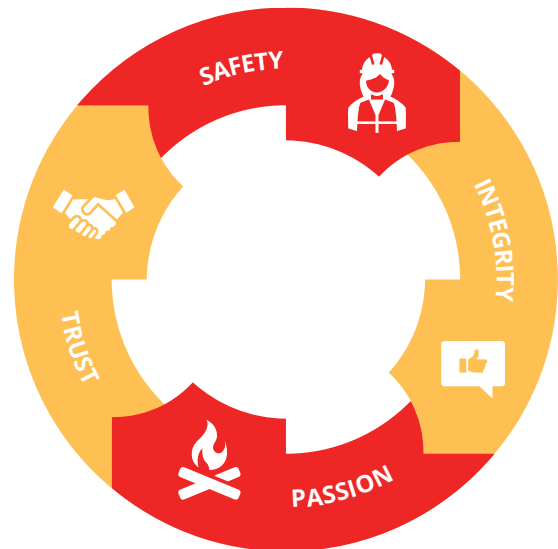
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Driven by our commitment to excellence, Tiong Woon Group has strategically built a strong and secure foundation through the reinforcement of our core values and business fundamentals. By fortifying this groundwork, we have accelerated our growth and ensured lasting value for all relevant stakeholders. In tandem with our dedication to continuous improvement, we have consistently invested in the enhancement of our equipment fleet, an initiative aimed at maintaining our competitive edge in the industry. Additionally, our steadfast employees diligently cultivate the essential competencies required to uphold the highest standards of safety within our operations. This steadfast focus on safety not only safeguards our workforce but also serves as a magnet for both new and existing customers, bolstering our reputation as a reliable industry leader. As we look to the future, we are assured that with our devoted efforts, we will remain at the forefront of the competition.

OUR VISION AND MISSION



OUR CORE VALUES



**OVER
45 YEARS**
Of Proven Track Record

19th
Largest Crane-Owning
Company Worldwide

CORPORATE PROFILE



Listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) Mainboard since 1999, Tiong Woon is a leading one-stop integrated heavy lift specialist and service provider, supporting mainly the oil and gas, petrochemical, infrastructure and construction sectors, with proven track record of more than 45 years.

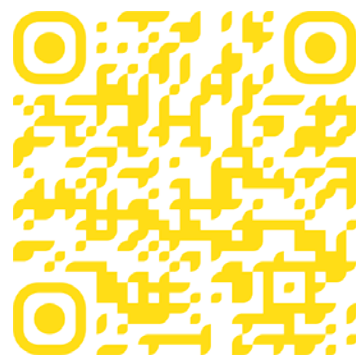
The Group manages turnkey projects for engineering, procurement and construction (“EPC”) contractors and project owners from planning and designing heavy lifting and haulage requirements to the execution stage. The heavy equipment is transported, lifted and installed at customers’ facilities.

The Group also purchases and operates its own heavy lifting and haulage equipment, tug boats and barges. This allows the Group to be flexible, nimble and efficient when providing integrated services to its customers.

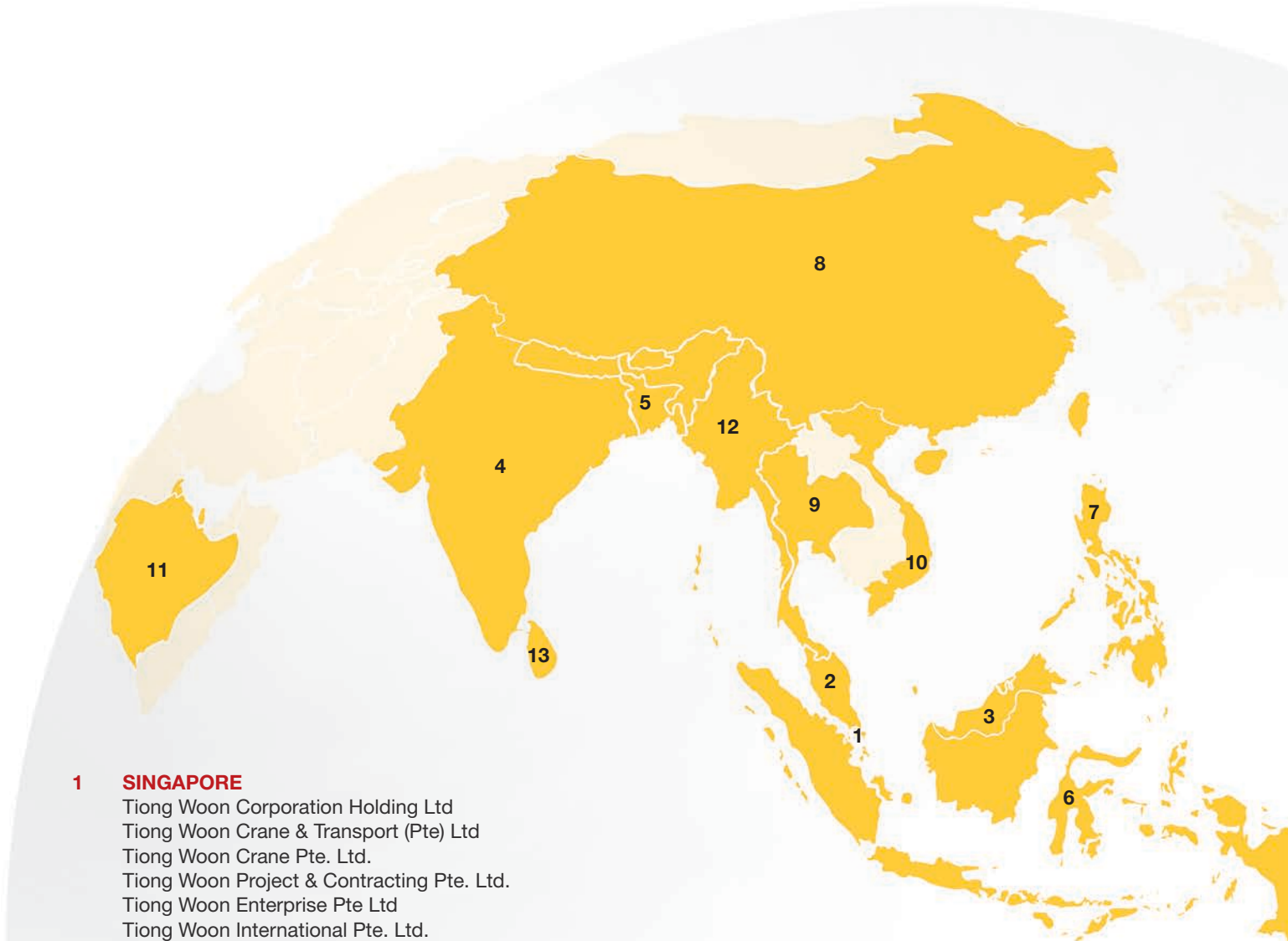
Headquartered in Singapore, the Group has a strong regional presence with establishments in twelve other countries. It is ranked 19th in IC100 2023 survey.

Under the strong leadership and far-sighted vision of the Group’s management team, Tiong Woon is committed to providing timely, high quality and safe services to its customers anywhere in the world.

Scan here to view our Corporate Video!



TIONG WOON GROUP OF COMPANIES



1 SINGAPORE

Tiong Woon Corporation Holding Ltd
 Tiong Woon Crane & Transport (Pte) Ltd
 Tiong Woon Crane Pte. Ltd.
 Tiong Woon Project & Contracting Pte. Ltd.
 Tiong Woon Enterprise Pte Ltd
 Tiong Woon International Pte. Ltd.
 Tiong Woon Tower Crane Pte. Ltd.
 Tiong Woon Marine Pte Ltd
 Tiong Woon Offshore Pte. Ltd.
 TW (Sabah) Pte. Ltd.
 Tiong Woon Logistics Pte. Ltd.
 Tiong Woon China Consortium Pte. Ltd.
 Tower Cranes Services Pte. Ltd.
 Tiong Woon Crane & Equipment Pte. Ltd.
 Tiong Woon Teck Aik Enterprise Pte. Ltd.

2 MALAYSIA

Tiong Woon Crane & Transport (M) Sdn Bhd
 Tiong Woon Crane Sdn Bhd
 Tiong Woon Offshore Sdn Bhd

3 BRUNEI

Tiong Woon Services Sdn Bhd

4 INDIA

Tiong Woon Project & Contracting (India)
 Private Limited

5 BANGLADESH

Tiong Woon Bangladesh Limited

6 INDONESIA

P.T. TWC Indonesia
 P.T. Tiong Woon Indonesia

7 PHILIPPINES

Tiong Woon Philippines, Inc

8 CHINA

Tiong Woon (Huizhou) Industrial Services Co., Ltd

9 THAILAND

Tiong Woon Thai Co., Ltd.
 Thai Contracting & Enterprises Co., Ltd.

10 VIETNAM

Tiong Woon Vietnam Company Limited

11 SAUDI ARABIA

TWC Arabia Company Ltd

12 MYANMAR

Tiong Woon Myanmar Company Limited

13 SRI LANKA

Tiong Woon Crane & Transport Lanka (Pvt) Ltd

KEY FIGURES



Revenue

SGD

135.8

Million

FY2022: SGD 122.6 Million

↑ 11% increase YoY



Profit (PATMI)

SGD

15.7

Million

FY2022: SGD 11.4 Million

↑ 38% increase YoY



Cash

SGD

75.5

Million

FY2022: SGD 56.0 Million

↑ 35% increase YoY



Total Assets

SGD

491.5

Million

FY2022: SGD 476.3 Million

↑ 3% increase YoY



Shareholders' Equity

SGD

293.4

Million

FY2022: SGD 280.9 Million

↑ 4% increase YoY



Return on Equity

5.3%

FY2022: 4.0%

↑ 1.3ppt increase YoY



Employees

1,110



Countries

13

CHAIRMAN'S MESSAGE



Despite the challenges of rising costs and uncertainty, the Group achieved a significantly higher net profit attributable to shareholders of \$15.7 million in FY2023, up 38% from \$11.4 million in FY2022.

MR ANG KAH HONG

Executive Chairman

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

We achieved double-digit revenue and profit growth for the year despite a challenging business environment. Following the progressive resumption of economic activities, re-opening of borders as well as the gradual emergence from supply chain disruptions and project delays post-pandemic, the Group benefited from strong customer demand, and delivered robust performance for the financial year ended 30 June 2023 ("FY2023").

Notwithstanding the unpredictable business landscape amid ongoing geopolitical tensions in various parts of the world, the Russia-Ukraine conflict, slowdown in the Chinese economy, high interest rates and persistent inflationary pressures, as well as concerns over global economic growth, we maintain a positive outlook for the Group's business. The Group believes that there will be steady customer demand for its solutions and services, particularly in the Heavy Lift and Haulage business segment underpinned by demand in the petrochemical and construction sectors in Singapore, as well as in key regional markets such as India, Saudi Arabia and Thailand.

We will actively pursue opportunities that emerge from the requirements for infrastructure and petrochemical investments, leveraging our position as a prominent one-stop integrated heavy lift specialist and service provider.



PERFORMANCE REVIEW

The Group's revenue for FY2023 improved by \$13.2 million or 11% to \$135.8 million with higher contributions from its Heavy Lift and Haulage segment.

Heavy Lift and Haulage segment remained our largest revenue contributor, accounting for 97% of the Group's revenue. Geographically, Singapore remained the top revenue driver, accounting for 77% of Group revenue or \$105.1 million, followed by India which contributed 7% of Group revenue or \$9.0 million.

Gross profit was higher at \$54.2 million in FY2023, as compared to \$49.3 million in FY2022 while gross profit margin remained stable year-on-year at approximately 40%.

Other income increased by \$0.9 million to \$3.5 million in FY2023, mainly due to higher interest income of \$1.3 million and miscellaneous gains, partially offset by lower government grants. Other gain/(losses) – net reversed from a loss of \$0.5 million in prior year, to a gain of \$1.3 million in FY2023, as a higher gain on disposal of property, plant and equipment offsetted the higher currency exchange loss in FY2023 arising from the strong Singapore Dollar. Net impairment loss on financial assets decreased by \$1.6 million from \$2.2 million in prior year to \$0.6 million in FY2023.

Amid persistent cost pressures, administrative expenses and other operating expenses increased by \$0.3 million and \$3.8 million, to \$1.4 million and \$32.8 million respectively. As interest rates rose sharply during the year, finance expenses correspondingly saw an increase of \$1.2 million from \$2.8 million in prior year to \$4.0 million in FY2023.

Despite the challenges of rising costs and uncertainty, the Group achieved a significantly higher net profit attributable to shareholders of \$15.7 million in FY2023, up 38% from \$11.4 million in FY2022.

The Group's shareholder funds as at 30 June 2023 stood at \$293.4 million, translating to net asset value per share of \$1.27. Earnings per share for FY2023 was 6.77 Singapore cents, up 38% from 4.90 Singapore cents in FY2022. With strong cash flows generated from operating activities and stringent working capital management, the Group's cash and cash equivalents increased by \$19.5 million or 35%, from \$56.0 million as at 30 June 2022 to \$75.5 million as at 30 June 2023.

CHAIRMAN'S MESSAGE

SHAPING A SUSTAINABLE & RESILIENT FUTURE

As part of our ongoing sustainability efforts, we are proud to announce that one of our yards in Singapore turned “carbon-negative”, i.e., it is expected to generate more energy than it consumes in the coming years. This was the result of the successful completion of installation of solar panels during the year. Going paperless via continued digitalisation to lower our carbon footprint is also part of the Group’s ongoing transformational efforts to adopt environmental, social and governance best practices, and to do our part to combat climate change. As energy security and energy transition needs continue to grow, the Group will continue to participate in market opportunities in the renewable energy segment, including windfarm projects in the region.

Supported by our strong balance sheet and cash flows, we will continue to strategically calibrate and execute our fleet upgrading and renewal program, so as to capture new market opportunities and better meet our customers’ heavy lifting requirements. At the same time, we will continue to accelerate technology adoption and proactively manage business risks to enhance our competitiveness and improve profitability in this rapidly evolving environment.

To keep up with our expansion within and outside Singapore, it is crucial that we develop and strengthen our workforce as well as foster a strong culture of inclusivity and diversity. We will continue to focus on training, talent retention and succession planning. With the aforementioned strategies in place, the Group will be better able to adapt and respond to challenges and opportunities and deliver value to our customers.

DIVIDEND

The Board of Directors has proposed a final tax-exempt dividend of 0.40 Singapore cent per share, and a special dividend of 0.60 Singapore cent per share for FY2023. This represents a dividend payout of approximately 15%, doubling the total dividend payout from FY2022. The proposed dividend is subject to approval by shareholders at the Annual General Meeting on 27 October 2023.

WORDS OF APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to express my heartfelt gratitude to shareholders, employees, management, customers, business associates and bankers for your steadfast support and confidence in the Group. Moving forward, we will continue to strengthen our position and create sustainable value for all stakeholders.

Thank you.

YOURS SINCERELY,

MR ANG KAH HONG

Executive Chairman



BUSINESS REVIEW



The Group's revenue increased by 11% year-on-year to \$135.8 million in FY2023, driven by the pick-up in business activities. Correspondingly, the Group's gross profit increased 10% year-on-year to \$54.2 million in FY2023. The Group ended the year with a stronger net profit attributable to shareholders of \$15.7 million, an increase of 38% compared with a year ago.

The Group will continue to focus on its core competencies and leverage on its strong track record and capabilities as a one-stop integrated services provider in project management for heavy lift and haulage as well as marine transportation.

We will remain committed to focusing on our core competencies to deliver high quality, reliable services, and solutions to our customers.

HEAVY LIFT AND HAULAGE

The Group provides one-stop solutions in the oil and gas, petrochemical, infrastructure, and construction sectors. Specialising in heavy lift and haulage as well as inland transportation, it offers a wide range of services ranging from the planning and design of heavy lifting and haulage requirements to supporting the execution stage for engineering, procurement, and construction contractors as well as project owners.

Having established itself as a reliable heavy lift and haulage provider supporting the oil and gas, petrochemical, infrastructure and construction sectors, the Heavy Lift and Haulage segment continues to be the largest contributor to the Group's revenue.

In FY2023, the Heavy Lift and Haulage segment accounted for 97% of the Group's revenue. Revenue from this segment increased 14% year-on-year to \$131.7 million due to higher revenue derived from Singapore, Thailand, Indonesia and India, offset by lower revenue derived from China.

The Group undertook several notable projects in FY2023, exemplifying our commitment to excellence and proficiency in various aspects as an integrated heavy lifting solutions provider. These endeavours serve as significant milestones, showcasing our capabilities and dedication to delivering outstanding results. Some highlights include:

- 1. Supply and Project Management for a Major Japanese Contractor:** One of our most recent achievements was securing a contract awarded by a major Japanese contractor. This project entailed the supply of cranes, provision of heavy lifting services, and the deployment of engineering expertise and project management services. The project commenced in the second half of FY2023 and is expected to be completed in FY2024. Our contributions were integral to the successful execution of this project, which took place around Pasir Ris area.
- 2. Tandem Lift at Jurong Port:** Another remarkable endeavour involved the execution of a tandem lift at Jurong Port, where we utilised our 750 Tonnes and 700 Tonnes mobile cranes to hoist a massive 140 Tonnes generator. This operation showcased our precision and efficiency in handling heavy loads.
- 3. Tunnel Boring Machine Installation:** Our team demonstrated its proficiency by lifting Tunnel Boring Machine ("TBM") structures into a 50-meter-deep shaft, a crucial component in the construction of a 6-meter internal diameter tunnel. This tunnel facilitated the transportation of twin water pipelines from Tuas Water Reclamation Plant to the existing network in Jurong Island. Our operation involved the utilisation of a 750 Tonnes mobile crane with a hoist 2-wire setup for TBM part lifting and a 250 Tonnes mobile crane for tandem positioning during the loading process.
- 4. Safety Milestone in India:** Across the seas, our team in India achieved a remarkable milestone by completing 5 million man-hours without any time-loss injuries on the project site in Vadinar, Gujarat. Our expertise was put to the test during the lifting of both top and bottom sections of a C3 Splitter, with the bottom section weighing 566 Tonnes and the top section weighing 344 Tonnes. For this challenging task, we deployed a 1,600 Tonnes and 600 Tonnes crawler crane, demonstrating our unwavering commitment to safety and efficiency.
- 5. Pedestrian Overhead Bridge Dismantling:** In alignment with Jurong Town Corporation's ("JTC") strategic roadmap, we were entrusted with the dismantling of a Pedestrian Overhead Bridge ("POB") at Jalan Buroh. This complex operation involved the use of a 500 Tonnes and a 250 Tonnes mobile crane in a tandem lift. Two sections of the POB, each weighing approximately 85 Tonnes, were carefully disassembled, and transported to a recycling facility at Seletar Link, demonstrating our environmental responsibility and meticulous planning.

6. Container Transport and Hotel Construction: We were tasked with the transportation of four 40 Feet Containers, each weighing around 5,000 kg, using a Lorry Crane and a Low Bed Trailer. Simultaneously, we deployed a 100 Tonnes mobile crane for the construction of the Shipping Container Hotel at Gardens by the Bay, exemplifying our versatility in catering to diverse project requirements.

These accomplishments underscore our dedication to excellence, safety, and innovation in the field of heavy lifting and construction services, as well as our best-in-class capabilities, that allow us to compete shoulder-to-shoulder in the international arena among global heavy lift players. As we continue to forge ahead, we remain committed to delivering outstanding value safely and efficiently, and to continue to exceed expectations of our clients.

Throughout the fiscal year, the Group continued to strategically implement our fleet renewal and optimisation strategy, through the acquisition of new mobile, crawler, rough terrain and tower cranes, as well as the disposal of under-utilised equipment, to enable capital recycling and re-deployment. This deliberate, considered, two-prong approach was undertaken to meet the robust demand for heavy lifting capabilities within the construction and petrochemical sectors in our key markets, while spurring efficiency in capital allocation and deployment.



In the mobile, crawler and rough terrain crane division, we continue to receive strong customer enquiries in the construction, oil and gas, petrochemical and infrastructure sectors, particularly in Singapore and key overseas markets including India, Thailand and Saudi Arabia, amid a strong project pipeline in these markets.

In the tower crane division, the drive to raise productivity through the continued adoption of Prefabricated Prefinished Volumetric Construction (“PPVC”) methodology for the construction of high-rise buildings, is poised to underpin demand for advanced lifting machinery employed in the assembly of the weightier and more intricate modular structures. Consequently, our commitment to bolster our fleet with tower cranes of greater lifting capacities underscores our dedication to supporting the dynamic and evolving requirements of the construction industry in Singapore in the years ahead, while aligning with the broader trends and advancements in modern construction practices.

The Group remains diligent in its fleet management to achieve optimal performance. In terms of lifting assets, the Group owned 523 cranes and tower cranes (FY2022: 531 units) of varying capacities of up to 2,000 tonnes as of 30 June 2023. It had 286 units of haulage assets (FY2022: 280 units), comprising prime movers, low beds, trailers and tow trucks as of 30 June 2023. The average utilisation rate for its heavy lift assets was stable at 48% in FY2023 (FY2022: 48%).

In the pursuit of enhancing our operational capabilities and reinforcing our commitment to providing best-in-class lifting solutions, we are pleased to update shareholders with regard to notable (planned and delivered) additions to our fleet. These new additions signify a substantial investment in state-of-the-art equipment, designed to meet the evolving demands of the construction and heavy lifting industry. They include:

- 1. XCMG XGC 17000 (1,250 Tonnes) Crawler Crane:**
The XCMG XGC 17000 is a true engineering marvel, boasting a lifting capacity of 1,250 Tonnes. Its advanced features and cutting-edge technology makes it a valuable asset for executing complex and large-scale lifting operations. With its impressive capabilities, this crane is poised to tackle the most challenging projects with precision and efficiency.
- 2. SANY SCC 19800TM (1,600 Tonnes) Crawler Crane:**
The SANY SCC 19800TM is a powerhouse in the world of heavy lifting, boasting a remarkable lifting capacity of 1,600 Tonnes. Its robust design and innovative engineering ensure exceptional stability and control, even when handling massive loads. This crane represents a significant leap forward in our ability to tackle projects that demand exceptional lifting prowess.

BUSINESS REVIEW



3. SANY SCC 38000TM (2,200 Tonnes) Crawler Crane:

At the pinnacle of our recent fleet additions is the SANY SCC 38000TM, an awe-inspiring behemoth with a staggering lifting capacity of 2,200 Tonnes. This crane is a testament to our unwavering dedication to pushing the boundaries of what is achievable for us in the heavy lifting industry. With its unmatched power and precision, it is well-equipped to handle the most ambitious and monumental lifting tasks.

These remarkable acquisitions not only strengthen our capacity to take on larger and more intricate projects, but also underscore our commitment to technological advancement and innovation. As we integrate these exceptional cranes into our fleet, we are poised to provide our clients with best-in-class capabilities and solutions, setting new benchmarks for excellence in the industry. These acquisitions stand as a testament to our ongoing dedication to delivering superior service and achieving excellence in every project we undertake.

MARINE TRANSPORTATION

The Group provides its tug and barge services for a wide variety of sea transportation projects. Our fleet of tug boats and barges are available for external charters and to support the Group's projects in other business segments.

Revenue from the Marine Transportation segment decreased from \$3.6 million in FY2022 to \$2.9 million in FY2023.

As of 30 June 2023, the Group had a fleet of 6 tug boats (FY2022: 7 tug boats) with a working capacity of 1,000-3,200 bhp and 7 barges (FY2022: 8 barges) ranging in length from 140 to 282 feet. The average utilisation rate for its marine fleet was 39% in FY2023 (FY2022: 35%).

TRADING

The Group is a distributor for KATO crawler cranes in ASEAN countries (except Indonesia). It also extends its services to parts distribution and after-sales services of the equipment.

Revenue from the Trading segment decreased 58% year-on-year to \$1.3 million as the Group sold fewer equipment in FY2023.

BUSINESS OUTLOOK

Despite the unpredictable business landscape, which includes factors like ongoing geopolitical tensions between countries, the Russia-Ukraine conflict, the slowdown in the Chinese economy, high interest rates and persistent inflationary pressures, as well as concerns about global economic growth, the Group maintains a positive outlook. The Group believes that there will be steady customer demand for its Heavy Lift and Haulage solutions, particularly in the petrochemical and construction sectors, as well as in key regional markets such as India, Saudi Arabia, and Thailand.

The Group will remain vigilant in managing cash flow, operating costs, and potential business risks within the dynamic and uncertain operating environment. The Group will continue to actively pursue opportunities that emerge from the requirements for infrastructure and petrochemical investments, leveraging its position as a prominent one-stop integrated heavy lift specialist and service provider.

OPERATING SUSTAINABLY FOR LONG-TERM SUCCESS

As a leading solutions provider,

we continue to shape our business operations to ensure sustainability.

We are steadfast in strengthening our capabilities in the Heavy Lift and Haulage segment, thus contributing to long-term value for our stakeholders.



PROJECT GALLERY

Tiong Woon provides services to the oil and gas, petrochemical, infrastructure, and construction sectors, among others. The following pages display some of Tiong Woon's projects, a testament to the range of services provided and equipment utilised.



LOCATION	Jalan Buroh, Singapore
EQUIPMENT	500 Tonnes Mobile Crane 250 Tonnes Mobile Crane
SCOPE OF WORK	Dismantling of Pedestrian Overhead Bridge



LOCATION	Ang Mo Kio, Singapore
EQUIPMENT	64 Tonnes Tower Cranes
SCOPE OF WORK	Heavy Lifting Services



LOCATION	Collyer Quay, Singapore
EQUIPMENT	750 Tonnes Mobile Crane
SCOPE OF WORK	Heavy Lifting Services



LOCATION	Jurong Port, Singapore
EQUIPMENT	750 Tonnes Mobile Crane 700 Tonnes Mobile Crane
SCOPE OF WORK	Tandem lifting of a 140 Tonnes generator



LOCATION	Pasir Ris, Singapore
EQUIPMENT	180-600 Tonnes Crawler Cranes 700 Tonnes Mobile Crane
SCOPE OF WORK	Heavy Lifting Services



LOCATION	Circuit Road, Singapore
EQUIPMENT	20 Tonnes Tower Cranes 32 Tonnes Tower Cranes
SCOPE OF WORK	Heavy Lifting Services



LOCATION	Hougang, Singapore
EQUIPMENT	20 Tonnes Tower Cranes 64 Tonnes Tower Cranes
SCOPE OF WORK	Heavy Lifting Services



LOCATION	Tuas, Singapore
EQUIPMENT	Prime Mover Modular Trailers
SCOPE OF WORK	Transportation Services

PROJECT GALLERY



LOCATION	Woodlands, Singapore
EQUIPMENT	20 Tonnes Tower Crane
SCOPE OF WORK	Construction of RTS Link



LOCATION	Pandan Crescent, Singapore
EQUIPMENT	Tug & Barge
SCOPE OF WORK	Sea Transportation Services



LOCATION	Yishun, Singapore
EQUIPMENT	64 Tonnes Tower Cranes
SCOPE OF WORK	Heavy Lifting Services



LOCATION	Johor, Malaysia
EQUIPMENT	600 Tonnes Crawler Cranes
SCOPE OF WORK	Heavy Lifting Services



LOCATION	Gujarat, India
EQUIPMENT	1,600 Tonnes Crawler Cranes
SCOPE OF WORK	Heavy Lifting Services



LOCATION	Rajasthan, India
EQUIPMENT	550 Tonnes Crawler Cranes
SCOPE OF WORK	Heavy Lifting Services



LOCATION	Sungei Liang Industrial Park, Brunei
EQUIPMENT	700 Tonnes Mobile Crane
SCOPE OF WORK	Heavy Lifting Services



LOCATION	Al Hassa, Saudi Arabia
EQUIPMENT	120 Tonnes Crawler Crane 80 Tonnes Crawler Crane
SCOPE OF WORK	Heavy Lifting Services

BUILDING A RESILIENT FUTURE

**We continue
to explore
opportunities in
the petrochemical
sector,**

both locally and regionally,
further strengthening our
resilience. We truly believe
in creating a better future
with our comprehensive and
effective solutions.



BOARD OF DIRECTORS



MR ANG KAH HONG
Executive Chairman

Mr Ang Kah Hong is the Executive Chairman of Tiong Woon Corporation Holding Ltd. He joined the Board of Directors on 21 August 1997. Since its inception in 1980, Mr Ang has been a Director of the Group's subsidiary, Tiong Woon Crane & Transport (Pte) Ltd. He has more than 45 years of experience in the management of heavy lift and haulage operations.

Mr Ang is mainly responsible for driving the Group's strategy towards becoming a regional integrated heavy lift, heavy haulage and marine transportation service provider. His key responsibilities include identifying, formulating, developing and implementing corporate objectives and business strategies for the Group. Mr Ang is also actively involved in the corporate development activities. His leadership has proven to be instrumental and invaluable to the growth of the Group's businesses.



MR ANG GUAN HWA
*Executive Director and
Chief Executive Officer*

Mr Ang Guan Hwa is an Executive Director and Chief Executive Officer. He was appointed to the Board of Directors on 22 March 2013 and was promoted to Chief Executive Officer on 1 September 2020.

Mr Ang is responsible for identifying, developing and formulating our Group's business strategies and corporate objectives and management of overall business and corporate development. Having been a senior management staff of Tiong Woon Group for over 10 years, Mr Ang has accumulated considerable management skills and business know-how. He holds a Bachelor of Science in Computing with Management from University of Bradford (UK). Mr Ang is the son of Mr Ang Kah Hong (Executive Chairman), nephew of Mr Ang Kha King (Executive Director) and cousin of Mr Ang Boon Chang (Executive Director).

BOARD OF DIRECTORS



MR ANG KHA KING
Executive Director

Mr Ang Kha King is an Executive Director and joined the Board of Directors on 21 August 1997. He is one of the founding members and a Director of the Group's subsidiary, Tiong Woon Crane & Transport (Pte) Ltd, since its inception in 1980. Mr Ang's key responsibilities include reviewing the internal decision-making processes of the Group's existing businesses and overseeing its external operations. He actively supervises its key Operations and Maintenance Division to ensure that there are adequate machines and equipment available for its heavy lift and haulage assignments.



MR ANG BOON CHANG
Executive Director

Mr Ang Boon Chang is an Executive Director and joined the Board of Directors on 1 January 2021. He joined the Group since September 2003 and was promoted to the position of General Manager of Tiong Woon International Pte. Ltd. in 2010. Mr Ang was appointed as the Director of Tiong Woon International Pte. Ltd. and Tiong Woon Logistics Pte. Ltd. on 5 September 2011 and 1 June 2015 respectively. Mr Ang is responsible for the Group's freight forwarding and logistics business segment. He is also Vice-Chairman and member of the Enterprise Risk Management Committee and Sustainability Reporting Committee. Mr Ang holds a Diploma in Logistics Management from Australia Logistics Academy. He is the son of Mr Ang Kha King (Executive Director), nephew of Mr Ang Kah Hong (Executive Chairman) and cousin of Mr Ang Guan Hwa (Executive Director and CEO).



MR WONG KING KHENG
Independent Director

Mr Wong King Kheng was appointed as an Independent Director of the Company on 23 August 1999. He is the Chairman of the Audit Committee and member of the Nominating and Remuneration Committees. In accordance with the Company's Code of Corporate Governance 2012, Mr Wong has been appointed as the Lead Independent Director on 27 August 2013. He is presently the Managing Director of K K Wong and Associates, a public accounting firm in Singapore which he founded in 2000. He is also the Managing Director and a substantial shareholder of Soh & Wong Management Consultants Pte Ltd, which he founded in 1988. From 1989 to 2000, Mr Wong was the Founder and Managing Partner of Soh, Wong & Partners, a public accounting firm. Prior to that, he was an Audit Manager in Deloitte Haskins & Sells, Singapore, an international accounting firm. Mr Wong is a Member of the Malaysian Institute of Accountants and a Fellow Member of the Institute of Certified Public Accountants Australia and a Fellow Member of the Institute of Singapore Chartered Accountants. He also sits on the boards of a number of other listed companies as an Independent Director.

BOARD OF DIRECTORS



**MDM LUK KA LAI CARRIE
(MRS CARRIE CHEONG)**

Independent Director

Mrs Carrie Cheong was appointed as an Independent Director of the Company on 1 July 2009. She is the Chairperson of both the Nominating and Remuneration Committees and a member of the Audit Committee.

Mrs Cheong is a Director and Chief Executive Officer of Carrie Cheong & Ethel Low Consulting Pte Ltd, a company which provides business advisory services, financial management and corporate services. She has extensive experience relating to corporate planning and financial exercises including corporate restructuring, initial public offerings, and mergers and acquisitions. Mrs Cheong is a Fellow of the Association of Chartered Certified Accountants and a Member of the Institute of Singapore Chartered Accountants. She holds a Master Degree of Business Administration from the University of Brunel, United Kingdom and a Bachelor Degree of Laws (Honours) from the University of London, United Kingdom. She is also a Practising Chartered Secretary and an Associate of Chartered Secretaries Institute of Singapore, and an Associate of the Chartered Governance Institute, United Kingdom (formerly known as the Institute of Chartered Secretaries and Administrators). Mrs Cheong has also served as an Independent Director and Chairperson of the Audit Committee on the board of another public-listed company in Singapore.



MR POON GUOKUN, NICHOLAS

Independent Director

Mr Poon Guokun, Nicholas was appointed as an Independent Director of the Company on 1 January 2021. He is a member of the Audit and Remuneration Committee. He is also the founder and director of Breakpoint LLC, a Singapore law firm specialising in dispute resolution.

Prior to founding Breakpoint LLC, Mr Poon practised litigation and arbitration in Drew & Napier LLC. He has also worked for the Judges of the Supreme Court as a Justices' Law Clerk, and an Assistant Registrar hearing cases in the Supreme Court. Mr Poon has sat on a number of law reform committees and is also an active member of several legal professional bodies.

KEY MANAGEMENT

WILLIAM TAN KWANG HWEE

Group Chief Financial Officer • Corporate Shared Services

Mr Tan joined the Group as Group Chief Financial Officer in February 2021. He is responsible for financial matters of the Group. Beginning his career in SGX-listed Liang Huat Aluminium (SGX: 1C5), his previous roles include CFO of EnGro Corporation (SGX: S44), Assistant Vice-President, Finance – Casino Accounting & Credit of Resorts World Sentosa (SGX: G13), CFO of Ley Choon Group Holdings (SGX: Q0X), CFO of Metal Component Engineering (SGX: 5DX) and auditor with KPMG. Mr Tan graduated with Honours with a Bachelor of Engineering (Mechanical) from National University of Singapore, holds a Bachelor of Science in Applied Accounting (First Class Honours) from Oxford Brookes University, UK and obtained his MBA from Manchester Business School, UK. A Member of the Institute of Singapore Chartered Accountants and Fellow of the Association of Chartered Certified Accountants (ACCA), UK, he was also an ACCA Prize Winner and Top 30 Affiliate. Mr Tan was named Executive of the Year – Construction & Materials at the Singapore Business Review Management Excellence Awards 2016, and presently serves as member of the ACCA Singapore Network Panel.

ANG SIEW CHIEN

Group Chief People Officer • Corporate Shared Services

Ms Ang joined the Group in March 2016 and was promoted to the role of Group Chief People Officer in November 2021. She is responsible for human capital, administration and estate management functions of the Group. Ms Ang has over 20 years of experience in managing human resources and organisation development in the transportation, logistics and engineering industries for both local and multi-national corporations. She graduated with a Degree of Bachelor of Business (Business Administration) with Distinction from RMIT University and obtained her MBA from Murdoch University. A Certified Senior Professional of the Institute for Human Resource Professionals (IHRP-SP), Ms Ang was appointed by Ministry of Manpower (MOM) as the Tripartite Mediation Advisor (TMA) for a two-year term effective from 1 February 2023. Ms Ang is the daughter of Mr Ang Kah Hong (Executive Chairman), sister of Mr Ang Guan Hwa (Executive Director and CEO), niece of Mr Ang Kha King (Executive Director) and cousin of Mr Ang Boon Chang (Executive Director).

QUEK CHANG YEOW

Managing Director • Tower Cranes Services Pte. Ltd.

Mr Quek joined Tower Cranes Services Pte. Ltd. as the Managing Director since April 2015. He is responsible for the overall business and operations for the tower crane division. Mr Quek has more than 30 years of experience in the construction equipment industry. Prior to joining Tiong Woon, he worked in various companies including Manta Holdings Company Ltd (HKEK: 0936), a public listed company in Hong Kong Stock Exchange.

LEE KUM MUN

Managing Director • Tiong Woon Project & Contracting Pte. Ltd.

Mr Lee joined Tiong Woon Project & Contracting Pte. Ltd. since January 2015 and was promoted to the role of Managing Director in June 2021. He is responsible for the overall business and operations for the heavy lift and project engineering division, both locally and overseas. Mr Lee has over 30 years of experience in the heavy lift and engineering industry. He holds a Bachelor of Engineering degree from National University of Singapore and MBA from State University of New York at Buffalo. Mr Lee is the son-in-law of Mr Ang Kah Hong (Executive Chairman), brother-in-law of Mr Ang Guan Hwa (Executive Director and CEO) and husband of Ms Ang Siew Chien (Group Chief People Officer).

LEE KIM SONG

General Manager • Tiong Woon Marine Pte Ltd

Mr Lee joined Tiong Woon Marine Pte Ltd as General Manager in March 2021 and is responsible for the overall business and operations of the marine division. He has more than 15 years of experience in marine, oil and gas industries. Prior to joining Tiong Woon, he was the Commercial Manager in ASL Marine Holdings Ltd (SGX: A04), a public-listed company in Singapore Stock Exchange, and worked as the Head of Operations in Toll Offshore Petroleum Services Pte Ltd. Mr Lee holds a Bachelor Degree in Business Administration with Distinction from Royal Melbourne Institute of Technology.

LOW TIEN POW

Regional General Manager • Tiong Woon Crane & Transport (Pte) Ltd

Mr Low joined Tiong Woon Crane & Transport (Pte) Ltd as the Regional General Manager in January 2022 and is responsible for managing the regional business units of the Group. He has more than 17 years of experience in the crane and transportation industry. Prior to joining Tiong Woon, he was the General Manager of Moh Seng Cranes Pte Ltd. Mr Low holds a Bachelor of Engineering Degree with First Class Honours from University of Surrey, England. He was awarded outstanding undergraduate work in Civil Engineering Prize by the Institution of Civil Engineers.

DRIVING SUSTAINABLE GROWTH AND DEVELOPMENT

Sustainability is at the heart of our growth strategy.

It is our mission to grow in tandem with the communities we serve, to foster a balanced regional presence across our key markets. We are committed to delivering positive outcomes for all stakeholders.



FINANCIAL HIGHLIGHTS

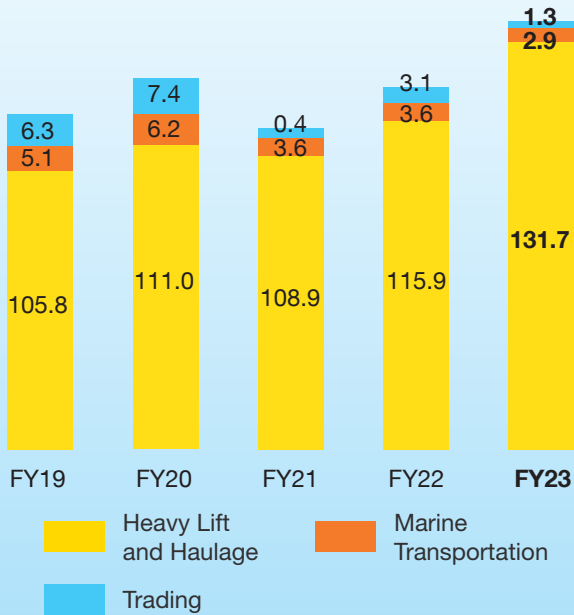
PROFIT AND LOSS (\$'MILLION)

Financial Year Ended 30 June	2019	2020	2021	2022	2023
Revenue	117.2	124.7	112.9	122.6	135.8
Gross Profit	35.2	43.0	42.4	49.3	54.2
GP Margin	30.0%	34.5%	37.6%	40.2%	39.9%
Profit Before Tax (PBT)	5.8	12.2	13.8	16.4	20.3
Profit After Tax (PAT)	2.9	7.5	9.8	11.3	15.7
Profit Attributable to Equity holders of the Company	2.9	7.6	9.9	11.4	15.7

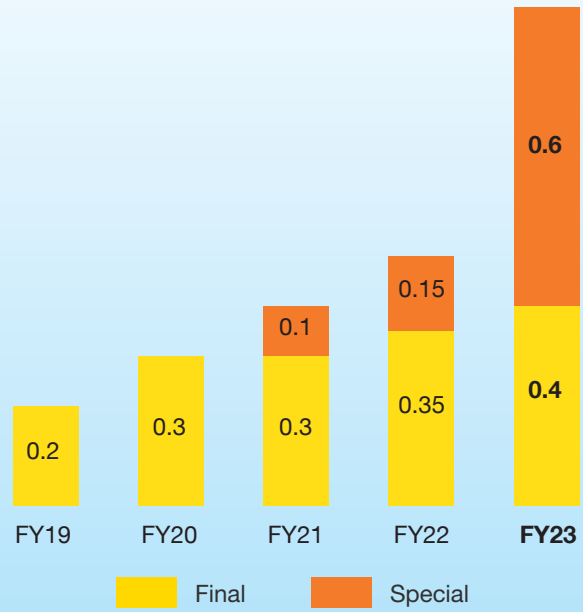
BALANCE SHEET (\$'MILLION)

As At 30 June	2019	2020	2021	2022	2023
Current Assets	72.6	82.8	96.6	111.9	131.8
Non-Current Assets	376.3	378.6	362.7	364.4	359.7
Total Assets	448.9	461.4	459.3	476.3	491.5
Current Liabilities	69.4	60.0	57.4	66.6	67.4
Non-Current Liabilities	127.0	142.1	131.0	128.8	130.8
Total Liabilities	196.4	202.1	188.4	195.4	198.2
Net Assets	252.5	259.3	270.9	280.9	293.3
Net Assets Attributable to Equity Holders of the Company	252.3	259.2	270.9	280.9	293.4

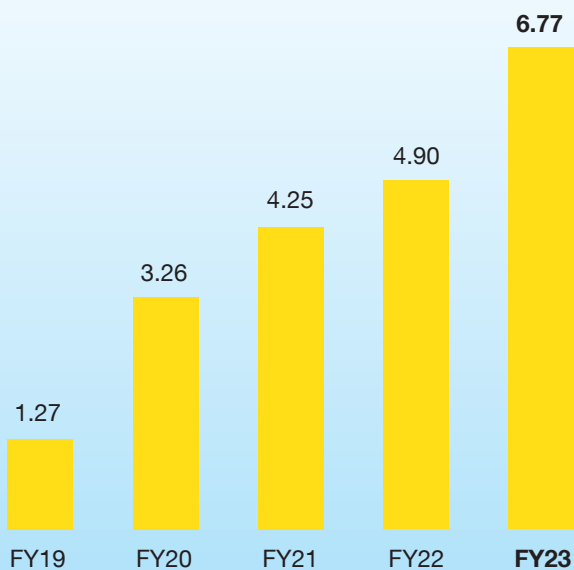
REVENUE BY SEGMENT (\$'Million)



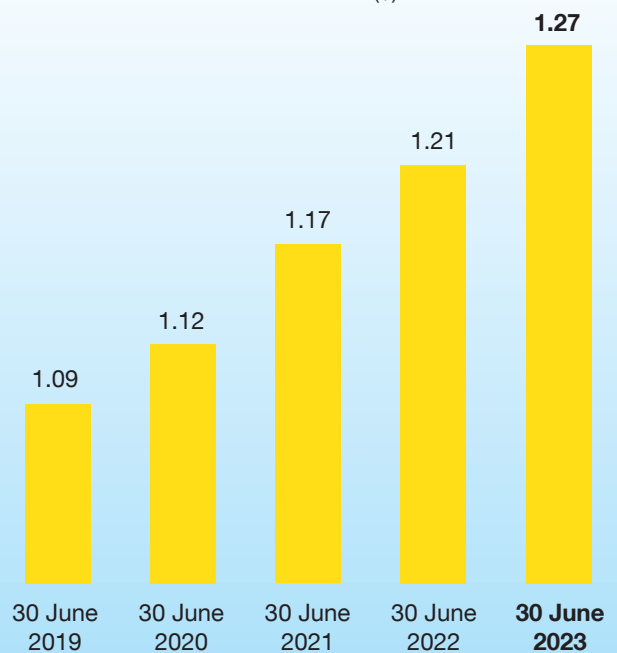
DIVIDEND PER SHARE (\$'Cent)



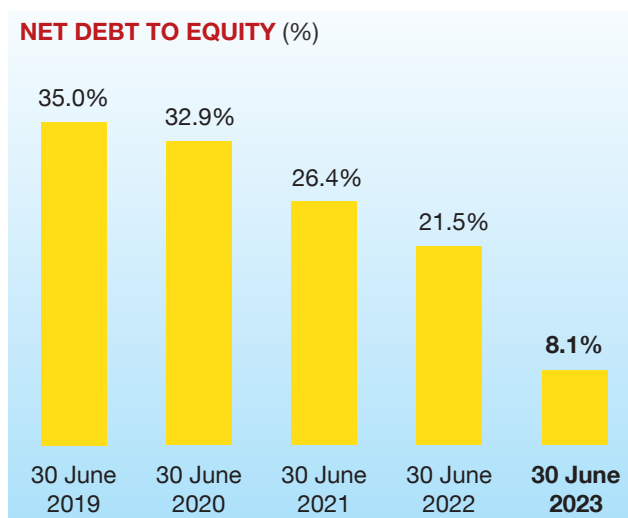
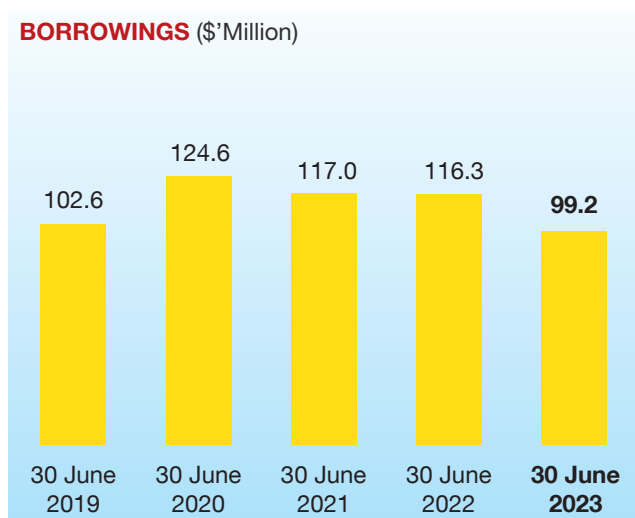
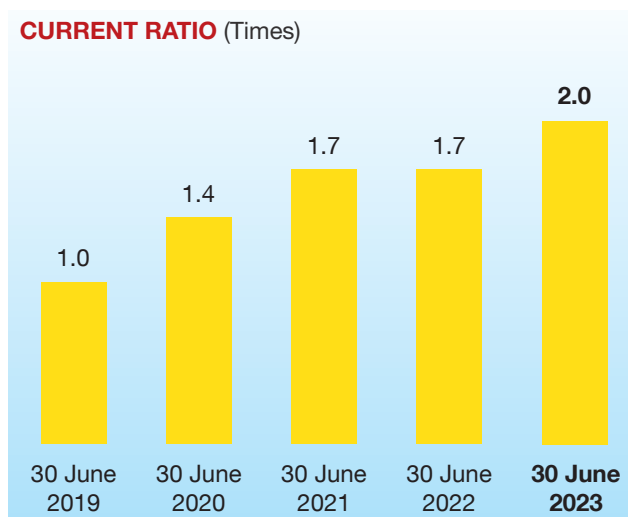
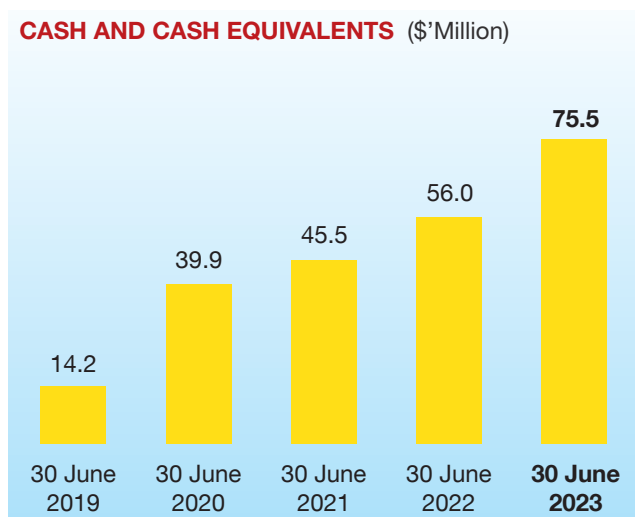
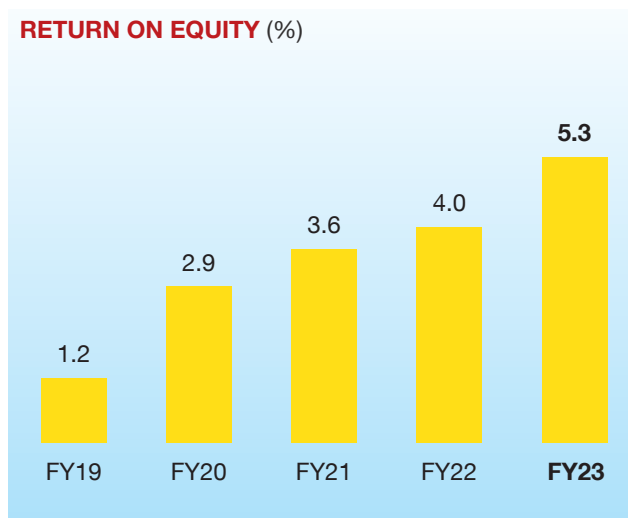
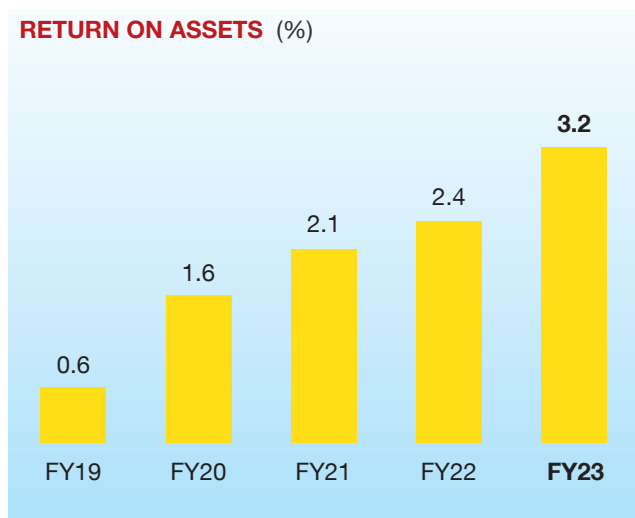
EARNINGS PER SHARE (\$'Cents)



NET ASSET VALUE PER SHARE (\$)



FINANCIAL HIGHLIGHTS



Notes:

1. Return on Assets = Profit after tax divided by total assets
2. Return on Equity = Profit after tax divided by total equity
3. Net Debt to Equity = Current and non-current borrowings less cash and cash equivalents divided by total equity

CORPORATE RESPONSIBILITY

In today's interconnected world, Corporate Social Responsibility ("CSR") is a fundamental aspect of Tiong Woon's business philosophy. We firmly believe that true success extends beyond mere financial performance; it encompasses making a meaningful and positive impact on society and the environment. Below, we detail our unwavering commitment to forging a sustainable and socially responsible future.

COMMUNITY



At Tiong Woon, our CSR initiatives are more than just altruism; they are a vital means through which we give back to our communities and contribute positively to society.

We organised a Food Bundle Donation and Distribution event, where our dedicated employees united in assembling food bundles for distribution to those in-need. These bundles contain essential food and household items, providing crucial support to individuals and families grappling with food insecurity. In doing so, we aim not only to alleviate immediate concerns, but also to offer sustenance over an extended period.

Moreover, this event served as a remarkable platform for fostering team cohesion among our employees, who generously volunteered their time. By participating, they actively embraced the concept of social responsibility, promoting a sense of unity and shared purpose within our organisation.



CORPORATE RESPONSIBILITY



The CSR Food Bundle Donation and Distribution was nothing short of a resounding success. It effectively achieved its intended objectives: providing vital community support, enhancing team dynamics, and nurturing a culture of social responsibility within our workforce. This event underscored our organisation's unwavering dedication to making a tangible and positive impact on the communities we serve.

Our CSR visitation to Lee Ah Mooi Old Age Home was motivated by a profound desire to spread joy and companionship among its elderly residents. Beyond this noble aim, we also sought to raise awareness about the unique challenges faced by elderly individuals in our society and instil a sense of social responsibility among our team members.

The visit commenced with warm introductions and a heartfelt welcome extended to the residents. We meticulously organised a range of activities, including delightful music and dance performances and engaging "Bingo" games. These activities were designed to encourage social interactions among the residents, providing much-needed companionship, cognitive stimulation, and boosting their emotional well-being.

In summary, at Tiong Woon, our CSR initiatives are not just obligations; they are deeply ingrained values that drive us to make a tangible and lasting impact on our communities. Through our unwavering commitment, we strive to create a better, more sustainable, and socially responsible future for all.



ENVIRONMENTAL SUSTAINABILITY & GREEN OPERATIONS

As part of Tiong Woon's move towards environmental sustainability, we had entered into a Power Purchase Agreement with Sunseap Commercial Assets Pte Ltd now known as EDPR Sunseap for the installation of a solar photovoltaic (PV) system at one of our yards, that is poised to turn "carbon-negative", and generate more electricity than it consumes in the coming years.

Sunseap is one of Asia's premier integrated clean energy solution providers functioning as a solar energy system developer, owner and operator. They design, finance, install, own and operate the systems and are also responsible for all aspects from maintenance to monitoring and system performance. Tiong Woon would be the "host" to the system on its premises and agrees to purchase electricity generated by the system at a lower rate compared to the Grid. The project commenced in October 2022 and was completed & commissioned in April 2023.

Solar energy is a clean and renewable energy source that produces little to no carbon emissions during operation. Another benefit of solar PV systems is that it decreases reliance on grid-supplied electricity, particularly during

peak demand periods especially during the day. This can contribute to grid stability and alleviate stress on the electricity infrastructure.

By generating its own electricity, Tiong Woon is well-positioned to gain more control over its energy costs at 12 Benoi Place. This predictability is valuable in a market where electricity prices can fluctuate due to supply and demand dynamics. With the presence of the solar panels, Tiong Woon would be able to generate over 600,000 kWh in its first year.

Furthermore, embracing solar technology showcases Tiong Woon's willingness to adopt innovative solutions and stay at the forefront of technological advancements in the energy sector. This aligns with Singapore's efforts to transition to cleaner energy sources.

Overall, the installation of the system offers a multifaceted range of benefits that encompass financial savings, environmental stewardship, energy security, and alignment with sustainable business practices. Through such efforts, Tiong Woon showcases its commitment to a sustainable future while potentially reaping long-term rewards across various domains.



CORPORATE RESPONSIBILITY



PEOPLE DEVELOPMENT AND WORKPLACE SAFETY MANAGEMENT

In Tiong Woon, we believe that talent is crucial in driving our businesses forward and therefore, we place emphasis on continuous learning and development for all our employees. We identify learning programmes based on multiple skill sets and knowledge requirements in order to equip our employees to not only handle increasingly complex challenges at work but to also boost their individual confidence, personal development, and overall competency and performance.

Operational level training of employees ranges from certification courses to mentorship programmes and on-the-job-training. Effective internal communication and cohesion activities also play vital roles in our overall corporate learning and development programme. A positive work environment with a cooperative and communicative corporate culture is conducive to attract talents, increase productivity, efficiency, job satisfaction, motivation and enhance staff retention rates.

In addition to learning and development, we actively identify and groom potential talents amongst our employees and put these selected individuals through our talent development programmes whereby opportunities are granted for them to grow and develop their potential, and we aim to groom them to be future business leaders for the organisation.

Fostering a positive and conducive environment that supports employees' overall health and well-being is important to us. As such, we have set up an internal recreation committee that focuses on improving our employee's well-being and work-life balance.

Our recreation committee frequently organises lunch-time talks on health and wellness, in addition to sports and recreational activities. In midst of the pandemic, we have partnered with various councils and associations in offering certain virtual events, such as mental health support and stress management webinars to all employees. Our recreation committee has also launched the "care and wellness" initiative during the pandemic with monthly issues of e-newsletters, to update our employees on mental health issues, online quizzes, etc.

To encourage our workforce to stay active, fit and healthy, we have the TWC fitness and wellness club, whereby our workplace is equipped with gym facilities and studio to hold group classes, where staff can exercise regularly at their convenience. In addition, an executive recreation lounge with karaoke system is made available for staff to enjoy, relax and promote team bonding during breaks or after working hours.

Our operating subsidiaries in Singapore i.e. Tiong Woon Crane & Transport (Pte) Ltd, Tiong Woon Crane Pte. Ltd., Tiong Woon Enterprise Pte Ltd and Tiong Woon International Pte. Ltd., which are involved in the provision of rental, assembly, installation and maintenance of crane, transportation equipment and related services are certified under ISO 9001:2015 (Quality Management Systems) and ISO 45001:2018 (Occupational Health and Safety Management Systems); and attained BizSAFE Level Star.

Tiong Woon Project & Contracting Pte. Ltd., which is involved in the project management and provision of engineering services in mechanical and erection works including heavy lifting, heavy haulage, heavy transportation and equipment installation is certified under ISO 9001:2015 (Quality Management Systems), ISO 45001:2018 (Occupational Health and Safety Management Systems), ISO 14001:2015 (Environmental Management Systems) and attained BizSAFE Level Star.

CORPORATE RESPONSIBILITY

Tower Cranes Services Pte. Ltd. is certified under ISO 45001:2018 and attained BizSAFE Level Star. Tiong Woon Logistics Pte. Ltd. is holding certifications for ISO 9001:2015 and BizSAFE Level 3 and is working towards being certified for ISO 45001:2018 (Occupational Health and Safety Management Systems) and BizSAFE Level Star. Our Thailand subsidiary is certified under ISO 9001:2015 (Quality Management Systems), ISO 45001:2018 (Occupational Health and Safety Management Systems) and ISO 14001:2015 (Environmental Management Systems), whereas our Vietnam, India and China subsidiaries are certified under ISO 9001:2015 (Quality Management Systems). This stringent framework allows us to identify and control health and safety factors, and reduce risk of accidents at our work sites. Some of the initiatives that have been put in place to create a safe work environment and ensure compliance with government safety regulations include:

- Making sure employees have adequate training and are well-equipped to carry out their tasks safely;
- Methodical identification and assessment of risks before the commencement of any job;
- Having clearly defined roles and responsibilities in relation to safety;

- Conducting drills for better preparedness in the event of an emergency;
- Regular periodic review on the Group's safety targets and discussion on all safety issues, as well as remedial actions and preventive measures for near-miss incidents; and
- Clear and timely communication on safety issues and precautionary measures between staff to create awareness.

These help to reduce loss of man-hours, increase productivity at our work sites and most importantly, ensure that our employees are able to work well with peace of mind.

The Group is heavily engaged in the Singapore crane industry as an active member of WSH (Crane and Lifting) Taskforce in providing feedback, supporting new initiatives and participating in their events. We are one of the supporting organisations that provides training facilities to recognise courses such as Appointed Person Training Course and Advanced Certificate in Lifting Operations. We also played a part in reviewing the current Singapore Standard (SS 536 : 2008 - Code of Practice for The Safe Use of Mobile Cranes). Through our involvement and collaboration with relevant authorities, we have set ourselves up as one of the industry leaders in terms of competency and standards.

Name of Subsidiary	ISO 9001:2015	ISO 45001:2018	ISO 14001:2015	Other Certifications
Tiong Woon Crane & Transport (Pte) Ltd	√	√		BizSAFE Level Star
Tiong Woon Crane Pte. Ltd.	√	√		BizSAFE Level Star
Tiong Woon Project & Contracting Pte. Ltd.	√	√	√	BizSAFE Level Star
Tiong Woon International Pte. Ltd.	√	√		BizSAFE Level Star
Tiong Woon Enterprise Pte Ltd	√	√		BizSAFE Level Star
Tiong Woon Logistics Pte. Ltd.	√			BizSAFE Level 3
Tower Cranes Services Pte. Ltd.		√		BizSAFE Level Star
Tiong Woon Thai Co. Ltd	√	√	√	
Tiong Woon Vietnam Company Limited	√			
Tiong Woon Project & Contracting (India) Private Limited	√			
Tiong Woon (Huizhou) Industrial Services Co., Ltd	√			

The Company's FY2022 sustainability report can be found in SGXNet and its corporate website at www.tiongwoon.com.

RISK FACTORS AND RISK MANAGEMENT



Risk management is an integral part of the management of our Group's business. The Group's risk management framework is designed to provide reasonable assurance that its business objectives are achieved and support the Board and the Management by providing early warnings of any material changes to the Group's risk profile. The risk management framework comprises the policies, guidelines, and tools to provide the information and guidance materials needed to integrate risk management into the Group's operations and systems, as well as individual decision-making processes. The Board has established an Enterprise Risk Management Committee ("ERMCM") which is a sub-committee of the Audit Committee ("AC") and overseen by the AC for the identification of critical business risks and the development and implementation of appropriate risk management procedures to address these risks. The risk management and control procedures are reviewed and updated regularly to reflect changes in market conditions and the activities of the Group.

The following set out an overview of the key risks faced by the Group, the nature and the extent of the Group's exposure to these risks and the mitigating actions in place that could help in managing these risks.

MARKET AND POLITICAL RISK

In addition to extensive operations in Singapore, the Group also has operating subsidiaries in countries such as Bangladesh, Brunei, China, India, Indonesia, Malaysia, Myanmar, Middle East, Philippines, Sri Lanka, Thailand and Vietnam. The nature of our business involves the movement of heavy equipment in these countries. The subsidiaries in these countries are exposed to changes in government regulations and unfavourable political developments, which may limit the realisation of business opportunities and investments in those countries. The Group's business operations are exposed to economic uncertainties that

continue to affect the global economy and international capital markets. Although these circumstances may be beyond its control, the Board and the Management consistently keep themselves up-to-date on the changes in political, economic and industrial developments so as to be able to anticipate or respond to any adverse changes in market conditions in a timely manner.

BUSINESS RISK

Our operations are highly competitive. The Group faces stiff competition and is susceptible to price-cutting pressures from our competitors. Further, our competitors may possess greater financial resources and better equipment, while others may have lower costs of operations. The Group may possibly lose its competitive edge due to new market entrants or with the growth of existing competitors.

The Group strives to maintain its competitiveness through its services and leveraging its brand name while consistently monitoring and responding to market dynamics. The barriers to entry for new players are high. High capital investment in a sizeable fleet of heavy cranes, transportation equipment and tug boats and barges is necessary for companies involved in the provision of heavy lift, heavy haulage and marine transportation services.

The Group prides itself as a one-stop service centre, capable of providing integrated turnkey solutions which encompass heavy lift, heavy haulage and marine transportation. Customers can have access to the Group's large fleet of cranes and transportation equipment. As for its marine transportation services, the Group is able to provide marine transport services and support Roll-On/Roll-Off operations (RO-RO) for the transfer of oversized cargoes onto barges. The ability of the Group to plan and provide integrated logistics support for transportation, and to install heavy equipment and structures on-site, allows the Group to offer cost savings and convenience to its customers.

RISK FACTORS AND RISK MANAGEMENT

BUSINESS CONTINUITY RISK

An organisation may encounter unforeseen circumstances that prevent the continuation of its business operations such as during crises or disasters. The Group recognises its exposure to internal and external threats and seeks to increase the resilience of the Group to potential business interruptions, so as to minimise any disruptions to its critical business activities, people, data and assets. Over the years, the Group has focused on refining its business continuity management, to ensure that it can continue to maintain its competitive advantage and to maximise value for its stakeholders.

The Group strives to minimise unexpected losses and manage risks through a series of quality and people management programs, as well as through business continuity planning. In addition, certain entities of the Group have been awarded ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 certifications for its businesses. Although no individual is indispensable, the loss of specialised skills and the leadership of the Executive Chairman, Mr Ang Kah Hong and the other founding members, including the key management, could result in business interruptions and a loss in shareholders' confidence. To dispel the worries, the Group has since put in place a structured succession planning program to identify and develop a team of talented employees based on their merits, who can take the Group to the next phase of growth. The Group believes that training a team of next-generation leaders is critical to the continuity of the business which should last beyond this generation.

OPERATIONAL RISK

The Group experiences risks which are common and inherent to the industry which the Group operates in. The following are some of the operational risks which have been identified and mitigation measures implemented to reduce the impact of these risks:

- **BREAKDOWN OF MACHINERY OR VESSELS RISK**

Our operations are subject to risks including the breakdown, failure or sub-standard performance of machinery or of our vessels, which may result in operational disruptions and downtime. While our Group minimises breakdown of our machinery by having a comprehensive and regular maintenance programme, the repair of certain equipment may take extended periods. In such an event, we may be unable to meet our contractual obligations with our customers and the opportunity cost in terms of income foregone may be substantial. The Group's policy is to constantly renew its fleet of cranes and transportation equipment to keep them in good working condition. This policy, coupled with a stringent equipment quality control policy, augurs well for the Group's customers in terms of equipment reliability.

- **HUMAN CAPITAL RISK**

The industry which the Group operates in requires specialised professionals and skilled labour, for example, in operating cranes and other heavy lift and haulage equipment. It relies heavily on its engineers, crane operators, riggers and support team comprising technicians, electricians and mechanics for maintenance and repair services. To retain key employees, the Group continuously reviews their remuneration packages to provide market-competitive benefits. The Group places great emphasis on supporting the professional and personal growth of our employees to develop the necessary skills, competencies and behaviours to handle increasingly complex challenges. The Group regularly trains and upgrades the skill and knowledge of its employees through quality and people management programs.

- **CONTRACT RISK**

The Group estimates the total costs when it enters into fixed-price contracts. The actual costs incurred and the profits the Group can realise on a fixed-price contract may vary due to factors such as unanticipated variations in labour and equipment productivity over the term of a contract, unanticipated increases in labour, raw material, subcontracting and overhead costs, unexpected expenses as a result of bad weather, and delivery delays and/or corrective measures for poor workmanship. Depending on the size of the project, variations from estimated contract performance could reduce the Group's earnings. The Group has implemented a cost monitoring and control regime to mitigate the risks of costs overrun. The Group ensures that every stage of the project from on-site surveys, planning, scheduling, deployment of equipment, logistics to final execution are carefully planned, reviewed and monitored by experienced engineers, foremen and supervisors. The project management personnel, many of whom are engineers by training, coordinate the efforts of the various departments in the Group including logistics, operations and project departments. These projects are overseen by the Executive Directors and Key Management. This is to ensure that costs can be controlled and timely remedial response can be activated to control the impact of such overrun.

- **CREDIT RISK**

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. Credit risk is managed through the application for credit approvals, performing credit evaluations, setting credit limits and monitoring procedures. It is the Group's policy to trade with creditworthy customers, and to reduce concentration of credit risk where practicable. To ensure minimal bad debts, the Group carries out credit reviews

RISK FACTORS AND RISK MANAGEMENT

and background checks on new customers as part of the Group's formal credit control policy procedure. The payment histories of the Group's customers are monitored closely and appropriate measures are taken to ensure full payment. Cash terms or advance payments are required for customers with lower credit standing. As the Group faces the normal business risks associated with ageing collections, it has adopted an accounting policy of making provisions based on expected credit losses of trade debtors.

INTEREST RATE RISK

Interest rate risk is managed by the Group on an on-going basis with the objective of limiting the extent to which the Group's results could be affected by an adverse movement in interest rates. The Group's cash balances are placed with reputable banks and financial institutions. For financing obtained through bank borrowings and finance lease arrangements, the Group's policy is to obtain the most favourable interest rates available while minimising its foreign currency exposure.

LIQUIDITY RISK

The objective of liquidity management is to ensure that the Group has sufficient funds to meet its contractual and financial obligations as and when they fall due. To manage liquidity risk, the Group monitors its net operating cash flow and maintains a level of cash and cash equivalents deemed adequate by management for working capital purposes so as to mitigate the effects of fluctuations in cash flows. Over the years, the Group has enhanced its ability to generate cash from operating activities.

FOREIGN EXCHANGE RISK

Our Group operates mainly in Asia and Middle East with dominant operations in Singapore. Entities in our Group regularly transact in currencies other than their respective functional currencies. The Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposures to the net assets of the Group's operations are managed by natural hedges of matching assets and liabilities where practicable. The Group does not have a formal hedging policy with respect to its foreign exchange exposure but it minimises such risks by actively monitoring its foreign currency exposure on an on-going basis and taking appropriate hedging measures, where appropriate/practicable. Where appropriate, the Group hedges foreign currency purchases at contracted forward exchange rates.

CAPITAL STRUCTURE RISK

In managing capital, the Group's objectives are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to provide appropriate returns to shareholders and benefits for other stakeholders through pricing its services at levels commensurate with the level of risks it is exposed to. The capital structure of the Group consists of loans and borrowings, issued share capital and retained earnings. Regular review is performed to ensure optimal capital structure taking into consideration future capital requirements and capital efficiency, prevailing operating cash flow and profitability as well as projected capital expenditure. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, conduct share buy-back, obtain new bank borrowings, sell assets to reduce external borrowings, pay or adjust the amount of dividend payment or return capital to shareholders. The Group also monitors its gearing and trends.

CLIMATE-RELATED RISKS

Climate-related risks include physical and transition risks. Physical risks arising from extreme weather events such as flooding may result in business disruptions and equipment damage etc. Also, physical risks due to rising mean temperatures pose health risks and lower productivity of our employees as well as increase water consumption and energy costs. Transition risks identified included costs of compliance and transition to lower emission technology to meet new regulations and adoption of more environmentally friendly equipment. The Group also expects higher costs of energy and water in the future. The Group's overarching strategy is to identify, assess, prioritise, mitigate, and monitor climate-related physical and transition risks in our business. The Group will periodically update business continuity and crisis management plan as it seeks to transform into a climate-resilient and future-ready business. While ensuring compliance and transiting to more sustainable practices, the Group will seek to capitalise on climate-related opportunities with the global shift to a lower-carbon economy by year 2030 and a net-zero standard by year 2050.





The Group places great emphasis on the provision of timely, relevant, and adequate disclosure to shareholders. We believe that Investor Relations (“IR”) is a meaningful two-way communication between our Company and our shareholders. Therefore, maintaining open communication with our shareholders continues to be a crucial element of our structured IR approach. Communication with shareholders is managed by the Board.

The Board’s policy is to ensure that all shareholders should be equally and timely informed of all major developments impacting the Group. The Company keeps its website updated and maintains a dedicated IR section for shareholders’ convenience. Announcements disclosed through SGXNet are also posted on the Company’s website.

Our IR strategy and approach seeks to enhance shareholders’ understanding and appreciation of the Group’s competitive strengths, business strategies, key challenges and opportunities, significant developments, and investment merits, via the following IR channels, activities, and practices:

- Maintain an informative corporate website (www.tiongwoon.com) which includes a comprehensive IR section that is updated with the Group’s latest announcements, corporate information, and IR contact points;
- Keep our shareholders and interested parties abreast of our latest announcements by utilising ShareInvestor.com’s email alerts service;
- Active engagement with the investment community through regular interaction with research analysts, fund managers and shareholders;
- Post timely result announcements that meet high financial reporting and disclosure standards with respect to financial performance and position, as well as significant business developments;
- Provide detailed information on business strategies, operational developments, and financial results in our Annual Report; and
- Seek opportunities to profile the Group in the business and financial media, to achieve broader market understanding and appreciation of our strategies, vision, the depth of our capabilities as well as diversity of our business segments and markets.

Where necessary and appropriate, the Company may conduct briefings with media and analysts to update the investment community of the Group’s performance and developments. During such briefings and meetings, the Company solicits and understands the views of shareholders, as well as that of the wider investment community.

CORPORATE INFORMATION

Board Of Directors

Mr Ang Kah Hong
(Executive Chairman)

Mr Ang Guan Hwa
(Executive Director and Chief Executive Officer)

Mr Ang Kha King
(Executive Director)

Mr Ang Boon Chang
(Executive Director)

Mr Wong King Kheng
(Lead Independent Director)

Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong)
(Independent Director)

Mr Poon Guokun, Nicholas
(Independent Director)

Audit Committee

Mr Wong King Kheng
(Chairman)

Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong)

Mr Poon Guokun, Nicholas

Nominating Committee

Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong)
(Chairman)

Mr Wong King Kheng

Mr Ang Guan Hwa

Remuneration Committee

Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong)
(Chairman)

Mr Wong King Kheng

Mr Poon Guokun, Nicholas

Enterprise Risk Management & Sustainability Reporting Committees

Mr Ang Guan Hwa (Chairman)

Mr Ang Boon Chang (Vice-Chairman)

Mr William Tan Kwang Hwee

Ms Ang Siew Chien

Mr Quek Chang Yeow

Mr Lee Kum Mun

Company Secretaries

Ms Joanna Lim Lan Sim, ACIS

Mr Lee Wei Hsiung, ACIS

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Auditor

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

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Singapore 018936

Partner-in-Charge: Mr Chua Chin San

(Appointed since Financial Year ended 30 June 2019)

Principal Bankers

United Overseas Bank Limited

Overseas Chinese Banking Corporation Limited

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CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or the “**Directors**”) of Tiong Woon Corporation Holding Ltd (the “**Company**”) and its subsidiaries (the “**Group**”) are firmly committed to ensuring a high standard of corporate governance which is essential to the long-term sustainability of the Group’s business and performance.

This report describes the Group’s corporate governance structures and practices that were in place throughout the financial year ended 30 June 2023 (“**FY2023**”), with specific reference made to the principles and provisions of the revised Code of Corporate Governance (the “**2018 Code**”) and accompanying Practice Guidance issued in August 2018, which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Board is pleased to confirm that for FY2023, the Group has adhered, in all material respects, with the principles and provisions of the 2018 Code. Any deviation from the 2018 Code, the reason has been provided.

BOARD MATTERS

The 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’s primary role is to provide leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Group to meet its objectives; establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the company’s assets; identify the key stakeholder groups and recognise that their perceptions affect the Group’s reputation; set the Group’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and consider sustainability issues, such as environmental and social factors, as part of its strategic formulation. The Board holds the management of the Company (the “**Management**”) accountable for performance.

All directors exercise due diligence and independent judgment, and are obliged to act in good faith and in the best interests of the Company. Any director who has conflict of interest which is likely to impact his independence or conflict with a subject under the discussion by the Board is required to immediately declare his interest to the Board, remove himself from the information flow and recuse from participating in any further discussion or decisions involving issues of conflict of interest.

New directors, upon appointment, will be briefed on the business and organisation structure of the Group to ensure that they are familiar with the Group’s structure, businesses and operations. The directors may participate in seminars and/or discussion groups to keep abreast of the latest developments which are relevant to the Group. Directors also have the opportunity to visit the Group’s operational facilities and meet with the Management to gain a better understanding of the Group’s business operations.

The Company has an on-going budget for all Directors to attend appropriate courses, conferences and seminars for them to stay abreast of relevant business developments and outlook. These include programmes run by the Singapore Institute of Directors or other training institutions. In FY2023, all members of our Board have attended or have been scheduled to attend sustainability training courses.

The Board as a whole is updated regularly on changes in the policies of the Group, risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority which are relevant to the Directors are circulated to the Board.

Annually, the external auditors update the Board and Audit Committee on new or revised financial reporting standards, in particular standards that could have a material impact on the Group’s consolidated financial statements.

The Company has formulated guidelines setting forth matters reserved for the Board’s decision. The Management is also given clear directions on matters (including set thresholds for certain operational matters relating to subsidiaries) that require the Board’s approval.

CORPORATE GOVERNANCE REPORT

Certain material corporate actions that require the Board's approval are as follows:

- Approval of interim and full year financial result announcements;
- Approval of the annual reports, sustainability reports and financial statements;
- Recommendation of dividends and other returns to shareholders;
- Nomination of board directors and appointment of key personnel;
- Convening of shareholders' meetings;
- Authorisation of material acquisitions and disposal of assets;
- Authorisation of major transactions;
- Approval of corporate strategies, business directions and risk management policy with consideration of sustainability matters; and
- Approval of Internal Audit Report.

The Board likewise reviews and approves all corporate actions for which shareholders' approval is required.

To facilitate effective management, certain functions have been delegated to various board committees, namely the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"), each of whose members are drawn from members of the Board (together "Board Committees" and each a "Board Committee"). Each of these Board Committees has its own written terms of reference and its actions are reported to and monitored by the Board. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group.

The day-to-day management of the affairs of the Group's businesses is delegated by the Board to the Management Committee ("MC") headed by the Executive Chairman, Mr Ang Kah Hong. As at the date of this report, the MC comprises four executive directors and six key senior management personnel of the Group. The MC is also responsible for implementing measures in line with the overall strategies set by the Board. The MC meets on a periodic basis and on such other times where necessary.

The schedule of all the Board and Board Committee meetings for the calendar year is usually given to all the directors well in advance. Besides the scheduled meetings, where circumstances require, ad-hoc meetings are held. All meetings are conducted in Singapore and attendance by the Directors has been regular.

The attendances of the Directors at meetings of the Board and Board Committees as well as the frequency of such meetings held during the financial year ended 30 June 2023 are set out below:

Name of Director	Board		Audit Committee		Remuneration Committee		Nominating Committee	
	Number of Meeting Held	Attended	Number of Meeting Held	Attended	Number of Meeting Held	Attended	Number of Meeting Held	Attended
Ang Kah Hong	4	4	NA	NA	NA	NA	NA	NA
Ang Guan Hwa	4	4	4 ⁽¹⁾	4 ⁽¹⁾	2 ⁽¹⁾	2 ⁽¹⁾	2	2
Ang Kha King	4	4	NA	NA	NA	NA	NA	NA
Ang Boon Chang	4	4	NA	NA	NA	NA	NA	NA
Wong King Kheng	4	4	4	4	2	2	2	2
Luk Ka Lai Carrie (Mrs Carrie Cheong)	4	4	4	4	2	2	2	2
Poon Guokun, Nicholas	4	4	4	4	2	2	2 ⁽²⁾	1 ⁽²⁾

CORPORATE GOVERNANCE REPORT

Notes:

- (1) *Ang Guan Hwa is not a member of the AC and the RC but he was present at the AC and the RC meetings in his capacity as Chief Executive Officer (“CEO”).*
- (2) *Poon Guokun, Nicholas is not a member of the NC but he was present at the NC meetings in his capacity as Independent Director.*

Please refer to page 43 for information regarding directors with multiple board representations.

The Company’s Constitution allow a Board meeting to be conducted by means of telephone and video conference or similar communications equipment.

Prior to Board meetings and on timely basis, Management provides the Board with meeting papers and relevant information which are necessary to enable the Board to fulfil their duties and responsibilities. The Company Secretary/ Management circulates copies of the minutes of the Board meetings to all members of the Board. The Board is informed of all material events and transactions as and when they occur. These include relevant information and explanatory notes on matters that are presented to the Board, such as budgets, forecasts and business models. In relation to budgets, any material variances between projections and actual results are disclosed and explained. Timely updates on developments in accounting matters, legislation, government policies and regulations affecting the Group’s business operations are provided to all directors.

The Board has separate and independent access to the Management of the Company and the Company Secretary at all times.

The Company Secretary prepares meeting agendas, attends and prepares minutes of Board and Board Committees meetings and is responsible for ensuring that Board procedures are followed and that the Articles and relevant rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary, with the support of the Management, ensures good information flows within the Board and the Board Committees and between the Management and Independent/Non-Executive Directors.

The appointment and replacement of the Company Secretary is a matter for the Board.

The Directors, in fulfilling their responsibilities, will, as a group or individually, when deemed fit, direct the Company to appoint professional advisers to render professional advice. The costs associated with such professional services will be borne by the Company.

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 Board comprises seven directors, three of whom are independent directors. The Directors as at the date of this report are:

- Mr Ang Kah Hong (Executive Chairman)
- Mr Ang Guan Hwa (Executive Director and Chief Executive Officer)
- Mr Ang Kha King (Executive Director)
- Mr Ang Boon Chang (Executive Director)
- Mr Wong King Kheng (Independent Director)
- Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong) (Independent Director)
- Mr Poon Guokun, Nicholas (Independent Director)

CORPORATE GOVERNANCE REPORT

The NC, which reviews the independence of each director on an annual basis, adopts the 2018 Code's definition of what constitutes an independent director. The Independent Directors, Mr Wong King Kheng, Mrs Carrie Cheong and Mr Poon Guokun, Nicholas, have confirmed that they do not have any 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 their independent business judgement in the best interests of the Company.

The Board has determined, taking into account the views of the NC, that Mr Wong King Kheng, Mrs Carrie Cheong and Mr Poon Guokun, Nicholas are independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to effect, the judgement of each of the aforesaid directors.

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual, a director will not be independent if he/she has been a director of the issuer for an aggregate period of more than nine (9) years (whether before or after listing). As at the date of this Annual Report, Mr Wong King Kheng and Mrs Carrie Cheong have served the nine years tenure as independent director from the dates of their first appointments in 1999 and 2009 respectively. Pursuant to Transitional Practice Note 4 Transitional Arrangements Regarding the Tenure Limit for Independent Directors, Mr Wong King Kheng and Mrs Carrie Cheong may continue to be considered independent until the conclusion of the 2024 AGM. They are likely to step down as Directors at the conclusion of the 2024 AGM.

The Chairman of the Board is Mr Ang Kah Hong, and he is part of the Management team and is not an Independent Director. Where the Chairman is not independent, independent directors should make up a majority of the Board. In this regard, while independent directors do not make up a majority of the Board, more than one-third of the Board is made up of independent directors. The Board is of the view that the independent directors have demonstrated high commitment in their role as directors and have ensured that there is a good balance of power and authority.

The Chairman provides leadership to the Board. Besides being responsible for board proceedings, the Chairman is also responsible for presenting the Board's views and decisions to the public.

Although less than a majority of the Board is made up of non-executive directors, there is a clear division of roles and responsibilities between the Chairman, CEO and the Executive Directors which ensures an appropriate balance of power between the Board, the Chairman, CEO and the Executive Directors, thereby enhancing accountability and greater independent decision-making ability. The Board considers that its present size of seven (7) members is of the appropriate size and accordingly, no additional non-executive directors are proposed to be appointed in order for non-executive directors to make up a majority of the Board.

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the nature and scope of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, believes that its existing Board and Board Committees is of appropriate size and with the right mix of skills, experience, gender and age diversity.

The Company recognises that a diverse Board is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline, gender, age, tenure of service and other distinguishing qualities of the directors.

The Group's Board Diversity Policy endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity in terms of skills, experience, gender, age, geographical exposures and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The NC performs an annual review of the directors' mix of skills and experiences that the Board requires to function competently and efficiently. The NC is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

CORPORATE GOVERNANCE REPORT

Details of the Board composition are as follows:

Board Diversity

As at 30 June 2023

S/N	Name	Diversity - Gender		Diversity - Expertise and Experience			Diversity - Independence		Diversity - Length of Service		Diversity - Age Group	
		Male	Female	Legal	Finance and Accounting	Business / Management	Yes	No	> 9 Years	< 9 Years	< 50	> 50
1	Ang Kah Hong	1				1		1	1			1
2	Ang Guan Hwa	1				1		1	1		1	
3	Ang Kha King	1				1		1	1			1
4	Ang Boon Chang	1				1		1		1	1	
5	Wong King Kheng	1			1	1	1		1			1
6	Luk Ka Lai Carrie (Mrs Carrie Cheong)		1	1	1	1	1		1			1
7	Poon Guokun, Nicholas	1		1				1		1	1	
		6	1	2	2	6	3	4	5	2	3	4
		86%	14%				43%	57%	71%	29%	43%	57%
		100%					100%		100%		100%	

In addition, the Board consists of directors with ages ranging from their thirties to more than seventy years old, who have served on the Board for different tenures. The Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

The Independent Directors aim to assist in the development of proposals on strategy by constructively challenging the Management. They also review the performance of the Management in meeting agreed goals and objectives and monitor the performance.

The Independent Directors meet at least once a year or on a need-be basis without the presence of Management or the Executive Directors to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning, leadership development, the remuneration of the Executive Directors as well as to review any matters that must be raised privately.

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 roles of the Chairman of the Board and the CEO are separate to ensure clear distinction of responsibilities, appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The Chairman of the Board is Mr Ang Kah Hong, who is also an Executive Chairman. Being one of the founders of the Group, Mr Ang Kah Hong plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and strategic vision. Mr Ang Kah Hong is assisted by the CEO, Mr Ang Guan Hwa, who is also an Executive Director of the Company. Mr Ang Guan Hwa is the son of the Executive Chairman. The CEO leads the members of management team and is responsible for identifying, developing and formulation of the business strategies and corporate objectives for the Group and management of overall business and corporate development.

CORPORATE GOVERNANCE REPORT

All major decisions made by the Executive Chairman are discussed and reviewed by the AC. His performance is reviewed periodically by the NC and his remuneration package is reviewed periodically by the RC. As the AC, NC and RC consist of a majority of the independent board members, 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. The Board is of the view that Mr Ang Kah Hong's role as an Executive Chairman will continue to facilitate the Group's decision-making and implementation process without diminishing the capacity of the Board for independent decision-making.

In addition to managing the day-to-day business operations of the Group, the Executive Chairman, Mr Ang Kah Hong, ensures that each member of the Board and the Management works well together with integrity and competency. He sets guidelines on and ensures quality, quantity, accuracy and timeliness of information flow between the Board, Management and shareholders of the Company. He encourages constructive relations between the Board and Management and between the executive directors and the independent directors. He promotes an open environment for debate, and ensures that Independent Directors are able to speak freely and contribute effectively. He plays a pivotal role in fostering constructive dialogue between shareholders, the Board and the Management at AGMs and other shareholders meetings. He also takes a leading role in ensuring the Company's drive to achieve and maintain a high standard of corporate governance practices.

As the Chairman is not an Independent Director, the Board has appointed Mr Wong King Kheng, an independent director, as the Lead Independent Director. Mr Wong King Kheng will be available to address shareholders' concerns when contact through the normal channels of the Executive Chairman, or the CEO or the Group Chief Financial Officer ("**CFO**") has failed to provide a satisfactory resolution or when such contact is inappropriate.

Board Membership

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

The NC, regulated by a set of written terms of reference, comprises three members, majority of whom, including the Chairman, are independent and non-executive directors. The lead independent director is a member of the NC. The Board is of the view that the inclusion of an executive director in the NC would facilitate discussions at the NC meetings.

The members of the NC as at the date of this report are:

- Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong) (Chairman and Independent Director)
- Mr Wong King Kheng (Independent Director)
- Mr Ang Guan Hwa (Executive Director and Chief Executive Officer)

The principal functions of the NC stipulated in its terms of reference are summarised as follows:

- Reviews and makes recommendations to the Board on relevant matters relating to: (i) all appointments and re-appointments of directors; (ii) succession plans for Board Chairman, Directors, CEO and other key management personnel; (iii) process and criteria for evaluation of performance of the Board, its Board Committees and Directors; and (iv) training and professional development programmes for the Board and its directors;
- Reviews the Board structure, size and composition and makes recommendations to the Board with regards to any adjustments that are deemed necessary;
- Determines the independence of the Board; and
- Assesses the effectiveness of the Board and the academic and professional qualifications of each individual director.

CORPORATE GOVERNANCE REPORT

The NC is responsible for identifying and recommending new board members to the Board, after considering the relevant and desirable competencies of the candidates which include: (i) academic and professional qualifications; (ii) industry experience; (iii) number of other directorships; (iv) relevant experience as a director; and (v) ability and adequacy in carrying out required tasks. The NC leads the process for Board appointments/re-appointments and makes recommendations to the Board. The integrated process of appointment/re-appointment includes:

- (a) developing a framework on desired competencies and diversity on board;
- (b) assessing current competencies and diversity on board;
- (c) developing desired profiles of new directors;
- (d) initiating search for new directors including external search, if necessary;
- (e) shortlisting and interviewing potential candidates;
- (f) recommending appointments to and retirements from the Board; and
- (g) re-election at general meeting.

In accordance with the Company's Constitution, all Directors (except the Managing Director or an equivalent office) shall retire from office at least once every three years by rotation and all newly appointed directors will have to retire at the next AGM following their appointments. The retiring directors are eligible to offer themselves for re-election. In addition, all directors, including executive directors, must submit themselves for re-nomination and re-appointment at least once every three years in accordance with Rule 720(5) of the SGX-ST Listing Rules (Mainboard).

Mr Ang Kha King and Mr Ang Guan Hwa would be retiring by rotation pursuant to Rule 720(5) of the SGX-ST Listing Rules (Mainboard) and Article 104 of the Company's Constitution respectively at the forthcoming AGM and be eligible for re-election.

The NC has recommended the nomination of Mr Ang Kha King and Mr Ang Guan Hwa for re-election at the forthcoming AGM. In considering the nomination, the NC took into account the contributions of the directors with reference to their attendance and participation at Board meetings (and Board committee meetings where applicable) as well as proficiency with which they have discharged their responsibilities. A retiring director who is also a member of the NC abstained from nominating himself from re-election. The Board has accepted the NC's recommendation and accordingly, the above-mentioned directors will be offering themselves for re-election at the forthcoming AGM. Additional information on directors seeking re-election pursuant to Rule 720(6) of the SGX-ST Listing Rules (Mainboard) can be found on pages 56 to 59 of the Annual Report.

The NC determines the independence of each director annually, and as and when circumstances require, based on the definitions and guidelines of independence as set forth in provision 2.1 of the 2018 Code. Pursuant to Transitional Practice Note 4 Transitional Arrangements Regarding the Tenure Limit for Independent Directors, Mr Wong King Kheng and Mrs Carrie Cheong may continue to be considered independent until the conclusion of the 2024 AGM. They are likely to step down as Directors at the conclusion of the 2024 AGM. The NC considered various candidates recommended by other Board members and their networking contacts. No search consultant was appointed. One of the key considerations in the Board renewal process is to ensure that the Board is appropriately balanced to support the long-term success of the Group. Other key considerations included (a) whether the skillsets of the candidates would replace the skillsets of the long serving Directors, and/or would supplement the collective skillsets of the Directors and bring different perspectives to the Board; (b) the independence status of the candidate; and (c) whether the candidate would be able to commit sufficient time to fulfil the duties of a Director.

Where a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his/her duties as a director of the Company. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations. The Board does not prescribe a maximum number of listed company board representations which any Director with multiple board representations may hold and would review the matter on a case-by-case basis taking into account the ability and performance of each Director in his/her performance and discharge of duties and responsibilities.

CORPORATE GOVERNANCE REPORT

The profile of all Board members is set out in the section entitled “Board of Directors” on pages 17 to 19 of the Annual Report. The details of the appointment of Directors, including date of the initial appointment, date of last re-election, listed company directorships for both current and preceding three years; and principal commitments are disclosed below:

Name of Director	Date of Initial Appointment	Date of last Re-Election	Present Directorships In Listed Companies	Past (preceding 3 years) Directorships In Listed Companies	Other Principal Appointments
Ang Kah Hong	21.08.1997	27.10.2022	Tiong Woon Corporation Holding Ltd	–	–
Ang Guan Hwa	22.03.2013	26.10.2021	Tiong Woon Corporation Holding Ltd	–	–
Ang Kha King	21.08.1997	28.10.2020	Tiong Woon Corporation Holding Ltd	–	–
Ang Boon Chang	01.01.2021	26.10.2021	Tiong Woon Corporation Holding Ltd	–	–
Wong King Kheng	23.08.1999	27.10.2022	(1) Tiong Woon Corporation Holding Ltd (2) Ossia International Limited (3) Hatten Land Limited (4) JCY International Berhad (listed on Bursa Malaysia)	–	KK Wong and Associates – Managing Director
Luk Ka Lai Carrie (Mrs Carrie Cheong)	01.07.2009	26.10.2021	Tiong Woon Corporation Holding Ltd	BBR Holdings (S) Ltd	(1) Carrie Cheong & Ethel Low Consulting Pte Ltd – Director/CEO (2) Carrie Cheong & Associates – Sole Proprietor
Poon Guokun, Nicholas	01.01.2021	26.10.2021	Tiong Woon Corporation Holding Ltd	–	Breakpoint LLC – Director

Except as disclosed, there were no other directorships or chairmanship held by the Directors over the preceding three years in other listed companies.

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 Board, through the NC, has used its best effort to ensure that Directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience, knowledge in the business, competencies in finance and management skills critical to the Group’s business. It has also ensured that each Director, with his/her special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made. The Board is expected to act in good faith, with due diligence and care in the best interests of the Group to enhance long-term shareholder value.

The NC implemented an annual evaluation process to assess the effectiveness of the Board as a whole and its Board Committees, and the contribution of each individual Director. The Company did not engage an external consultant to facilitate the annual board evaluation process. The Company Secretary facilitated the annual board evaluation process. The NC is responsible for deciding how the Board’s performance may be evaluated and proposes objective performance criteria for the Board’s approval and implementing corporate governance measures to achieve good stewardship of the Company.

CORPORATE GOVERNANCE REPORT

During FY2023, all Directors were requested to complete a Board Performance Evaluation Questionnaire designed to seek their view on the various aspects of the Board performance so as to assess the overall effectiveness of the Board. The performance criteria for the Board performance evaluation include evaluation of the Board's composition and conduct, Board processes and procedures, Board accountability, evaluation and succession planning. The completed evaluation forms were submitted to the NC Chairman for collation and the consolidated responses were presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness.

The contribution of each individual Director to the effectiveness of the Board is assessed individually and reviewed by the NC. The assessment criteria include, inter alia, Director's attendance, commitment of time, participation, knowledge and abilities, teamwork and overall effectiveness. The performance of each Director will be taken into account in his/her re-election or re-appointment.

The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole has been satisfactory. Although some of the Directors have other Board representations, the NC is satisfied that these Directors are able to and have effectively carried out their duties as Directors of the Company. The Board has experienced minimal competing time commitments among its members as Board meetings are planned and scheduled well in advance. The NC has noted that its members have contributed significantly in terms of time, effort and commitments during FY2023.

Taking into account the results of the assessment of the effectiveness of the Board and of the individual Directors and the respective Directors' conduct on the Board, the NC is satisfied that all the Directors have adequately carried out their duties as Directors. Nonetheless, replacement of a director, when it happens, does not necessarily reflect the director's performance or contributions to the Board, but may be driven by the need to align the Board with the medium or long term needs of the Group.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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, regulated by a set of written terms of reference, comprises three members, all of whom, including the Chairman, are independent. As at the date of this report, the Remuneration Committee members are:

- Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong) (Chairman and Independent Director)
- Mr Wong King Kheng (Independent Director)
- Mr Poon Guokun, Nicholas (Independent Director)

RC is responsible for ensuring a formal and transparent procedure for developing policy 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 own remuneration.

The duties and responsibilities of the RC include, among others:

- review and recommend to the Board a framework of remuneration for the Board and key management personnel;
- review the specific remuneration packages of each Director, CEO (or executive of equivalent rank if the CEO is not a Director) and key management personnel. Remuneration includes, but are not limited to director fees, salaries, allowances, bonus, options, share based incentives and benefits-in-kind;
- review all aspects of remuneration, including the termination clause of the service contracts of the Directors, CEO and key management personnel to ensure that it is fair and reasonable and not overly generous; and
- review and recommend salary adjustments and bonuses of the CEO and key management personnel at each year end.

CORPORATE GOVERNANCE REPORT

All remuneration matters, except directors' fees, relating to the Directors and key management personnel require approval of the Board.

The RC's considerations and recommendation for the fee framework of independent directors had been made in consultation with the Chairman of the Board and had been endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. No member of the RC or the Board participated in the deliberation of his own remuneration.

The RC considers all aspects of remuneration, namely, director's fees, salaries, allowances, bonuses, share-based incentives and awards, other benefits-in-kind and termination terms, to ensure that they are fair. The remuneration packages of the Executive Directors and certain key management personnel are based on their respective service agreements/contracts of service. The service agreements/contracts of service cover the terms of employment, specifically salary, performance-based incentive/bonus and other benefits. The service agreements of the Executive Directors and the contracts of service of key management personnel include terms for termination with a notice period of six months and three months respectively.

The RC 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 which are not overly generous.

The RC will ensure that the remuneration package of employees who are immediate family members of a director or the Executive Chairman are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

The RC has explicit authority within its terms of reference to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary. During the financial year, the RC did not engage an external remuneration consultant. In its deliberation, the RC takes into consideration industry practices and norms in compensation, in addition to the Company's relative performance in the industry.

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.

The annual review of the remuneration is carried out by the RC to ensure that the remuneration of the Executive Directors and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. In structuring the remuneration framework, the RC also takes into account the risk policies of the Group, the need for the remuneration to be symmetric with the risk outcomes and the time horizon of risks.

The Company has a staff remuneration policy which comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary which takes into consideration the remuneration and employment conditions within the same industry and in comparable companies and variable bonus that is linked to the performance of the Group as a whole and their individual performance.

The remuneration of the Company's Executive Directors and key management personnel has been formulated to attract, retain and motivate individuals the Group relies on to achieve its business strategy and create long-term value for its shareholders. This is designed to align remuneration with the interests of shareholders and other stakeholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group. The RC believes that fair performance-related pay should motivate good performance and that rewards should be closely linked to and commensurate with it.

Mr Ang Kah Hong, the Executive Chairman, is consulted by the RC on matters relating to the other executive directors and key management personnel who report to him on matters relating to the performance of the Company. He duly abstained from participation in discussions and decisions on his own remuneration.

CORPORATE GOVERNANCE REPORT

The RC reviews periodically the Service Agreements of the Company's Executive Directors and where appropriate, the Service Contracts of key management personnel, including the compensation commitments and notice period for termination to ensure that they are not excessively long. The Company has entered into separate Service Agreements with the Executive Directors, Mr Ang Kah Hong, Mr Ang Kha King, Mr Ang Guan Hwa and Mr Ang Boon Chang.

The Company does not have any share-based compensation scheme or any long-term incentives scheme involving the offer of shares or options in place, for the Executive Directors or key management personnel at the moment.

The Independent Directors do not have any service contracts. The Independent Directors are each paid a Directors' fee which is determined by the Board and RC based on the effort and time spent as well as their responsibilities as members of the AC, NC and RC. The Group recognises the need to pay competitive fees to attract, retain and motivate the Directors without being excessive to the extent that their independence might be compromised. Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company. Except as disclosed, the Independent Directors do not receive any remuneration from the Company.

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.

The Board has deliberated with regards to the 2018 Code's recommendation to fully disclose the amounts and breakdown of remuneration of each individual Director and the CEO. The Board is of the opinion that, in view of the confidentiality nature, sensitivity and competitive reasons, the amounts and breakdown of remuneration of each individual Director are not disclosed. The Board has opted to disclose the remuneration of each individual Director in percentage terms and in incremental bands of \$250,000.

Remuneration bands and components in percentage terms of the Directors' remuneration for the financial year ended 30 June 2023 are set out below:

Name of Directors	Remuneration Band	Benefits- Directors'					Total
		Salary	Bonus	in-Kind	Fees		
		%	%	%	%	%	
Executive Directors							
Ang Kah Hong	Above \$1,250,000 and below \$1,500,000	27	72	1	–	100	
Ang Guan Hwa	Above \$750,000 and below \$1,000,000	30	70	–	–	100	
Ang Kha King	Above \$750,000 and below \$1,000,000	29	68	3	–	100	
Ang Boon Chang	Above \$250,000 and below \$500,000	39	61	–	–	100	
Independent Directors							
Wong King Kheng	Below \$250,000	–	–	–	100	100	
Luk Ka Lai Carrie (Mrs Carrie Cheong)	Below \$250,000	–	–	–	100	100	
Poon Guokun, Nicholas	Below \$250,000	–	–	–	100	100	

Except as disclosed above, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest.

CORPORATE GOVERNANCE REPORT

Remuneration bands and components in percentage terms of the top five (5) key management personnel (who are not Directors or the CEO) for the financial year ended 30 June 2023 are set out below:

Remuneration Band	Salary %	Bonus %	Benefits- In-Kind %	Directors' Fees %	Total %
Above \$250,000 and below \$500,000					
Quek Chang Yeow	67	32	1	–	100
William Tan Kwang Hwee	64	36	–	–	100
Ang Siew Chien	59	41	–	–	100
Lee Kum Mun	62	38	–	–	100
Below \$250,000					
Low Tien Pow	80	20	–	–	100

The annual aggregate remuneration paid to the top five (5) key executives (who are not Directors or the CEO) for the financial year 2023 is approximately \$1,685,000.

Besides Ms Ang Siew Chien⁽ⁱ⁾ and Mr Lee Kum Mun⁽ⁱⁱ⁾, there are two employees who are immediate family members of the Directors, the CEO, the Executive Chairman, or a substantial shareholder of the Company and whose remuneration exceeds \$100,000 during the financial year ended 30 June 2023:

- Ms Ang Hwee Chien, the daughter of Mr Ang Kah Hong (Executive Chairman), sister of Mr Ang Guan Hwa (Executive Director and CEO), niece of Mr Ang Kha King (Executive Director) and cousin of Mr Ang Boon Chang (Executive Director) and sister of Ms Ang Siew Chien (CPO), who is employed as Finance Manager and promoted to Senior Finance Manager in January 2023. She received remuneration comprising salary and bonus in the \$100,000 and \$200,000 band during the financial year.
- Ms Ang Li Fern, the daughter of Mr Ang Kha King (Executive Director), sister of Mr Ang Boon Chang (Executive Director), niece of Mr Ang Kah Hong (Executive Chairman) and cousin of Mr Ang Guan Hwa (Executive Director and CEO), who is employed as Senior Logistics Manager. She received remuneration comprising salary and bonus in the \$100,000 and \$200,000 band during the financial year.

Notes:

- Ms Ang Siew Chien, the daughter of Mr Ang Kah Hong (Executive Chairman), sister of Mr Ang Guan Hwa (Executive Director and CEO), niece of Mr Ang Kha King (Executive Director) and cousin of Mr Ang Boon Chang (Executive Director), who is employed as Group Chief People Officer ("CPO").*
- Mr Lee Kum Mun, the son-in-law of Mr Ang Kah Hong (Executive Chairman), brother-in-law of Mr Ang Guan Hwa (Executive Director and CEO), nephew-in-law of Mr Ang Kha King (Executive Director) and husband of Ms Ang Siew Chien (CPO), who is employed as Managing Director of Tiong Woon Project & Contracting Pte. Ltd..*

The Group has not implemented any share-based compensation scheme or any long-term scheme involving the offer of shares or options in place, after having considered the costs and benefits of such schemes.

ACCOUNTABILITY AND AUDIT

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 is responsible for the governance of risks and ensures that Management designs, implements, maintains and monitors a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders.

CORPORATE GOVERNANCE REPORT

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.

During the year, the AC, on behalf of the Board and through the assistance of internal and external auditors, had reviewed the effectiveness of the Group's material internal control systems including financial, operational, compliance and information technology controls, and risk management systems. The process used by the AC to monitor and review the effectiveness of the system of internal controls and risk management includes:

- (a) discussions with management on risks identified by management;
- (b) the audit processes;
- (c) the review of internal and external audit plans; and
- (d) the review of significant issues arising from internal and external audits.

The Company has designed a risk management framework to allow it to achieve its business objectives whilst assisting Management and ideally, providing early warnings of any material change to the Company's risk profile. The risk management framework comprises the policies, guidelines, and tools to provide the information and guidance material needed to integrate risk management into the Group's operation and systems, and individual decision-making process.

The Board has established an Enterprise Risk Management Committee ("**ERMC**") which is a sub-committee of the AC and overseen by the AC. As of the date of this report, the ERMC comprises: Mr Ang Guan Hwa (Executive Director and CEO), Mr Ang Boon Chang (Executive Director), Mr William Tan Kwang Hwee (CFO), Ms Ang Siew Chien (CPO), Mr Lee Kum Mun (Managing Director, Tiong Woon Project & Contracting Pte. Ltd.) and Mr Quek Chang Yeow (Managing Director, Tower Cranes Services Pte. Ltd.). Mr Ang Guan Hwa and Mr Ang Boon Chang are the Chairman and Vice-Chairman of the ERMC respectively.

The principal functions of the ERMC are:

- To review, formulate and make recommendations to the Management on risk matters and risk management; and
- To oversee the risk management function and the risk management framework.

The ERMC works closely with the AC to oversee the Group's risk management framework and policies. All identified risks are assessed by the ERMC and recorded in the Company's Risk Register. Risks which are recorded in the Risk Register are periodically reviewed by the ERMC in accordance with a timetable established by the Committee, with the assistance of the relevant risk owners. Mitigated risks are recorded in the Risk Register with appropriate precautions from reoccurrence communicated across the Group.

Complementing the risk management framework is a Group-wide system of internal controls, which includes the Code of Conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks and balances built into the business processes. To ensure that internal controls and risk management processes are adequate and effective, during the financial year, the AC is assisted by the external auditors who provide assurance over the risk of material misstatements in the Group's financial statements and the internal auditor who provides assurance that controls over the key risks of the Group is adequate and effective.

For the financial year under review, the Board has received assurance from Mr Ang Guan Hwa (Executive Director and CEO) and Mr William Tan Kwang Hwee (CFO) that to the best of their knowledge, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. The Board has also received assurance from Mr Ang Guan Hwa and other key management personnel that the risk management and internal control systems are adequate and effective, based on the established risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

Based on (i) the Group's framework of management control, (ii) the internal control policies and procedures established and maintained by the Group as well as (iii) the regular audits, monitoring and reviews performed by the internal and external auditors, the Board, with the concurrence of the AC, is of the opinion that the systems of internal controls and risk management within the Group are adequate and effective, including the financial, operational, compliance and information technology controls and risk management that has been maintained by the Group's management and that was in place throughout the financial year.

Any material non-compliance and internal control weaknesses noted during the internal audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system.

Audit Committee

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

The AC, regulated by a set of written terms of reference, comprises three directors, all of whom, including the Chairman, are independent. At the date of this report, the AC comprises the following members:

- Mr Wong King Kheng (Chairman and Independent Director)
- Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong) (Independent Director)
- Mr Poon Guokun, Nicholas (Independent Director)

There are corporate governance practices in place where a director will not recommend or participate in decisions of the Board or the Board Committee he/she sits on if he/she is interested or deemed to be interested in the decision. The Independent Directors have performed and will continue to perform their duties independent of the management.

More than half of the members of the Audit Committee have recent and relevant experience in the financial or accounting field. The Company believes in taking a holistic approach towards the constitution of its various Board committees and as such does not restrict membership only to directors who have financial and/or accounting experience.

None of the AC members were previous partners or directors of the Company's existing auditing firm, PricewaterhouseCoopers LLP, or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation and none of the AC members hold any financial interest in the auditing firm or auditing corporation.

The duties and responsibilities of the AC include those described in the Companies Act 1967 and the 2018 Code. The main responsibilities include:

- (a) reviews the annual and interim financial statements of the Company and the Group before submission to the Board for adoption (including the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any announcements relating to the Company's financial performance);
- (b) reviews with the internal and external auditors, their audit plans and audit reports;
- (c) reviews the cooperation given by the Company's officers to the external auditors;
- (d) reviews the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- (e) reviews at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- (f) reviews the assurance from the CEO and the CFO on the financial records and financial statements;
- (g) reviews interested person transactions and transactions falling within the scope of Chapter 10 of the Listing Manual;
- (h) nominates and reviews the appointment or re-appointment of external auditors;

CORPORATE GOVERNANCE REPORT

- (i) make recommendations to the Board on the remuneration and terms of engagement of external auditors;
- (j) reviews the independence of the external auditors annually;
- (k) reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- (l) undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (m) undertakes such other functions and duties as may be required by statute or the Listing Manual and by such amendments made thereto from time to time.

Apart from the above functions, the AC will commission and review the findings of internal investigations into matters where there is suspicion of fraud or irregularity, or failure of internal controls or infringement of any Singapore law or regulation or rules of the SGX-ST or any other regulatory authority in Singapore which has or is likely to have a material impact on the operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular resolution.

The AC has explicit authority to investigate any matter within its term of reference, full access to and the co-operation of management and has full discretion to invite any director or executive officer to attend its meetings, and has been given adequate resources to enable it to discharge its functions. The CEO and CFO were invited to attend meetings of the AC to report and brief the AC on the financial and operational performance of the Group and answer queries raised by the AC.

The AC reviews annually the non-audit services provided by external auditors and determines whether the provision of such services affects their independence. During the year under review, the fees paid to the external auditors for audit and non-audit services amounted to \$303,000 and \$77,000 respectively.

The AC has undertaken a review of all non-audit services provided by the external auditors for the financial year ended 30 June 2023 and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC will constantly bear in mind the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value-for-money considerations. The external auditors have unrestricted access to the AC.

The AC had recommended to the Board the nomination of PricewaterhouseCoopers LLP, for re-appointment as external auditors of the Company at the forthcoming AGM. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to accept re-appointment.

In recommending the re-appointment of the external auditors, the Audit Committee considered and reviewed various factors including the adequacy of resources, experience of supervisory and professional staff to be assigned to the audit, the size and complexity of the Group and its businesses and operations.

There is a Whistle-Blowing Policy for the Group in place, reviewed and endorsed by the AC, where employees of the Group can raise concerns about improprieties. The Policy serves to encourage and provide a channel to employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to the Chairman of the AC. The objective for such arrangement is to ensure independent investigation of such matters raised and for appropriate follow-up action to be taken. Details of the whistle-blowing policies and arrangements have been made available to all employees and provides assurance that employees will be protected from reprisal within the limits of the law.

The AC reports quarterly to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

CORPORATE GOVERNANCE REPORT

The AC and the Board have considered the Listing Rule 718 and where appropriate the revenue contribution by the subsidiaries; and have concluded that certain foreign incorporated subsidiaries are not significant to the Group. In addition, the AC and the Board have reviewed the appointment of different auditors for its foreign-incorporated subsidiaries and/or significant associated companies and were satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company.

The AC is satisfied that the Company has complied with the Listing Rules 712 and 715 of the SGX-ST Listing Rules (Mainboard).

The AC has reviewed the management's assessment and discussed with the external auditors about the identified key audit matters (refer to pages 64 to 65 of the Annual Report); and how those key audit matters have been addressed by the external auditors. Having considered the management's assessment; and the approach taken by the external auditors and their findings, the AC is satisfied with the basis and estimates adopted by the Group.

The Company has outsourced its internal audit function to Ernst & Young Advisory Pte Ltd. The objective of the internal audit function is to determine whether the Group's risk management, control and governance processes, as designed, is adequate and functioning in the required manner.

The AC approves the appointment, termination, evaluation and compensation of the internal auditors. The internal auditor has unfettered access to the Group's documents, records, properties and personnel, including access to the AC. The internal auditor plans its internal audit work and schedules in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work.

The internal auditor conducted an annual review of the effectiveness of the internal audit function and control systems of the Group, including financial, operational and compliance risks, and reported its findings to the AC. There was no significant risk or material weakness in internal controls reported by the internal auditor to the AC for the financial year.

The AC is satisfied that the internal auditor is adequately qualified (given, inter alia, its adherence to standards set by nationally or internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.

The AC meets with the external and internal auditors without the presence of the Management, at least once a year.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

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 Directors and management are committed to providing shareholders with information on all major developments in accordance with the Company's obligations. To facilitate shareholders' rights, the Company places great emphasis on investor relations and strives to maintain a high standard of transparency, ensure that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet and to promote better investor communications. It aims to provide investors with clear, balanced and useful information, on a timely basis, about the Group's performance, financial position and prospects. The Company does not practice selective disclosure. Price sensitive information is first publicly released before the Company meets with investors or analysts.

The Company supports the 2018 Code's Principle to encourage shareholder participation. Shareholders are encouraged to attend general meetings to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notice of general meetings is despatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 days or 21 days, as the case may be, before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at general meetings. Questions, comments received from shareholders and responses from the Board and Management were recorded in the minutes of general meetings.

CORPORATE GOVERNANCE REPORT

Shareholders have the opportunity to participate effectively and to vote in the AGM either in person or by proxy. Shareholders are also informed of the rules, including the voting procedures that govern general meetings.

To have greater transparency in the voting process, the Company has conducted the voting of all resolutions by poll at all its general meetings. Detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNet.

Resolutions to be passed at general meetings are always separate and distinct in terms of issue and are consistent with the 2018 Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

The Chairmen of the Board Committees are present at the AGM and other general meetings of shareholders, to assist the Board in addressing shareholders' questions. The external auditors are also present at AGM to assist the Board with enquiries relating to the conduct of the audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the Annual Report.

Whilst there is no limit imposed on the number of proxy votes for nominee companies, the Articles allow each shareholder to appoint up to two proxies to attend AGMs and any other general meeting on their behalf through proxy form sent in advance. Voting in absentia and by electronic mail only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised. This is also subject to legislative amendment to recognise electronic voting.

The forthcoming 2023 AGM will be held in a wholly physical format and there will be no option for shareholders to participate virtually. The Company will adhere to the SGX-ST's guiding principle to provide answers to shareholders' questions within reasonable timelines. Please refer to the Notice of the AGM of the Company for more information.

The Company also maintains minutes of the general meetings, which include the key comments and queries raised by shareholders and the responses from the Board and the Management. Moving forward, the Company will publish its minutes of general meetings of shareholders on its corporate website or SGXNet.

The Company's dividend policy seeks to balance dividend return to shareholders with the need for long-term sustainable growth whilst aiming for an efficient capital structure. The form, frequency and amount of dividends proposed each year will take into consideration the Group's financial performance, cash position, cash flow generated from operations, projected capital requirements for business growth, general economic conditions and other factors as the Board may deem appropriate. The Board has proposed a final dividend of 0.4 Singapore cent per ordinary share and a special dividend of 0.6 Singapore cent per ordinary share for the financial year ended 30 June 2023. This is subject to shareholders' approval at the 2023 AGM.

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.

The Company is committed to regular and timely communication with shareholders as part of the organisation's development to building systems and procedures that will enable the Group to compete internationally. The Company values investor relations and strives to maintain a high standard of transparency and to promote better investor communications. It aims to provide investors with clear, balanced and useful information, on a timely basis in accordance with its legal obligations, about the Group's performance, financial position and prospects.

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the directors or the Management questions regarding the Company and its operations.

CORPORATE GOVERNANCE REPORT

It is the Board's policy to ensure that all shareholders should be equally and timely informed of all major developments impacting the Group. The Company does not practice selective disclosure. The Company keeps its website updated and maintains a dedicated investor relations section for shareholders' convenience. Announcements disclosed through SGXNet are also posted on the Company's website.

The Company conducts its investor relations on the following principles:

- Information deemed to be price-sensitive is disseminated without delay via announcement on SGXNet;
- Endeavour to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decision; and
- Operate an open policy with regard to investors' enquiries.

Information is disseminated to shareholders through:

- SGXNet announcements and news releases;
- Press releases on major developments;
- Annual Report prepared and issued to all shareholders; and
- Company's website at www.tiongwoon.com where shareholders can access information on the Group.

Where necessary and appropriate, the Company conducts briefings with media and analysts to update the investing community of the Group's performance and developments. During such briefings and meetings, the Company solicits and understands the views of shareholders and the investing community. Shareholders with questions may contact the Company's corporate media team.

In the financial year under review, the Company reported financial results on a semi-annual basis, within the prescribed forty-five / sixty days from the end of each financial period. Through the release of its financial results, the Board aims to present shareholders with a balanced and comprehensible assessment of the Group's performance, position and prospects which extends to interim and other price sensitive public reports, and reports to regulators (if required). Pursuant to the amendments to Rule 705(2) of the SGX-ST Listing Rules (Mainboard) which took effect on 7 February 2020, the Company is not required to perform quarterly reporting. Notwithstanding the adoption of this new reporting framework, the Company remains committed in announcing material business development on a timely manner to keep shareholders updated as and when appropriate.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

The Company has regularly engaged its stakeholders through various mediums and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and standards and to sustain business operations for long term growth.

The stakeholders have been identified as those who have been impacted by or who are able to impact the Group's business and operations. They are namely, suppliers, customers, employees, community, investors and regulators.

The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues from the materiality matrix upon which targets, performance and progress are reviewed by the Board annually. Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships. More information is available in Sustainability Report 2022, which is posted on SGXNet and the Company's website at www.tiongwoon.com.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION

CODE OF BUSINESS CONDUCT

The Company's Code of Business Conduct also sets the standards and ethical conduct expected of employees of the Group. Directors, officers and employees are required to observe and maintain high standards of integrity and comply with the law and the regulations and company policies.

DEALING IN COMPANY'S SECURITIES (SGX-ST LISTING RULE 1207(19))

The Company has an internal policy in place on dealings in the Company's securities transactions by the directors, officers and employees.

During the financial year, the Company issued notifications to all directors, officers and employees of the Company informing them that they are prohibited from dealing in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year financial statements.

The directors, officers and employees are also prohibited from dealing in the Company's shares on short-term considerations under the policy.

In addition, the Company regularly reminds the directors, officers and employees that, under the provisions of the Securities and Futures Act 2001, it is an offence to deal in the Company's securities while they are in possession of unpublished, price-sensitive information.

RISK MANAGEMENT POLICIES AND PROCESSES (SGX-ST LISTING RULE 1207(4)(B)(IV))

The Group's overall risk management policy aims to minimise potential adverse effects on the financial performance of the Group. The Group has adopted risk management policies and processes that seek to mitigate these risks in a cost-effective manner.

Information on risk management, policies and processes are disclosed in the financial statements, and the Risk Factors and Risk Management are on pages 30 to 32 of the Annual Report.

MATERIAL CONTRACTS (LISTING MANUAL RULE 1207(8))

Save for the Service Agreements entered into with the Executive Directors, which are subsisting as at the end of FY2023, there were no material contracts involving the interests of the Executive Chairman, CEO, the Directors or controlling shareholders entered into by the Group which are subsisting as at the end of the financial year or entered into during the financial year.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS (SGX-ST LISTING RULE 907)

The Company has established procedures whereby transactions with interested persons are reported in a timely manner to the AC so as to ensure compliance with the rules and regulations under Chapter 9 of the Singapore Exchange's Listing Manual.

The following interested person transactions took place between the Group and interested persons during the financial year at terms agreed by the parties concerned:

Name of Interested Person	Nature of Relationship	Aggregate Value of all Interested Person Transactions During The Financial Year Under Review (Excluding Transactions Less Than \$100,000 And Transactions Conducted Under Shareholders' Mandate Pursuant to Rule 920)		Aggregate Value of All Interested Person Transactions Conducted Under Shareholders' Mandate Pursuant to Rule 920 (Excluding Transactions Less Than \$100,000)	
		FY2023	FY2022	FY2023	FY2022
		\$'000	\$'000	\$'000	\$'000
Sales					
Pollisum Engineering Pte Ltd	#	167	154	-	-
Xin Woon Transport Pte Ltd	#	-	180	-	-
Purchases					
Pollisum Engineering Pte Ltd	#	105	60	-	-
Pollisum Logistics Pte Ltd	#	-	2	-	-
Xin Woon Transport Pte Ltd	#	-	77	-	-

Notes:

An associate of sibling of Mr Ang Kah Hong (Executive Chairman) and Mr Ang Kha King (Executive Director).

SUSTAINABILITY REPORT (RULE 711A and RULE 711B of the SGX-ST LISTING RULES (MAINBOARD))

The Board takes sustainability and environmental problems into account when developing our business strategy because it recognises the significance of sustainability in our Group's operations and performance. We think that creating a sustainable company is essential to maintaining our success and that we must take full responsibility for both the financial performance of our Group and its effects on the environment, our clients, our employees, and our community.

The Company will release its Sustainability Report 2023 via SGXNet no later than 4 months after the end of financial year. A copy will also be made available on the Company's website at www.tiongwoon.com.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Information for the Directors who are retiring and being eligible offer themselves for re-election at the forth coming AGM pursuant to Rule 720(6) of the SGX-ST Listing Rule (Mainboard):

Details	Name of Retiring Directors	
	Ang Kha King	Ang Guan Hwa
Date of Appointment	21 August 1997	22 March 2013
Date of last re-appointment (if applicable)	28 October 2020	26 October 2021
Age	70	45
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for the appointment of Directors, and the re-nomination and re-election of Directors to the Board, is set out in pages 38 to 43 of the Annual Report	
Whether appointment is executive, and if so, the area of responsibility	Executive	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Executive Director and Chief Executive Officer Member of Nominating Committee Chairman of Enterprise Risk Management Committee Chairman of Sustainability Reporting Committee
Professional qualifications	Please refer to the detailed descriptions of the Directors' qualifications set out in pages 17 to 19 of the Annual Report	
Working experience and occupation(s) during the past 10 years	1997- Present Tiong Woon Corporation Holding Ltd	2020 - Present Tiong Woon Corporation Holding Ltd - Executive Director & Chief Executive Officer 2019 - 2020 Tiong Woon Corporation Holding Ltd - Executive Director & Deputy Chief Executive Officer 2013 - 2019 Tiong Woon Corporation Holding Ltd - Executive Director & Group Chief Operating Officer 2010 - 2013 Tiong Woon Corporation Holding Ltd - Group Chief Operating Officer
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 1,842,500 Deemed interest: 90,659,631	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)	Brother of Mr Ang Kah Hong (Executive Chairman) Uncle of Mr Ang Guan Hwa (Executive Director and CEO) Father of Mr Ang Boon Chang (Executive Director)	Son of Mr Ang Kah Hong (Executive Chairman) Nephew of Mr Ang Kha King (Executive Director) Cousin of Mr Ang Boon Chang (Executive Director)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Retiring Directors	
	Ang Kha King	Ang Guan Hwa
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 (for the last 5 years) Present	<p><u>Principal Commitments</u></p> <ul style="list-style-type: none"> - Tiong Woon Corporation Holding Ltd - Tiong Woon Crane & Transport (Pte) Ltd - Tiong Woon Crane Pte. Ltd. - Tiong Woon Enterprise Pte Ltd - Tiong Woon International Pte. Ltd. - Tiong Woon Marine Pte Ltd - Ang Choo Kim & Sons (Pte) Limited <p><u>Listed Directorship</u></p> <p>Tiong Woon Corporation Holding Ltd</p>	<p><u>Principal Commitments</u></p> <p>Please refer to Note 1</p> <p><u>Listed Directorship</u></p> <ul style="list-style-type: none"> - Tiong Woon Corporation Holding Ltd

Note 1: Tiong Woon Corporation Holding Ltd; Tiong Woon Crane & Transport (Pte) Ltd; Tiong Woon Crane Pte. Ltd.; Tiong Woon Crane & Equipment Pte. Ltd.; Tiong Woon Project & Contracting Pte. Ltd.; Tiong Woon Tower Crane Pte. Ltd.; Tower Cranes Services Pte. Ltd.; Tiong Woon Logistics Pte. Ltd.; Tiong Woon International Pte. Ltd.; Tiong Woon Enterprise Pte Ltd; Tiong Woon China Consortium Pte. Ltd.; Tiong Woon Offshore Pte. Ltd.; Tiong Woon Marine Pte Ltd; TW (Sabah) Pte. Ltd.; Tiong Woon Teck Aik Enterprise Pte Ltd; Ang Choo Kim & Sons (Pte) Limited; Tiong Woon Crane & Transport (M) Sdn Bhd; Tiong Woon Crane Sdn Bhd; Tiong Woon Offshore Sdn Bhd; Tiong Woon Philippines, Inc; Tiong Woon Thai Co., Ltd; Thai Contracting & Enterprises Co., Ltd; P.T. TWC Indonesia; Tiong Woon Crane & Transport Lanka (Pvt) Ltd; Tiong Woon (Huizhou) Industrial Services Co., Ltd; Tiong Woon Myanmar Company Limited; Tiong Woon Services Sdn Bhd; Tiong Woon Bangladesh Limited; Asian Supply Base Maritime Resources Sdn Bhd; ASB Maritime Resources (L) Ltd & PDT Ascend Sdn. Bhd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Name of Retiring Directors		
	Ang Kha King	Ang Guan Hwa	
<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
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details		Name of Retiring Directors	
		Ang Kha King	Ang Guan Hwa
(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
(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	No	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 corporation which has been investigated for a breach of any law or regulatory requirement governing corporations 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 in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(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	Convicted in November 2004 & June 2012; Sec 67(1)(b) : Road Traffic Act, Cap 276: driving when the person has so much alcohol in his body that the proportion of it in his breath/blood exceeds the prescribed limit. No accident/injury to any party was involved.
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange?		Not applicable. This is a re-election of Directors.	
If yes, please provide details of prior experience.			
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.			
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).			

DIRECTORS' STATEMENT

For the financial year ended 30 June 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2023 and the balance sheet of the Company as at 30 June 2023.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 68 to 125 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Ang Kah Hong
Ang Kha King
Ang Guan Hwa
Ang Boon Chang
Wong King Kheng
Luk Ka Lai, Carrie (Carrie Cheong)
Poon Guokun, Nicholas

Arrangements to enable directors to acquire shares and debentures

Neither at the end of 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.

Directors' interests in shares or debentures

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 30.6.2023	At 1.7.2022	At 30.6.2023	At 1.7.2022
Tiong Woon Corporation Holding Ltd				
(No. of ordinary shares)				
Ang Kah Hong	2,246,250	2,246,250	90,517,131	90,517,131
Ang Kha King	1,842,500	1,842,500	90,659,631	90,659,631
Wong King Kheng	32,000	32,000	–	–

At the balance sheet date, Ang Kah Hong and Ang Kha King held 5,990,298 and 2,995,149 ordinary shares, respectively, in a substantial shareholder of the Company, Ang Choo Kim & Sons (Pte) Limited. Their deemed interests in the Company through Ang Choo Kim & Sons (Pte) Limited are shown above.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2023

- (b) Ang Kah Hong and Ang Kha King, who by virtue of each of their interests individually of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's wholly-owned subsidiary and in the shares held by the Company in the following subsidiary that are not wholly-owned by the Group:

	At 30.6.2023	At 1.7.2022
Tiong Woon Crane & Transport Lanka (Pvt) Ltd		
- No. of ordinary shares	1,056,000	1,056,000

- (c) The directors' interests in the ordinary shares of the Company as at 21 July 2023 were the same as those as at 30 June 2023.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares in the Company or its subsidiaries under option at the end of the financial year.

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Mr Wong King Kheng (Chairman)
Mdm Luk Ka Lai, Carrie (Mrs Carrie Cheong)
Mr Poon Guokun, Nicholas

All members of the Audit Committee were independent directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2023 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2023

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

ANG KAH HONG
Director

ANG GUAN HWA
Director

21 September 2023

INDEPENDENT AUDITOR'S REPORT

To The Members Of Tiong Woon Corporation Holding Ltd

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Tiong Woon Corporation Holding Ltd ("the Company") and its subsidiaries ("the Group") and the balance sheet 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 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 30 June 2023;
- the balance sheets of the Group and the Company as at 30 June 2023;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for 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.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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 for the financial year ended 30 June 2023. 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.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Tiong Woon Corporation Holding Ltd

Our Audit Approach (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the matter
<p>1) Recoverability of trade receivables</p> <p>As at 30 June 2023, the Group's net trade receivables amounting to \$37,244,000, comprising gross trade receivables of \$64,884,000 and a corresponding allowance for impairment of \$27,640,000, accounted for 7.6% of the Group's total assets.</p> <p>The Group applied the simplified approach in determining expected credit loss ("ECL") rates under SFRS(I) 9 <i>Financial Instruments</i>.</p> <p>Management also considered specific allowances on specific receivables by making reference to evidence of settlement plans, cash receipts, repayment trends, financial health and outcome or status of any legal actions, if any.</p> <p>Significant judgement is required in determining whether an impairment loss should be recorded including the assessment of expected credit losses under SFRS(I) 9 <i>Financial Instruments</i>. Accordingly, we consider this to be a key audit matter.</p> <p>Please refer to Note 2.10 of the financial statements for disclosure of the related accounting policy, Note 3 for disclosure of the related critical accounting estimates and assumptions and Note 15 for the trade receivables disclosures.</p>	<p>We reviewed the Group's impairment assessment of trade receivables that were in default or overdue as at 30 June 2023.</p> <p>We obtained an understanding of significant credit exposures on the trade receivables which were either overdue, in default or had been specifically identified via collection reports and analysis of aged receivables produced by the credit department. We corroborated our understanding with external data where applicable.</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Examined proposed or existing settlement plans against evidence of cash receipts, where these had been received; • Examined repayment trends during the year, evidence of dispute and the financial health of selected counterparties; • Obtained confirmation for selected counterparties; • Considered legal opinion on the likelihood of recovery of selected balances for which the Group has commenced legal actions on; and • Reviewed management's ECL assessment on trade receivables including examining and validating the data used to determine historical loss rates adjusted with forward-looking information. <p>Based on the results of the above procedures, we found the results of our procedures to be consistent with the results of management's assessment.</p>

INDEPENDENT AUDITOR'S REPORT

To The Members Of Tiong Woon Corporation Holding Ltd

Our Audit Approach (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the matter
2) Impairment assessment of property, plant and equipment ("PPE")	
<p>As at 30 June 2023, the Group has PPE amounting to \$342,993,000 and accounts for 69.8% of the Group's total assets.</p> <p>Certain subsidiaries of the Group with material PPE balances hold equipment that are infrequently utilised. As such, there are indications that these assets might be impaired.</p> <p>Given the nature of these PPE, the assessment of impairment involves the application of significant judgement. Accordingly, we consider this to be a key audit matter.</p> <p>An impairment loss is recognised to the extent that the carrying amount is more than its recoverable amount. The recoverable amount is determined based on the fair value less costs of disposal.</p> <p>Please also refer to Notes 2.6 and 2.9 of the financial statements for disclosure of the related accounting policies, Note 3 for disclosure of the related critical accounting estimates, assumptions and judgements and Note 21 for the PPE disclosures.</p>	<p>We reviewed the Group's PPE to determine where impairment indicators exist. Based on existing market conditions, impairment indicators were identified mainly for the machinery category of assets.</p> <p>The approach to assessing impairment for these PPE included the following:</p> <ul style="list-style-type: none"> • Obtained understanding of historical PPE utilisation rate trends; • Examined the utilisation reports for these assets, to identify assets with low utilisation rates; • Obtained external valuation reports for such identified assets; • Evaluated the competence, capabilities and objectivity of the independent valuer engaged by management and assessed the reasonableness of the methodology adopted; and • Compared the carrying amount of the assets against the recoverable amount. <p>Based on our procedures, we found management's assessment in determining the carrying value of the property, plant and equipment to be reasonable.</p>

Other Information

Management is responsible for the other information. The other information comprises all the sections of 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.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Tiong Woon Corporation Holding Ltd

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the 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 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 included overseeing the Group's financial reporting process.

Auditor's Responsibility 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 the 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 the 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.
- 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 the 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 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 with 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.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Tiong Woon Corporation Holding Ltd

Auditor's Responsibility for the Audit of the Financial Statements (continued)

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 for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations 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.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Chin San.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 21 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Revenue	4	135,815	122,588
Cost of sales	5	(81,665)	(73,247)
Gross profit		54,150	49,341
Other income	7	3,489	2,610
Impairment loss on financial assets - net		(586)	(2,223)
Other gains/(losses) - net	8	1,272	(459)
Expenses			
- Administrative	5	(1,419)	(1,129)
- Other operating	5	(32,808)	(28,969)
- Finance	9	(3,951)	(2,766)
Share of profit/(loss) of associated companies		137	(13)
Profit before income tax		20,284	16,392
Income tax expense	10	(4,629)	(5,064)
Total profit		15,655	11,328
Other comprehensive loss:			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences arising from consolidation			
- Losses		(1,911)	(448)
Total comprehensive income		13,744	10,880
Profit/(Loss) attributable to:			
Equity holders of the Company		15,698	11,391
Non-controlling interest		(43)	(63)
		15,655	11,328
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		13,786	10,935
Non-controlling interest		(42)	(55)
		13,744	10,880
Earnings per share attributable to equity holders of the Company			
- Basic and diluted	12	6.77 cents	4.90 cents

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

BALANCE SHEETS

As at 30 June 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	13	75,504	55,974	1,122	366
Financial assets, at fair value through profit or loss	14	191	211	-	-
Trade and other receivables	15	47,189	51,470	-	-
Tax recoverable		80	42	-	-
Inventories	16	2,329	2,128	-	-
Other assets	17	2,328	2,032	9	9
		127,621	111,857	1,131	375
Assets held-for-sale	11	4,198	-	-	-
		131,819	111,857	1,131	375
Non-current assets					
Other assets	17	1,176	1,196	-	-
Other receivables	18	-	-	42,007	43,239
Investments in associated companies	19	3,018	2,969	1,020	1,020
Investments in subsidiaries	20	-	-	44,880	44,884
Property, plant and equipment	21	342,993	346,654	-	-
Right-of-use assets	22	12,379	13,183	-	-
Deferred income tax assets	27	128	398	-	-
		359,694	364,400	87,907	89,143
Total assets		491,513	476,257	89,038	89,518
LIABILITIES					
Current liabilities					
Trade and other payables	24	42,312	40,597	282	259
Current income tax liabilities		4,300	4,817	-	-
Borrowings	25	20,768	21,191	-	-
		67,380	66,605	282	259
Non-current liabilities					
Trade and other payables	24	24,221	5,361	-	-
Borrowings	25	78,480	95,083	-	-
Deferred income tax liabilities	27	28,144	28,313	-	-
		130,845	128,757	-	-
Total liabilities		198,225	195,362	282	259
NET ASSETS		293,288	280,895	88,756	89,259
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	28	87,340	87,340	87,340	87,340
Treasury shares	28	(192)	-	(192)	-
Other reserves	29	(2,794)	(882)	-	-
Retained earnings		209,005	194,466	1,608	1,919
		293,359	280,924	88,756	89,259
Non-controlling interest		(71)	(29)	-	-
Total equity		293,288	280,895	88,756	89,259

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

	Note	Attributable to equity holders of the Company						Total equity \$'000
		Share capital	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interest	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2023								
Balance as at 1 July 2022		87,340	-	(882)	194,466	280,924	(29)	280,895
Profit/(loss) for the year		-	-	-	15,698	15,698	(43)	15,655
Other comprehensive (loss)/income for the year		-	-	(1,912)	-	(1,912)	1	(1,911)
Total comprehensive (loss)/income for the year		-	-	(1,912)	15,698	13,786	(42)	13,744
Purchase of treasury shares	28	-	(192)	-	-	(192)	-	(192)
Dividend relating to 2022 paid	30	-	-	-	(1,159)	(1,159)	-	(1,159)
Total transactions with owners, recognised directly in equity		-	(192)	-	(1,159)	(1,351)	-	(1,351)
Balance as at 30 June 2023		87,340	(192)	(2,794)	209,005	293,359	(71)	293,288
2022								
Balance as at 1 July 2021		87,340	-	(426)	184,004	270,918	26	270,944
Profit/(loss) for the year		-	-	-	11,391	11,391	(63)	11,328
Other comprehensive (loss)/income for the year		-	-	(456)	-	(456)	8	(448)
Total comprehensive (loss)/income for the year		-	-	(456)	11,391	10,935	(55)	10,880
Dividend relating to 2021 paid	30	-	-	-	(929)	(929)	-	(929)
Balance as at 30 June 2022		87,340	-	(882)	194,466	280,924	(29)	280,895

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Total profit		15,655	11,328
Adjustments for:			
- Income tax expense		4,629	5,064
- Depreciation of property, plant and equipment		31,131	30,650
- Depreciation of right-of-use assets		930	1,242
- Dividend income		(11)	-
- Gain on disposal of property, plant and equipment		(2,658)	(290)
- Fair value loss on financial assets, at fair value through profit or loss		20	82
- Bad debt written off		75	-
- Impairment loss on financial assets - net		586	2,223
- Interest income		(1,651)	(379)
- Interest expense		3,951	2,766
- Share of (profit)/loss of associated companies		(137)	13
- Translation differences		227	1,036
Operating cash flow before working capital changes		52,747	53,735
Change in operating assets and liabilities			
- Inventories		(201)	(233)
- Trade and other receivables		4,450	(6,595)
- Other assets		(295)	(280)
- Trade and other payables		(8,276)	(6,734)
Cash generated from operations		48,425	39,893
Income tax paid		(4,902)	(2,932)
Net cash provided by operating activities		43,523	36,961
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,594)	(13,211)
Purchase of structured deposits		-	(1,196)
Interest received		1,651	379
Dividend received		11	-
Fixed deposits unpledged/(pledged)		101	(277)
Proceeds from disposal of shareholding in an associated company		6	-
Proceeds from disposal of property, plant and equipment		7,156	4,526
Net cash provided by/(used in) investing activities		5,331	(9,779)
Cash flows from financing activities			
Purchase of treasury shares		(192)	-
Proceeds from bank borrowings		-	10,073
Principal repayment of bank borrowings		(6,388)	(8,523)
Repayment of other secured borrowings		(16,876)	(13,752)
Interest paid		(3,850)	(2,753)
Principal repayments of lease liabilities		(758)	(1,113)
Dividends paid to equity holders of the Company		(1,159)	(929)
Net cash used in financing activities		(29,223)	(16,997)
Net increase in cash and cash equivalents		19,631	10,185
Cash and cash equivalents at beginning of financial year		55,022	44,837
Cash and cash equivalents at end of financial year	13	74,653	55,022

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2023

Reconciliation of liabilities arising from financing activities

	1 July 2022 \$'000	Principal and interest payments \$'000	Proceeds from borrowings \$'000	Non-cash changes				30 June 2023 \$'000
				Lease Modification \$'000	Hire purchase of equipment \$'000	Interest expense \$'000	Others \$'000	
Bank borrowings	63,493	(8,805)	–	–	–	2,518	(101)	57,105
Other secured borrowings	39,157	(17,853)	–	–	6,871	977	–	29,152
Lease liabilities	13,624	(1,168)	–	126	–	410	(1)	12,991

	1 July 2021 \$'000	Principal and interest payments \$'000	Proceeds from borrowings \$'000	Non-cash changes				30 June 2022 \$'000
				Additions \$'000	Hire purchase of equipment \$'000	Interest expense \$'000	Others \$'000	
Bank borrowings	61,943	(9,569)	10,073	–	–	1,059	(13)	63,493
Other secured borrowings	42,907	(14,964)	–	–	10,002	1,212	–	39,157
Lease liabilities	12,184	(1,488)	–	2,553	–	375	–	13,624

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

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

1. General information

Tiong Woon Corporation Holding Ltd (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is No. 15 Pandan Crescent, Singapore 128470.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries are set out in Note 20.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group 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 assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Interpretations and amendments to published standards effective in 2023

On 1 July 2022, the Group has 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).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.3 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group’s activities. The Group recognises revenue from each of its activities as follows:

(a) Rental income

Rental income from operating leases of machinery with manpower integral to the leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(b) Rendering of services

Revenue from services is recognised as a performance obligation satisfied over time. Such services include mechanical, infrastructure and industrial plant engineering and structural works, management of marine and industrial projects. The measure of progress is determined based on the actual services provided as a proportion of the total services to be performed.

(c) Trading sales of equipment

The Group sells equipment in various markets and revenue is recognised when control of the products has transferred to its customer, being when a Group entity has delivered the products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the acceptance of the products and collectability of the related receivables is reasonably assured.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.3 Revenue recognition (continued)

(c) Trading sales of equipment (continued)

Revenue is recognised at a point in time when the equipment are delivered to the customer.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Interest income

Interest income is recognised using the effective interest method.

2.4 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.5 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

For an acquisition of an entity that does not meet the definition of a "Business" under SFRS(I) 3, the asset acquisition method is applied. The total cost of acquisition is allocated to qualifying assets on a relative fair value basis and any excess of the carrying value of the net assets of the entity and the total allocated cost is recognised under "other reserves".

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard. Amounts previously recognised in other reserves are reclassified directly into retained earnings.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" (Note 2.8) for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company.

If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" (Note 2.8) for the accounting policy on investments in associated companies in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.6 Property, plant and equipment

(a) Measurement

All property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price, projected costs of dismantlement, removal or restoration, gains or losses on qualifying cash flow hedges and any other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Freehold land and asset under construction are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Buildings and leasehold land	Shorter of 30 years and the lease term
Machinery	
- Cranes	14 - 25 years from year of manufacture
- Other machinery	1 - 10 years
Tug boats and barges	5 - 10 years
Office equipment	5 - 10 years
Computer software	5 years
Furniture and fixtures	10 years
Office renovation	2 - 5 years
Motor vehicles	5 - 10 years
Right-of-use assets	2 - 24 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains/(losses) - net".

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.8 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet (Note 2.9).

On disposal of such investments, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

Property, plant and equipment, right-of-use assets and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating-unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed only if, there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.10 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following categories:

- Amortised cost; and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents, and trade and other receivables.

Financial assets of the Group are subsequently measured as follows:

Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) *Equity instruments*

The Group subsequently measures all its equity instruments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains/(losses) - net". Dividends from equity investments are recognised in profit or loss as "other income".

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and cash equivalents, other receivables, deposits and amounts due from related parties, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.11 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intragroup transactions are eliminated on consolidation.

Financial guarantees are initially recognised at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.14 Leases

- (a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.14 Leases (continued)

(a) When the Group is the lessee: (continued)

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.14 Leases (continued)

(b) When the Group is the lessor:

The Group leases equipment under finance leases and certain property, plant and equipment under operating leases to non-related parties.

- Lessor – Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in “trade and other receivables”. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

- Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight -line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.16 Income taxes (continued)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.17 Provisions

Provisions for asset dismantlement, removal or restoration and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets (Note 2.6). This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the change in the liability is recognised in profit or loss immediately.

Provision for warranty is recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. The Group recognises the estimated costs of rectification and guarantee work, including expected warranty costs on its contract activity.

2.18 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.19 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate expenses to borrowings are presented in the income statement within “finance expenses”. All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “other gains/(losses) - net”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities’ financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) Income and expenses are translated at average exchange rates (unless the average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Senior Management of the Group whose members are responsible for allocating resources and assessing performance of the operating segments.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.22 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.23 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.24 Assets held-for-sale

Assets 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. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment of property, plant and equipment - Machinery, tug boats and barges

The machinery, tug boats and barges are tested for impairment whenever there is an objective evidence or indication that they may be impaired. An impairment loss is recognised to the extent that the carrying amount is more than its recoverable amount. The recoverable amount is determined based on the fair value less costs of disposal. In assessing the fair value less costs of disposal, the Group engaged independent valuation specialists to determine the fair value as at 30 June 2023. The independent valuers used a valuation technique based on recent sales and other comparable market data.

As at 30 June 2023, the recoverable amounts have been determined based on fair value less costs of disposal.

(b) Impairment of trade receivables

Management reviews its trade receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

As at 30 June 2023, the Group's net trade receivables amounted to \$37.2 million (2022: \$37.1 million), arising from the Group's different revenue segments as disclosed in Note 34.

Based on the Group's historical credit loss experience, trade receivables exhibited different loss patterns depending on the type of trade receivables that are grouped based on shared credit risk characteristics. Accordingly, management has determined expected loss rates for each of the trade receivables.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

As at 30 June 2023, the impairment loss allowance for trade receivables was \$27.6 million (2022: \$28.8 million). The Group's trade receivables included one debtor, whose debt amounted to \$11.4 million (2022: \$12.0 million) which is aged more than 365 days. Allowance for impairment of \$11.4 million has been made for this debt (2022: \$12.0 million).

The Group's and the Company's credit risk exposure for the trade receivables and contract assets by different segment are set out in Note 32(b)(i).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

4. Revenue

(a) Disaggregation of revenue from contracts with customer

	Heavy Lift & Haulage \$'000	Marine Transportation \$'000	Trading \$'000	Total \$'000
2023				
Types of goods or service:				
Rendering of services	31,305	–	–	31,305
Trading sales of equipment and spare parts	–	–	1,278	1,278
Total revenue from contracts with customers	31,305	–	1,278	32,583
Rental income	100,380	2,852	–	103,232
Total revenue	131,685	2,852	1,278	135,815
Timing of revenue recognition:				
At a point in time	–	–	1,278	1,278
Over time	31,305	–	–	31,305
Total revenue from contracts with customers	31,305	–	1,278	32,583
Geographical information:				
Singapore	103,622	249	1,218	105,089
Brunei	792	430	–	1,222
Middle East	3,086	–	–	3,086
India	8,964	12	–	8,976
Malaysia	2,217	58	–	2,275
Thailand	2,634	765	–	3,399
Indonesia	6,929	26	52	7,007
China	254	–	–	254
Other countries	3,187	1,312	8	4,507
Total revenue	131,685	2,852	1,278	135,815

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

4. Revenue (continued)

(a) Disaggregation of revenue from contracts with customer (continued)

	Heavy Lift & Haulage \$'000	Marine Transportation \$'000	Trading \$'000	Total \$'000
2022				
Types of goods or service:				
Rendering of services	18,304	44	–	18,348
Trading sales of equipment and spare parts	200	–	3,076	3,276
Total revenue from contracts with customers	18,504	44	3,076	21,624
Rental income	97,432	3,532	–	100,964
Total revenue	115,936	3,576	3,076	122,588
Timing of revenue recognition:				
At a point in time	200	–	3,076	3,276
Over time	18,304	44	–	18,348
Total revenue from contracts with customers	18,504	44	3,076	21,624
Geographical information:				
Singapore	92,585	254	2,891	95,730
Middle East	2,383	–	–	2,383
India	8,044	538	175	8,757
Malaysia	1,626	28	–	1,654
Thailand	759	451	–	1,210
Indonesia	5,715	–	10	5,725
China	1,246	–	–	1,246
Other countries	3,578	2,305	–	5,883
Total revenue	115,936	3,576	3,076	122,588

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

4. Revenue (continued)

(b) Contract assets and liabilities

	30 June		1 July
	2023	2022	2022
	\$'000	\$'000	\$'000
<i>Contract assets</i>			
- Accrued income from non-related parties	1,461	1,784	1,003
Total contract assets	1,461	1,784	1,003
<i>Contract liabilities</i>			
- Deferred revenue	4,687	96	172
- Deposits and advances received	909	752	614
Total contract liabilities	5,596	848	786

(i) Revenue recognised in relation to contract liabilities

	2023	2022
	\$'000	\$'000
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period	241	172

(ii) Unsatisfied performance obligation

As permitted under SFRS(I) 15, the remaining unsatisfied performance obligations are not disclosed as they are part of a contract that has expected duration of one year or less.

(c) Trade receivables from contracts with customers

	30 June		1 July
	2023	2022	2022
	\$'000	\$'000	\$'000
<i>Current assets</i>			
Trade receivables from contracts with customers	9,861	5,293	5,429
Loss allowance	(413)	(469)	(623)
	9,448	4,824	4,806

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

5. Expenses by nature

	Group	
	2023	2022
	\$'000	\$'000
Audit fees to:		
Auditors of the Company	303	278
Other auditors	75	71
Non-audit fees to:		
Auditors of the Company	77	76
Other auditors	65	75
Bad debt written off	75	–
Cost of trading equipment and spare parts	1,020	2,830
Cross-hire charges	2,787	1,312
Depreciation of property, plant and equipment (Note 21)	31,131	30,650
Depreciation of right-of-use assets (Note 22)	930	1,242
Employee compensation (Note 6)	45,262	41,665
Freight and handling	2,137	712
Hire of equipment	2,775	798
Insurance	2,271	2,351
Professional fees	545	283
Rental expense	481	445
Sub-contractor charges	1,615	1,231
Transportation expense	3,063	2,338
Upkeep of property, plant and equipment	5,370	3,565
Purchases of inventories	5,386	4,561
Changes in inventories	(201)	(232)
Other expenses	10,725	9,094
Total cost of sales, administrative expenses and other operating expenses	115,892	103,345

6. Employee compensation

	Group	
	2023	2022
	\$'000	\$'000
Wages and salaries	42,540	39,030
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	2,722	2,635
Amounts attributable to operations (Note 5)	45,262	41,665

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7. Other income

	Group	
	2023	2022
	\$'000	\$'000
Dividend income	11	–
Interest income		
- Bank deposits	1,605	262
- Finance leases	46	117
Insurance claims received	251	324
Government grants	347	1,762
Miscellaneous gains	1,229	145
	3,489	2,610

Government grant of \$Nil (2022: \$271,000) was recognised during the financial year under the Jobs Support Scheme (the “JSS”). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprise retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

8. Other gains/(losses) - net

	Group	
	2023	2022
	\$'000	\$'000
Fair value loss on financial assets at fair value through profit and loss	(20)	(82)
Gain on disposal of property, plant and equipment	2,658	290
Currency exchange loss - net	(1,366)	(667)
	1,272	(459)

9. Finance expenses

	Group	
	2023	2022
	\$'000	\$'000
Interest expense		
- Bank borrowings	2,518	1,059
- Other secured borrowings	977	1,212
- Lease liabilities	410	375
- Others	46	120
	3,951	2,766

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

10. Income taxes

Income tax expense

	Group	
	2023	2022
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Current income tax		
- Singapore	3,677	3,884
- Foreign	1,587	1,005
	5,264	4,889
Deferred income tax (Note 27)	681	(21)
Tax charge for current financial year	5,945	4,868
(Over)/Under provision in previous financial years		
- Current income tax	(758)	(40)
- Deferred income tax (Note 27)	(558)	236
	4,629	5,064

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2023	2022
	\$'000	\$'000
Profit before income tax	20,284	16,392
Share of loss/(profit) of associated companies, net of tax	(137)	13
Profit before tax and share of loss/(profit) of associated companies	20,147	16,405
Tax calculated at a tax rate of 17% (2022: 17%)	3,425	2,789
- Statutory income exemptions	(186)	(162)
- Income not subject to tax	(1,674)	(254)
- Expenses not deductible for tax purposes	3,173	2,060
- Effect of different tax rates in other countries	254	(35)
- Deferred tax assets not recognised due to tax losses	983	654
- Utilisation of previously unrecognised tax losses	(31)	(184)
- (Over)/Under provision in previous financial years	(1,315)	196
Tax charge	4,629	5,064

11. Assets held-for-sale

During the current financial year, the Group entered into sale and purchase agreements to sell certain machineries (Note 21) to third party customers for total consideration of \$5,334,000. The assets were classified as assets held-for-sale as the assets are available for immediate sale in their present condition. The sale is expected to be completed in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

12. Earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2023	2022
Net profit attributable to equity holders of the Company (\$'000)	15,698	11,391
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	231,907	232,235
Basic and diluted earnings per share (cents per share)	6.77	4.90

13. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	19,476	23,352	1,122	366
Short-term bank deposits	56,028	32,622	-	-
	75,504	55,974	1,122	366

For the purpose of presenting the consolidated statement of cash flows, the cash and cash equivalents comprise the following:

	Group	
	2023	2022
	\$'000	\$'000
Cash and bank balances (as above)	75,504	55,974
Less: Bank deposits pledged	(851)	(952)
Cash and cash equivalents per consolidated statement of cash flows	74,653	55,022

Bank deposits are pledged as collateral for bank guarantees given by the Group's bankers to certain customers of the Group and to certain authorities.

14. Financial assets, at fair value through profit or loss

	Group	
	2023	2022
	\$'000	\$'000
Listed securities:		
- Equity securities - Singapore	191	211

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

15. Trade and other receivables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables - third parties	64,884	65,852	-	-
Less: Allowance for impairment of trade receivables (Note 32(b))	(27,640)	(28,752)	-	-
Trade receivables - net	37,244	37,100	-	-
Other receivables - third parties	4,267	9,331	495	495
Less: Allowance for impairment of other receivables (Note 32(b))	(1,621)	(1,826)	(495)	(495)
Other receivables - net	2,646	7,505	-	-
Finance lease receivables (Note 23)	-	535	-	-
Contract assets (Note 4(b))	1,461	1,784	-	-
Withholding tax recoverable	887	960	-	-
Accrued income	4,951	3,586	-	-
	47,189	51,470	-	-

16. Inventories

	Group	
	2023 \$'000	2022 \$'000
Fuel and spare parts	2,329	2,128

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$5,185,000 (2022: \$4,329,000).

17. Other assets

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Current</u>				
Deposits	749	925	-	-
Prepayments	1,579	1,107	9	9
	2,328	2,032	9	9
<u>Non-current</u>				
Structured deposits	1,176	1,196	-	-
	3,504	3,228	9	9

Structured deposits are interest-bearing deposits placed with a bank in the prior financial year for a period of 4 years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

18. Other receivables - non-current

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Other receivables from subsidiaries (non-trade)				
- non-interest bearing (unsecured)	-	-	42,007	43,239

The Company's non-interest bearing receivables have no fixed terms of repayment and are not expected to be repaid within the next 12 months. They are intended to be a long-term source of additional capital for the subsidiaries. Settlement of these receivables is neither planned nor likely to occur in the foreseeable future.

19. Investments in associated companies

	Company	
	2023	2022
	\$'000	\$'000
<i>Equity investments at cost</i>		
Beginning and end of financial year	1,020	1,020

Set out below are the associated companies of the Group, which, in the opinion of the directors, are material to the Group. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

Name of entity	Place of business/ Country of incorporation	% of ownership interest	
		2023	2022
ASB Maritime Resources (L) Ltd	Malaysia	49	49
Asian Supply Base Maritime Resources Sdn Bhd	Malaysia	49	49
PDT Ascend Sdn. Bhd.	Malaysia	20	39

ASB Maritime Resources (L) Ltd provides fast crew boat leasing in Labuan, Malaysia.

Asian Supply Base Maritime Resources Sdn Bhd provides marine support services for offshore drilling activities in the oil and gas industry in Malaysia.

PDT Ascend Sdn. Bhd. provides operation and maintenance of heavy lifting and heavy transport services and other related business in Malaysia.

There are no contingent liabilities relating to the Group's interest in the associated companies.

Summarised financial information for associated companies

Set out below are the summarised financial information for ASB Maritime Resources (L) Ltd, Asian Supply Base Maritime Resources Sdn Bhd and PDT Ascend Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

19. Investments in associated companies (continued)

Summarised balance sheet

	ASB Maritime Resources (L) Ltd		Asian Supply Base Maritime Resources Sdn Bhd		PDT Ascend Sdn. Bhd.		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	4,876	3,722	4,883	3,922	266	97	10,025	7,741
Includes:								
- Cash and cash equivalents	70	72	171	185	1	16	242	273
Current liabilities	(699)	(500)	(4,643)	(3,506)	(247)	(70)	(5,589)	(4,076)
Non-current assets	1,694	2,337	39	51	1	15	1,734	2,403
Net assets	5,871	5,559	279	467	20	42	6,170	6,068

Summarised statement of comprehensive income/(loss)

	ASB Maritime Resources (L) Ltd		Asian Supply Base Maritime Resources Sdn Bhd		PDT Ascend Sdn. Bhd.		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	1,271	1,280	2,252	2,131	294	160	3,817	3,571
Expenses								
Includes:								
- Depreciation and amortisation	(583)	(582)	(8)	(9)	-	(1)	(591)	(592)
Profit/(Loss) from continuing operations	489	457	(133)	(372)	1	(141)	357	(56)
Post-tax profit/(loss) from continuing operations and total comprehensive income/(loss)	474	457	(187)	(372)	(16)	(141)	271	(56)

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated companies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

19. Investments in associated companies (continued)

Reconciliation of summarised financial information

	ASB Maritime Resources (L) Ltd		Asian Supply Base Maritime Resources Sdn Bhd		PDT Ascend Sdn. Bhd.		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net assets								
At 1 July	5,559	4,922	467	847	42	181	6,068	5,950
Profit/(Loss) for the year	474	457	(187)	(372)	(16)	(141)	271	(56)
Foreign exchange differences	(162)	180	(1)	(8)	(6)	2	(169)	174
At 30 June	5,871	5,559	279	467	20	42	6,170	6,068
Interest in associated companies	2,877	2,724	137	229	4	16	3,018	2,969
Carrying value	2,877	2,724	137	229	4	16	3,018	2,969

20. Investments in subsidiaries

	Company	
	2023	2022
	\$'000	\$'000
<i>Equity investments, at cost</i>		
Beginning of financial year	47,177	47,177
Less: Provision for impairment in investment - net	(2,297)	(2,293)
End of financial year	44,880	44,884

The Group has the following subsidiaries as at 30 June 2023 and 2022:

Name of companies	Principal activities	Country of incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2023	2022	2023	2022	2023	2022
			%	%	%	%	%	%
Subsidiaries held by the Company								
Tiong Woon Crane & Transport (Pte) Ltd ^(a)	Hiring out of cranes and transport and trading	Singapore	100	100	100	100	-	-
Tiong Woon Crane Pte. Ltd. ^(a)	Hiring out of cranes and transport	Singapore	100	100	100	100	-	-
Tiong Woon Project & Contracting Pte. Ltd. ^(a)	Mechanical and infrastructure engineering services and structural works	Singapore	100	100	100	100	-	-
Tiong Woon Enterprise Pte Ltd ^(a)	Trading of cranes	Singapore	100	100	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

20. Investments in subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2023	2022	2023	2022	2023	2022
			%	%	%	%	%	%
Subsidiaries held by the Company (continued)								
Tiong Woon International Pte. Ltd. ^(a)	Investment holding, hiring out of cranes and transport and supply chain management	Singapore	100	100	100	100	-	-
Tiong Woon Tower Crane Pte. Ltd. ^(a)	Selling, servicing and leasing of equipment in the petroleum, construction, shipbuilding and related industries	Singapore	100	100	100	100	-	-
Tiong Woon Marine Pte Ltd ^(a)	Marine/transportation logistics related business	Singapore	100	100	100	100	-	-
Tiong Woon Offshore Pte. Ltd. ^(a)	Marine/transportation logistics related business	Singapore	100	100	100	100	-	-
TW (Sabah) Pte. Ltd. ^(a)	Marine/transportation logistics related business	Singapore	100	100	100	100	-	-
Tiong Woon China Consortium Pte. Ltd. ^(a)	Investment holding	Singapore	100	100	100	100	-	-
Tiong Woon Logistics Pte. Ltd. ^(a)	Freight forwarding services and logistics related business	Singapore	100	100	100	100	-	-
Tiong Woon Teck Aik Enterprise Pte. Ltd. ^(a)	Dormant	Singapore	100	100	100	100	-	-
Tiong Woon Crane & Transport (M) Sdn Bhd ^(b)	Hiring out of cranes and transport	Malaysia	100	100	100	100	-	-
Tiong Woon Offshore Sdn Bhd ^{(c)(p)}	Marine/transportation logistics related business	Malaysia	100	100	100	100	-	-
Tiong Woon Thai Co. Ltd ^{(d)(p)}	Hiring out of cranes and transport	Thailand	100	100	100	100	-	-
Thai Contracting & Enterprises Co., Ltd ^{(d)(q)}	Hiring out of cranes and transport	Thailand	100	100	100	100	-	-
P.T. TWC Indonesia ^(e)	Hiring out of cranes and transport	Indonesia	100	100	100	100	-	-
TWC Arabia Company Ltd ^{(f)(p)}	Hiring out of cranes and transport	Saudi Arabia	100	100	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

20. Investments in subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2023	2022	2023	2022	2023	2022
			%	%	%	%	%	%
Subsidiaries held by the Company (continued)								
Tiong Woon Vietnam Company Limited ^(a)	Hiring out of cranes and transport	Vietnam	100	100	100	100	-	-
Tiong Woon Myanmar Company Limited ^(h)	Hiring out of cranes and transport	Myanmar	100	100	100	100	-	-
5 Elephant Co., Ltd ^{(h)(p)}	Hiring out of cranes and transport	Myanmar	100	100	100	100	-	-
Tiong Woon Crane & Transport Lanka (Pvt) Ltd ⁽ⁱ⁾	Hiring out of cranes and transport	Sri Lanka	80	80	80	80	20	20
Tiong Woon Services Sdn Bhd ^{(i)(p)}	Heavy lifting, heavy transportation, mechanical installation, equipment leasing and marine transportation	Brunei Darussalam	100	100	100	100	-	-
Tiong Woon Bangladesh Limited ^{(k)(p)}	Hiring of heavy machinery and equipment, engineering and technical services, import, export and transportation	Bangladesh	100	100	100	100	-	-
Subsidiary held by Tiong Woon Crane & Transport (Pte) Ltd								
Tiong Woon Crane & Equipment Pte. Ltd. ^(a)	Hiring out of cranes and transport	Singapore	-	-	100	100	-	-
Subsidiary held by Tiong Woon Project & Contracting Pte. Ltd.								
Tiong Woon Project & Contracting (India) Private Limited ⁽ⁱ⁾	Mechanical and infrastructure engineering services and structural works	India	-	-	100	100	-	-
Subsidiaries held by Tiong Woon International Pte. Ltd.								
P.T. Tiong Woon Indonesia ^(m)	Dormant	Indonesia	-	-	100	100	-	-
Tiong Woon Philippines, Inc ⁽ⁿ⁾	Hiring out of cranes and transport	Philippines	-	-	100	100	-	-
Subsidiary held by Tiong Woon Tower Crane Pte. Ltd.								
Tower Cranes Services Pte. Ltd. ^(a)	Servicing, erection, jacking and dismantling of tower cranes	Singapore	-	-	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

20. Investments in subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2023	2022	2023	2022	2023	2022
			%	%	%	%	%	%

Subsidiary held by Tiong Woon China Consortium Pte. Ltd.

Tiong Woon (Huizhou) Industrial Services Co., Ltd ^(a)	Heavy lifting services in the oil, gas, petrochemicals and other related construction industries	People's Republic of China	-	-	100	100	-	-
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Subsidiary held by Tiong Woon Crane & Transport (M) Sdn Bhd

Tiong Woon Crane Sdn Bhd ^{(b)(p)}	Hiring out of cranes and transport	Malaysia	-	-	100	100	-	-
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- (a) Audited by PricewaterhouseCoopers LLP, Singapore
- (b) Audited by Baker Tilly HYT
- (c) Audited by Ng, Lee & Partners
- (d) Audited by FBLP Audit and Business Consulting Services Ltd
- (e) Audited by KAP Handoko & Suparmun
- (f) Audited by PricewaterhouseCoopers, Al-Khobar
- (g) Audited by DCPA Auditing and Consulting Company Limited
- (h) Audited by Ngwe Inzaly Audit Firm
- (i) Audited by Nihal Hettiarachchi & Co.
- (j) Audited by Deloitte & Touche.
- (k) Audited by Howladar Yunus & Co.
- (l) Audited by Sundaram & Narayanan Chartered Accountants
- (m) Not required to be audited under the laws of the country of incorporation
- (n) Audited by Cruz - Caymo, Partners & Associates
- (o) Audited by Huizhou An Xin Certified Public Accountant
- (p) Includes shares held in trust by employees of the Group

Summarised financial information of subsidiaries with material non-controlling interests

There are no subsidiaries that has non-controlling interests that are material to the Group.

There were no transactions with non-controlling interests for the financial years ended 30 June 2023 and 2022.

Carrying value of non-controlling interests

	2023	2022
	\$'000	\$'000
Subsidiaries with immaterial non-controlling interests	(71)	(29)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

21. Property, plant and equipment

Group 2023	Freehold land \$'000	Leasehold land \$'000	Leasehold buildings \$'000	Machinery \$'000	Tug boats and barges \$'000	Office equipment \$'000	Computer software \$'000	Furniture and fixtures \$'000	Office renovation \$'000	Motor vehicles \$'000	Asset under construction \$'000	Total \$'000
Cost												
Beginning of financial year	7,184	1,829	90,885	569,627	40,413	4,106	1,317	2,226	681	2,193	476	720,937
Additions	-	-	18	37,963	164	212	84	104	95	500	-	39,140
Disposals	-	-	(21)	(20,674)	(4,407)	(303)	(81)	(22)	-	(302)	-	(25,810)
Reclassifications	-	-	19	-	-	-	455	-	-	-	(474)	-
Reclassified to assets held- for-sale (Note 11)	-	-	-	(7,785)	-	-	-	-	-	-	-	(7,785)
Exchange differences	(525)	(177)	(221)	(5,109)	(570)	(55)	-	(5)	(16)	(60)	(2)	(6,740)
End of financial year	6,659	1,652	90,680	574,022	35,600	3,960	1,775	2,303	760	2,331	-	719,742
Accumulated depreciation												
Beginning of financial year	-	(572)	(20,145)	(306,324)	(38,002)	(4,013)	(1,254)	(1,596)	(640)	(1,737)	-	(374,288)
Depreciation charge	-	(29)	(4,037)	(25,611)	(803)	(152)	(122)	(147)	(30)	(200)	-	(31,131)
Disposals	-	-	21	16,491	4,127	300	80	22	-	271	-	21,312
Reclassified to assets held- for-sale (Note 11)	-	-	-	3,587	-	-	-	-	-	-	-	3,587
Exchange differences	-	55	126	2,969	489	53	1	6	16	51	-	3,766
End of financial year	-	(546)	(24,035)	(308,888)	(34,189)	(3,812)	(1,295)	(1,715)	(654)	(1,615)	-	(376,749)
Net book value	6,659	1,106	66,645	265,134	1,411	148	480	588	106	716	-	342,993
End of financial year												

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

21. Property, plant and equipment (continued)

Group 2022 Cost	Freehold land		Leasehold land		Leasehold buildings		Machinery		Tug boats and barges		Office equipment		Computer software		Furniture and fixtures		Office renovation		Motor vehicles		Asset under construction		Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Beginning of financial year	7,399	1,809	81,661	558,525	41,507	3,908	1,265	2,092	678	2,445	312	701,601												
Additions	-	29	9,241	25,683	101	178	52	138	30	84	164	35,700												
Disposals	-	-	-	(12,847)	(1,034)	(4)	-	(3)	-	(309)	-	(14,197)												
Exchange differences	(215)	(9)	(17)	(1,734)	(161)	24	-	(1)	(27)	(27)	-	(2,167)												
End of financial year	7,184	1,829	90,885	569,627	40,413	4,106	1,317	2,226	681	2,193	476	720,937												
<i>Accumulated depreciation</i>																								
Beginning of financial year	-	(545)	(17,063)	(290,277)	(37,865)	(3,837)	(1,233)	(1,463)	(632)	(1,819)	-	(354,734)												
Depreciation charge	-	(31)	(3,092)	(25,810)	(1,155)	(154)	(21)	(136)	(33)	(218)	-	(30,650)												
Disposals	-	-	-	8,846	886	3	-	2	-	278	-	10,015												
Exchange differences	-	4	10	917	132	(25)	-	1	25	22	-	1,086												
End of financial year	-	(572)	(20,145)	(306,324)	(38,002)	(4,013)	(1,254)	(1,596)	(640)	(1,737)	-	(374,283)												
Net book value	7,184	1,257	70,740	263,303	2,411	93	63	630	41	456	476	346,654												

(a) Additions in the consolidated financial statements include \$6,871,000 (2022: \$10,002,000) acquired by means of other secured borrowings.

(b) The carrying amount of machinery and motor vehicles of the Group under other secured borrowings (Note 26) amounted to \$63,779,000 (2022: \$70,841,000).

(c) Bank borrowings are secured on property, plant and equipment of the Group with carrying amounts of \$83,947,000 (2022: \$79,907,000) [Note 25(a)].

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

22. Leases – The Group as a lessee

Nature of the Group's leasing activities

Leasehold land

The Group leases leasehold land which is used for its office, operations and dormitory.

(a) Carrying amounts and depreciation charge during the year

Right-of-use assets

	Leasehold land \$'000
<u>Group</u>	
2023	
<i>Cost</i>	
Beginning of financial year	16,805
Lease modification	126
Disposal	<u>(2,156)</u>
End of financial year	<u>14,775</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	(3,622)
Depreciation charge (Note 5)	(930)
Disposal	2,156
End of financial year	<u>(2,396)</u>
Net book value	
End of financial year	<u>12,379</u>
2022	
<i>Cost</i>	
Beginning of financial year	14,252
Additions	2,553
End of financial year	<u>16,805</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	(2,380)
Depreciation charge (Note 5)	(1,242)
End of financial year	<u>(3,622)</u>
Net book value	
End of financial year	<u>13,183</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

22. Leases – The Group as a lessee (continued)

Nature of the Group's leasing activities (continued)

Leasehold land (continued)

	Group	
	2023	2022
	\$'000	\$'000
(b) Interest expense		
Interest expense on lease liabilities (Note 9)	410	375
(c) Lease expense not capitalised in lease liabilities		
Lease expense:		
- short-term leases	6,035	1,749
- low-value leases	8	8
	6,043	1,757
(d) Total cash outflow for all the leases in 2023 was \$7,211,000 (2022: \$3,245,000).		

23. Leases – The Group as a lessor

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out their property, plant and equipment to third parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	2023	2022
	\$'000	\$'000
Not later than one year	24,903	19,900
One to two years	6,351	6,929
Two to three years	2,844	53
Total undiscounted lease payments	34,098	26,882

The Group has leased out machinery to a third party for monthly lease payments with an option for the lessee to purchase at the end of the lease term. These leases are classified as finance leases as it is reasonably certain that the option will be exercised.

Finance income on the finance leases (Note 7) during the financial year is \$46,000 (2022: \$117,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

23. Leases – The Group as a lessor (continued)

Nature of the Group's leasing activities – Group as a lessor (continued)

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	2023 \$'000	2022 \$'000
Not later than one year	–	575
Total undiscounted lease payments	–	575
Less: Unearned finance income	–	(40)
Finance lease receivable	–	535
Current (Note 15)	–	535
Total	–	535

24. Trade and other payables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Current</i>				
Trade payables to third parties	16,454	21,749	–	–
Other payables to third parties	4,088	2,506	4	3
Contract liabilities (Note 4(b))	5,596	848	–	–
Deferred income	1,088	789	–	–
Deposits and advances received	5,743	5,097	–	–
Accrued operating expenses	9,343	9,608	278	256
	42,312	40,597	282	259
<i>Non-current</i>				
Trade payables to third parties	24,221	5,361	–	–
Total trade payables to third parties	66,533	45,958	282	259

Deferred income includes deferred government grant income (Note 7) of \$Nil (2022: \$8,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

25. Borrowings

	Group	
	2023	2022
	\$'000	\$'000
<i>Current</i>		
Bank borrowings	6,421	6,874
Other secured borrowings (Note 26)	13,652	13,620
Lease liabilities	695	697
	20,768	21,191
<i>Non-current</i>		
Bank borrowings	50,684	56,619
Other secured borrowings (Note 26)	15,500	25,537
Lease liabilities	12,296	12,927
	78,480	95,083
Total borrowings	99,248	116,274

The exposure of the borrowings of the Group to interest rate changes amounts to \$52,890,000 (2022: \$57,549,000). These borrowings are contractually repriced between one to three months. The remaining borrowings are fixed rate borrowings and are not subject to interest rate changes.

(a) Security granted

Total borrowings include secured liabilities of \$86,257,000 (2022: \$102,650,000) of the Group.

Bank borrowings of the Group are secured by a first legal charge over certain of the Group's property, plant and equipment (Note 21).

Other secured borrowings of the Group are effectively secured over the leased machinery and motor vehicles (Note 21), as the legal titles are retained by the lessor and will be transferred to the Group upon full settlement of the Other secured borrowings.

(b) Fair value of non-current bank and other secured borrowings

	Carrying amounts		Fair values	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
Bank borrowings	50,684	56,619	48,345	56,470
Other secured borrowings	15,500	25,537	15,032	24,834
	66,184	82,156	63,377	81,304

The fair values of the non-current borrowings, classified as a Level 2 financial liability, are determined from discounted cash flows analyses, using discount rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group	
	2023	2022
	%	%
Bank borrowings	5.06	2.14
Other secured borrowings	2.92	2.84
	4.09	2.50

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

26. Other secured borrowings

The Group leases certain machinery and motor vehicles from non-related parties under other secured borrowings. The lease agreements do not have renewal clauses.

	Group	
	2023 \$'000	2022 \$'000
Minimum lease payments due:		
- not later than one year	14,290	14,533
- later than one year but not later than five years	16,008	26,345
	30,298	40,878
Less: Future finance charges	(1,146)	(1,721)
Present value of other secured borrowings	29,152	39,157
The present value of other secured borrowings are analysed as follows:		
Not later than one year (Note 25)	13,652	13,620
Later than one year but not later than five years (Note 25)	15,500	25,537
	29,152	39,157

The other secured borrowings are secured on the machinery and motor vehicles acquired (Note 21) as well as assignment of insurances.

27. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group	
	2023 \$'000	2022 \$'000
Deferred income tax assets:		
- to be recovered after one year	(128)	(398)
Deferred income tax liabilities:		
- to be settled within one year	-	47
- to be settled after one year	28,144	28,266
	28,144	28,313

The movement in the net deferred income tax account is as follows:

	Group	
	2023 \$'000	2022 \$'000
Beginning of financial year	27,915	27,712
Charged/(Credited) to profit or loss (Note 10)	681	(21)
(Over)/Under provision in previous financial years (Note 10)	(558)	236
Exchange differences	(22)	(12)
End of financial year	28,016	27,915

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

27. Deferred income taxes (continued)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits are probable. The Group has unrecognised tax losses of approximately \$35,020,000 (2022: \$31,614,000) at the balance sheet date, which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date except for an amount of \$13,421,000 (2022: \$10,838,000) which will expire between 2024 to 2031 (2022: 2023 to 2030).

Deferred income tax liabilities of \$875,000 (2022: \$856,000) have not been recognised for the withholding and other taxes that will be payable on the earnings of certain overseas subsidiaries when remitted to the holding company. These unremitted earnings are permanently reinvested and amounted to \$8,523,000 (2022: \$8,453,000) at the balance sheet date.

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation \$'000	Lease assets \$'000	Total \$'000
2023			
Beginning of financial year	28,130	2,241	30,371
Credited to profit or loss	(170)	(137)	(307)
Exchange differences	(44)	–	(44)
End of financial year	27,916	2,104	30,020
2022			
Beginning of financial year	28,359	2,018	30,377
(Credited)/Charged to profit or loss	(207)	223	16
Exchange differences	(22)	–	(22)
End of financial year	28,130	2,241	30,371

Deferred income tax assets

	Unabsorbed capital allowances and unutilised tax losses \$'000	Provisions \$'000	Lease liabilities \$'000	Total \$'000
2023				
Beginning of financial year	(133)	(82)	(2,241)	(2,456)
Charged to profit or loss	289	4	137	430
Exchange differences	22	–	–	22
End of financial year	178	(78)	(2,104)	(2,004)
2022				
Beginning of financial year	(503)	(144)	(2,018)	(2,665)
Charged/(Credited) to profit or loss	360	62	(223)	199
Exchange differences	10	–	–	10
End of financial year	(133)	(82)	(2,241)	(2,456)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

28. Share capital and treasury shares

	No. of ← ordinary shares →		← Amount →	
	Issued share capital '000	Treasury shares '000	Issued share capital \$'000	Treasury shares \$'000
Group and Company				
2023				
Beginning of financial year	232,235	-	87,340	-
Treasury shares purchased	-	(400)	-	(192)
End of financial year	232,235	(400)	87,340	(192)
2022				
Beginning and end of financial year	232,235	-	87,340	-

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

During the current financial year, the Company acquired 400,000 (2022: Nil) ordinary shares in the open market. The total amount paid to acquire the shares was \$192,000 (2022: \$Nil) and this was presented as a component within shareholder's equity. There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial year.

29. Other reserves

	Group	
	2023 \$'000	2022 \$'000
(a) <u>Composition:</u>		
Foreign currency translation reserve (non-distributable)	(4,475)	(2,563)
Asset acquisition reserve	1,352	1,352
Capital reserve (non-distributable)	329	329
	(2,794)	(882)
(b) <u>Movements:</u>		
<i>Foreign currency translation reserve</i>		
Beginning of financial year	(2,563)	(2,107)
Net currency translation differences of financial statements of foreign subsidiaries	(1,911)	(448)
Less: Non-controlling interest	(1)	(8)
	(1,912)	(456)
End of financial year	(4,475)	(2,563)
<i>Asset acquisition reserve</i>		
Beginning and end of financial year	1,352	1,352
<i>Capital reserve</i>		
Beginning and end of financial year	329	329

Capital reserve represents amounts set aside in compliance with local laws in a country where the Group operates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

30. Dividends

	Group	
	2023	2022
	\$'000	\$'000

Ordinary dividends

Final dividend paid in respect of the previous financial year of 0.5 cent (2022: 0.4 cent) per share

1,159	929
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At the Annual General Meeting to be held in October 2023, a final dividend of 0.4 cent and special dividend of 0.6 cent per share amounting to a total of \$2,318,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2023.

31. Commitments

Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2023	2022
	\$'000	\$'000

Property and equipment

24,374	5,247
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32. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks, including market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's policies for managing each of these risks are summarised below:

(a) Market risk

(i) Currency risk

The Group operates mainly in Asia with dominant operations in Singapore. Entities in the Group regularly transact in currencies other than their respective functional currencies such as the Singapore Dollar ("SGD"), United States Dollar ("USD"), Chinese Renminbi ("RMB"), Thai Baht ("THB"), Saudi Arabian Riyal ("SAR"), Indian Rupee ("INR"), Euro ("EUR") and Malaysian Ringgit ("MYR"). In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's operations in China, Thailand, Saudi Arabia, India and Malaysia are managed as far as possible by natural hedges of matching assets and liabilities.

The Group currently does not have a formal hedging policy with respect to its foreign exchange exposure. The Group will continue to monitor its foreign exchange exposure in the future and will consider hedging any material foreign exchange exposure should the need arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	RMB \$'000	THB \$'000	SAR \$'000	INR \$'000	EUR \$'000	MYR \$'000	Others \$'000	Total \$'000
At 30 June 2023										
Financial assets										
Cash and cash equivalents	43,565	10,918	3,029	223	350	9,788	4,129	939	2,563	75,504
Financial assets, at fair value through profit or loss	191	-	-	-	-	-	-	-	-	191
Trade and other receivables	33,267	2,345	572	2,013	1,938	3,182	-	990	1,215	45,522
Receivables from subsidiaries	160,182	2,165	-	6,783	33,862	20,138	-	2,148	8,029	233,307
Other assets	975	687	-	92	7	118	-	22	24	1,925
	<u>238,180</u>	<u>16,115</u>	<u>3,601</u>	<u>9,111</u>	<u>36,157</u>	<u>33,226</u>	<u>4,129</u>	<u>4,099</u>	<u>11,831</u>	<u>356,449</u>
Financial liabilities										
Borrowings	99,248	-	-	-	-	-	-	-	-	99,248
Payables to subsidiaries	160,182	2,165	-	6,783	33,862	20,138	-	2,148	8,029	233,307
Trade and other payables	21,539	11,609	18,295	860	1,496	367	1	313	1,631	56,111
	<u>280,969</u>	<u>13,774</u>	<u>18,295</u>	<u>7,643</u>	<u>35,358</u>	<u>20,505</u>	<u>1</u>	<u>2,461</u>	<u>9,660</u>	<u>388,666</u>
Net financial (liabilities)/ assets	(42,789)	2,341	(14,694)	1,468	799	12,721	4,128	1,638	2,171	(32,217)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	42,730	(609)	(2,858)	(1,468)	(799)	(11,500)	-	(1,640)	(2,175)	21,681
Currency exposure	(59)	1,732	(17,552)	-	-	1,221	4,128	(2)	(4)	(10,536)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure based on the information provided to key management is as follows:
(continued)

	SGD \$'000	USD \$'000	RMB \$'000	THB \$'000	SAR \$'000	INR \$'000	MYR \$'000	Others \$'000	Total \$'000
At 30 June 2022									
Financial assets									
Cash and cash equivalents	32,537	9,360	3,391	351	127	5,383	685	4,140	55,974
Financial assets, at fair value through profit or loss	211	-	-	-	-	-	-	-	211
Trade and other receivables	33,022	4,522	934	448	1,679	3,617	940	3,328	48,490
Receivables from subsidiaries	196,343	2,939	-	1,022	29,943	21,428	4,171	13,805	269,651
Other assets	1,222	707	-	6	9	132	20	25	2,121
	263,335	17,528	4,325	1,827	31,758	30,560	5,816	21,298	376,447
Financial liabilities									
Borrowings	116,274	-	-	-	-	-	-	-	116,274
Payables to subsidiaries	196,343	2,939	-	1,022	29,943	21,428	4,171	13,805	269,651
Trade and other payables	14,754	14,091	5,855	618	1,908	725	324	1,588	39,863
	327,371	17,030	5,855	1,640	31,851	22,153	4,495	15,393	425,788
Net financial (liabilities)/ assets	(64,036)	498	(1,530)	187	(93)	8,407	1,321	5,905	(49,341)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	63,741	(619)	(3,415)	(188)	94	(7,105)	(1,323)	(5,928)	45,257
Currency exposure	(295)	(121)	(4,945)	(1)	1	1,302	(2)	(23)	(4,084)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

If the USD, INR, EUR change against the SGD by 5% (2022: 5%) and the RMB change against the SGD by 10% (2022: 5%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(Decrease) Profit after tax	
	2023 \$'000	2022 \$'000
<u>Group</u>		
USD against SGD		
- strengthened	72	(5)
- weakened	(72)	5
INR against SGD		
- strengthened	51	54
- weakened	(51)	(54)
EUR against SGD		
- strengthened	171	-
- weakened	(171)	-
RMB against SGD		
- strengthened	(1,457)	(205)
- weakened	1,457	205

The Company is not exposed to any other significant foreign currency risk.

(ii) *Price risk*

The Group has insignificant exposure to equity price risk as it does not hold any significant equity financial assets.

(iii) *Cash flow and fair value interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities. The Group's borrowings include other secured borrowings, lease liabilities, term loans and bank loans.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Financial risk management (continued)

(a) Market risk (continued)

(iii) *Cash flow and fair value interest rate risk* (continued)

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD. If the SGD interest rates increase/decrease by 3.0% (2022: 0.5%) with all other variables including tax rate being held constant, the effect on the profit after tax will be as follows:

	(Decrease)/Increase Profit after tax	
	2023	2022
	\$'000	\$'000
<u>Group</u>		
Interest rate		
- increased	(1,317)	(239)
- decreased	1,317	239

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade and other receivables, the Group adopts the policy of dealing only with customers with an appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For bank deposits, the Group adopts the policy of dealing with banks with good credit-rating assigned by international credit-rating agencies.

As at 30 June 2023, the Group has exposure to one debtor which individually represented 15.0% (2022: 14.6%) of total trade and other receivables. Allowance for impairment has been fully made for this debt. Apart from this, concentrations of credit risk with respect to other customers are limited as they are dispersed over the Asian region.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Financial risk management (continued)

(b) Credit risk (continued)

The movement in allowance for impairment of trade and other receivables are as follows:

	Trade receivables \$'000	Other receivables \$'000
<u>Group</u>		
Balance at 1 July 2022	28,752	1,826
Loss allowance recognised in profit or loss during the financial year on:		
- Reversal of unutilised amounts	(646)	-
- Receivables impaired	1,232	-
	586	-
Receivables written off as uncollectible	(865)	(205)
Currency translation difference	(833)	-
Balance at 30 June 2023	27,640	1,621
Balance at 1 July 2021	26,307	1,621
Loss allowance recognised in profit or loss during the financial year on:		
- Reversal of unutilised amounts	(355)	-
- Receivables impaired	2,578	-
	2,223	-
Receivables written off as uncollectible	(92)	-
Reclassification	(205)	205
Currency translation difference	519	-
Balance at 30 June 2022	28,752	1,826

The Group and the Company held cash and cash equivalents of \$75,504,000 (2022: \$55,974,000) and \$1,122,000 (2022: \$366,000) respectively with banks which have good credit-ratings and consider to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit losses.

(i) Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit losses for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each operating segment, and adjusts, where material, for forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a receivable for write off when a debtor fails to make contractual payment. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables and contract assets

The Group's credit risk exposure in relation to trade receivables and contract assets as at 30 June 2023 and 2022 are set out in the provision matrix as follows:

	← Past due →					Total \$'000
	Current \$'000	Within 30 days \$'000	30 to 60 days \$'000	60 to 90 days \$'000	More than 90 days \$'000	
2023						
Heavy Lift & Haulage						
Expected loss rate	-	-	-	-	74%	
Contract assets	1,461	-	-	-	-	1,461
Trade receivables	13,454	7,751	4,456	2,608	32,093	60,362
Loss allowances	-	-	-	-	23,904	23,904
2022						
Heavy Lift & Haulage						
Expected loss rate	-	-	-	0%	75%	
Contract assets	1,784	-	-	-	-	1,784
Trade receivables	12,195	9,030	4,791	2,669	32,425	61,110
Loss allowances	-	-	-	2	24,465	24,467
2023						
Marine Transportation						
Expected loss rate	-	-	-	-	99%	
Trade receivables	116	33	4	2	3,774	3,929
Loss allowances	-	-	-	-	3,728	3,728
2022						
Marine Transportation						
Expected loss rate	34%	40%	95%	69%	97%	
Trade receivables	370	134	57	78	4,078	4,717
Loss allowances	125	54	54	54	3,973	4,260
2023						
Trading						
Expected loss rate	-	-	-	-	1%	
Trade receivables	-	-	-	-	593	593
Loss allowances	-	-	-	-	8	8
2022						
Trading						
Expected loss rate	-	-	-	-	100%	
Trade receivables	-	-	-	-	25	25
Loss allowances	-	-	-	-	25	25

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities deemed necessary to finance the Group's operations.

The table below analyses the maturity profile of the non-derivative financial liabilities of the Group and the Company based on contractual undiscounted cash flows.

	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	More than 5 years \$'000	Total \$'000
Group					
2023					
Trade and other payables	(31,890)	(21,810)	(2,071)	(340)	(56,111)
Lease liabilities	(1,043)	(1,043)	(3,130)	(11,597)	(16,813)
Borrowings (excluding lease liabilities)	(23,407)	(17,904)	(25,316)	(39,113)	(105,740)
	(56,340)	(40,757)	(30,517)	(51,050)	(178,664)
2022					
Trade and other payables	(34,503)	(4,031)	(1,330)	–	(39,864)
Lease liabilities	(1,095)	(1,036)	(3,107)	(12,927)	(18,165)
Borrowings (excluding lease liabilities)	(22,640)	(21,787)	(32,329)	(35,857)	(112,613)
	(58,238)	(26,854)	(36,766)	(48,784)	(170,642)
Company					
2023					
Trade and other payables				(282)	(282)
2022					
Trade and other payables				(259)	(259)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management manages capital based on tangible net worth of the Group and a number of key ratios including gross debt-equity ratio and gross liabilities-equity ratio. The Group is required by the banks to maintain a certain amount of minimum tangible net worth and maximum gross debt-equity ratio and gross liabilities-equity ratio. Net tangible worth is calculated as total equity less intangible assets, if any. The gross debt-equity ratio is calculated as total borrowings divided by tangible net worth and the gross liabilities-equity ratio is calculated as total liabilities divided by tangible net worth.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Financial risk management (continued)

(d) Capital risk (continued)

	2023	2022
	\$'000	\$'000
Group		
Total borrowings	99,248	116,274
Total equity	293,359	280,924
Gearing ratio	34%	41%

The Group is in compliance with all externally imposed capital requirements for the financial years ended 30 June 2023 and 2022.

(e) Fair value measurements

The fair values of current financial assets and liabilities, carried at amortised cost, approximate their carrying amounts.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Group				
2023				
<i>Asset</i>				
Financial assets, at fair value through profit or loss	191	-	-	191
2022				
<i>Asset</i>				
Financial assets, at fair value through profit or loss	211	-	-	211

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

32. Financial risk management (continued)

(f) Financial instruments by category

The carrying amounts of financial assets, at fair value through profit or loss are disclosed on the face of the balance sheet. The aggregate carrying amounts of the different categories of financial instruments are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assets, at amortised cost	122,951	106,585	1,122	366
Financial liabilities, at amortised cost	155,359	156,137	282	259

(g) Offsetting of financial assets and financial liabilities

The Group has no financial assets and liabilities that are being offset and presented net on the face of the balance sheet.

33. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2023 \$'000	2022 \$'000
Sales to corporations in which certain directors or their close family members have control or significant influence over:		
- Sales and rental of equipment and rendering of services	167	334
Purchases from corporations in which certain directors or their close family members have control or significant influence over:		
- Rental of equipment	105	139

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2023 \$'000	2022 \$'000
Salaries and other short-term employee benefits	5,903	5,392
Employer's contribution to defined contribution plans, including Central Provident Fund	195	210
	6,098	5,602

Included in the above is total compensation to the directors of the Company of \$3,688,000 (2022: \$3,276,000), of which compensation to the executive directors amounted to \$3,558,000 (2022: \$3,131,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

34. Segment information

The Senior Management of the Group comprises the Executive Chairman, Executive Directors and key senior management personnel of the Group. Management has determined the operating segments based on the reports reviewed by the Senior Management of the Group that are used to make strategic decisions and assess performance.

Management considers the business from the business segment perspective. From a business segment perspective, management separately considers the sale, and business activities in these geographic areas. The main geographic areas are engaged in heavy lift and haulage activities.

The segment information provided to the Senior Management of the Group for the reportable segments is as follows:

(a) Reportable segments

	Heavy lift and haulage \$'000	Marine transportation \$'000	Trading \$'000	Total \$'000
Financial year ended				
30 June 2023				
Revenue:				
-external sales	131,685	2,852	1,278	135,815
-inter-segment sales	537	2,209	-	2,746
	132,222	5,061	1,278	138,561
Elimination				(2,746)
				135,815
Segment result	19,344	1,747	210	21,301
Depreciation - property, plant and equipment				(2,950)
Depreciation - ROU assets				(505)
Other income				3,489
Other gains - net				1,272
Finance costs				(2,460)
Share of (loss)/profit of associated companies	(3)	140	-	137
Profit before income tax				20,284
Income tax expense				(4,629)
Net profit				15,655
Other segment items				
Capital expenditure				
- property, plant and equipment	38,929	211	-	39,140
- ROU assets	126	-	-	126
Depreciation - property, plant and equipment	27,168	1,000	13	28,181
Depreciation - ROU assets	425	-	-	425
Segment assets	411,519	4,327	5,349	421,195
Investments in associated companies	-	3,018	-	3,018
Unallocated assets				67,300
Consolidated total assets				491,513
Segment liabilities	(104,191)	(1,203)	(4,077)	(109,471)
Unallocated liabilities				(88,754)
Consolidated total liabilities				(198,225)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

34. Segment information (continued)

(a) Reportable segments (continued)

	Heavy lift and hauling \$'000	Marine transportation \$'000	Trading \$'000	Total \$'000
Financial year ended				
30 June 2022				
Revenue:				
- external sales	115,936	3,576	3,076	122,588
- inter-segment sales	411	1,096	–	1,507
	116,347	4,672	3,076	124,095
Elimination				(1,507)
				<u>122,588</u>
Segment result	20,051	(1,062)	234	19,223
Depreciation - property, plant and equipment				(2,924)
Depreciation - ROU assets				(505)
Other income				2,610
Other losses - net				(459)
Finance costs				(1,540)
Share of (loss)/profit of associated companies	(55)	42	–	(13)
Profit before income tax				16,392
Income tax expense				(5,064)
Net profit				<u>11,328</u>
Other segment items				
Capital expenditure				
- property, plant and equipment	35,599	101	–	35,700
- ROU assets	2,553	–	–	2,553
Depreciation - property, plant and equipment	26,531	1,180	15	27,726
Depreciation - ROU assets	737	–	–	737
Segment assets	396,694	5,107	461	402,262
Investments in associated companies	16	2,953	–	2,969
Unallocated assets				71,026
Consolidated total assets				<u>476,257</u>
Segment liabilities	(102,294)	(613)	(168)	(103,075)
Unallocated liabilities				(92,287)
Consolidated total liabilities				<u>(195,362)</u>

Sales between segments are carried out at market terms. Inter-segment revenue is eliminated on consolidation. The revenue from non-related parties reported to the Senior Management of the Group is measured in a manner consistent with that in the consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

34. Segment information (continued)

(a) Reportable segments (continued)

The Senior Management of the Group assesses the performance of the operating segments based on a measure of earnings before a portion of depreciation expense, other income, other losses - net, a portion of finance costs, share of profit/(loss) in associated companies and income tax expense. A portion of depreciation expense, other income, other gains/(losses) - net and a portion of finance costs are not allocated to segments as these are not considered to be part of the operating activities of the segments.

Capital expenditure comprises additions to property, plant and equipment and right-of-use assets.

Reportable segments' assets

The amounts provided to the Senior Management of the Group with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment. All assets are allocated to reportable segments other than deferred income tax assets and a portion of right-of-use asset and property, plant and equipment.

Segment assets are reconciled to total assets as follows:

	Group	
	2023	2022
	\$'000	\$'000
Segment assets for reportable segments	424,213	405,231
Unallocated:		
Deferred income tax assets	128	398
Property, plant and equipment	56,953	59,903
Right-of-use asset	10,219	10,725
	491,513	476,257

Reportable segments' liabilities

The amounts provided to the Senior Management of the Group with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than a portion of borrowings and current and deferred income tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	2023	2022
	\$'000	\$'000
Segment liabilities for reportable segments	109,471	103,075
Unallocated:		
Current income tax liabilities	4,300	4,817
Deferred income tax liabilities	28,144	28,313
Borrowings	56,310	59,157
	198,225	195,362

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

34. Segment information (continued)

(a) Reportable segments (continued)

Revenue from major business segments

At 30 June 2023, the Group is organised into three main reportable segments:

- Heavy lift and haulage - Hiring out of cranes and provision of transportation;
- Marine transportation - Provision of marine transportation and logistics services; and
- Trading - Trading of equipment and spare parts.

(b) Geographical information

The Group's three main reportable segments operate in eight main geographical areas:

- Singapore is the home country of the Group. The areas of operation are principally heavy lift and haulage, marine transportation, trading and other operations of the Group;
- Brunei - the main activity is heavy lift and haulage;
- Middle East - the main activity is heavy lift and haulage;
- India - the main activity is heavy lift and haulage;
- Malaysia - the main activity is heavy lift and haulage;
- Thailand - the main activity is heavy lift and haulage;
- Indonesia - the main activity is heavy lift and haulage; and
- China - the main activity is heavy lift and haulage.

Other countries - comprise Bangladesh, Myanmar, Philippines, Sri Lanka and Vietnam and the main activity is heavy lift and haulage.

	Sales		Non-current assets*	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore	105,089	95,730	312,190	316,657
Brunei	1,222	–	30	–
Middle East	3,086	2,383	6,615	571
India	8,976	8,757	6,974	8,520
Malaysia	2,275	1,654	14,118	18,998
Thailand	3,399	1,210	10,016	5,755
Indonesia	7,007	5,725	21	21
China	254	1,246	5,890	6,813
Other countries	4,507	5,883	3,712	6,667
	135,815	122,588	359,566	364,002

* Does not include deferred income tax assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

34. Segment information (continued)

(b) Geographical information (continued)

With the exception of Singapore, no other individual country or region contributed more than 10% of consolidated sales and non-current assets.

Sales are based on the country in which the revenue is derived. Non-current assets are shown by the geographical area where the assets originated.

Revenue of \$12,068,000 (2022: \$9,890,000) are derived from a single external customer. These revenues are attributable to the Singapore heavy lift and haulage segments.

35. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2023 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

The amendments to SFRS(I) 1-12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

35. New or revised accounting standards and interpretations (continued)

Amendments to SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023) (continued)

SFRS(1) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Group does not expect any significant impact arising from applying these amendments.

36. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Tiong Woon Corporation Holding Ltd on 21 September 2023.

SHAREHOLDERS' INFORMATION

As at 15 September 2023

Issued and fully paid-up shares capital	:	S\$ 87,340,000
Number of shares (excluding treasury share)	:	231,835,253
Class of shares	:	Ordinary Shares
Voting per share	:	One vote per share
Treasury Shares	:	400,000

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 15 SEPTEMBER 2023

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	36	1.05	1,282	0.00
100 - 1,000	751	21.90	445,690	0.19
1,001 - 10,000	1,623	47.32	8,563,525	3.70
10,001 - 1,000,000	1,000	29.15	48,273,463	20.82
1,000,001 and above	20	0.58	174,551,293	75.29
TOTAL	3,430	100.00	231,835,253	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 15 SEPTEMBER 2023

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	ANG CHOO KIM & SONS (PTE) LIMITED	90,517,131	39.04
2	PHILLIP SECURITIES PTE LTD	34,953,387	15.08
3	DBS NOMINEES PTE LTD	8,968,425	3.87
4	CITIBANK NOMINEES SINGAPORE PTE LTD	8,108,615	3.50
5	MAYBANK SECURITIES PTE. LTD.	4,171,450	1.80
6	OCBC SECURITIES PRIVATE LTD	3,798,300	1.64
7	ABN AMRO CLEARING BANK N.V.	2,843,700	1.23
8	LO KAI LEONG @ LOH KAI LEONG	2,407,500	1.04
9	ANG KAH HONG	2,246,250	0.97
10	ONG KIAN KOK	2,200,000	0.95
11	UOB KAY HIAN PTE LTD	2,081,425	0.90
12	ANG KHA KING	1,842,500	0.79
13	RAFFLES NOMINEES (PTE) LIMITED	1,778,829	0.77
14	KOH CHEW KWEE	1,513,800	0.65
15	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,334,600	0.58
16	IFAST FINANCIAL PTE LTD	1,292,156	0.56
17	OCBC NOMINEES SINGAPORE PTE LTD	1,253,750	0.54
18	LOW WOO SWEE @ LOH SWEE TECK	1,219,425	0.53
19	CHIAM HOCK POH	1,020,000	0.44
20	LOW CHOR CHUAN	1,000,050	0.43
	TOTAL	174,551,293	75.31

Based on the information available, approximately 59.11% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of the SGX-ST is complied with.

SHAREHOLDERS' INFORMATION

As at 15 September 2023

SUBSTANTIAL SHAREHOLDERS AS AT 15 SEPTEMBER 2023

Substantial Shareholders	Number Of Shares	
	Direct Interest	Deemed Interest
Ang Choo Kim & Sons (Pte) Limited	90,517,131	–
Mr Ang Kah Hong	2,246,250	90,517,131 ⁽¹⁾
Mr Ang Kha King	1,842,500	90,659,631 ⁽²⁾

Notes:

- (1) This represents Mr Ang Kah Hong's deemed interest of 90,517,131 shares held in the name of Ang Choo Kim & Sons (Pte) Limited.
- (2) This represents Mr Ang Kha King's deemed interest of 90,659,631 shares held in the name of the following:-
 - (a) 142,500 shares held by his wife, Mdm Toh Koon Tee
 - (b) 90,517,131 shares held by Ang Choo Kim & Sons (Pte) Limited

DIRECTORS' INTEREST IN SHARES AS AT 21 JULY 2023

According to the register maintained under Section 164 of the Companies Act 1967, the Directors had an interest in the shares of the Company on the 21st day after the end of the financial year as undernoted:

Directors	Number Of Shares	
	Direct Interest as at 21.07.2023	Deemed Interest as at 21.07.2023
Mr Ang Kah Hong	2,246,250	90,517,131 ⁽¹⁾
Mr Ang Kha King	1,842,500	90,659,631 ⁽²⁾
Mr Wong King Kheng	32,000	–
Mr Ang Guan Hwa	–	–
Mr Ang Boon Chang	–	–
Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong)	–	–
Mr Poon Guokun, Nicholas	–	–

Notes:

- (1) This represents Mr Ang Kah Hong's deemed interest of 90,517,131 shares held in the name of Ang Choo Kim & Sons (Pte) Limited.
- (2) This represents Mr Ang Kha King's deemed interest of 90,659,631 shares held in the name of the following:-
 - (a) 142,500 shares held by his wife, Mdm Toh Koon Tee
 - (b) 90,517,131 shares held by Ang Choo Kim & Sons (Pte) Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of **TIONG WOON CORPORATION HOLDING LTD** (the “Company”) will be held at No. 15 Pandan Crescent, Level M1, Singapore 128470 on Friday, 27 October 2023 at 9.30 a.m. (Singapore time), to transact the following business:

AS ORDINARY BUSINESSES:

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2023 and the Statement of Directors and the Report of Auditors thereon. **Resolution 1**
2. To approve a tax exempt (1-tier) final dividend of 0.40 Singapore cent per share and a tax exempt (1-tier) special dividend of 0.60 Singapore cent per share for the financial year ended 30 June 2023. **Resolution 2**
3. To approve Directors’ fees of \$130,000 for the year ended 30 June 2023 (2022: \$145,000). **Resolution 3**
4. To re-elect Mr Ang Kha King, being a Director of the Company retiring pursuant to Article 104 of the Company’s Articles of Association, and being eligible, has offered himself for re-election. **Resolution 4**
[see Explanatory Note (a)]
5. To re-elect Mr Ang Guan Hwa, being a Director of the Company retiring pursuant to Article 104 of the Company’s Articles of Association, and being eligible, has offered himself for re-election. **Resolution 5**
[see Explanatory Note (b)]
6. To re-appoint Messrs PricewaterhouseCoopers LLP, as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**
7. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESSES:

To consider and, if thought fit, to pass the following Resolutions (with or without amendments), of which Resolutions 7 and 8 will be proposed as Ordinary Resolutions and Resolution 9 will be proposed as a Special Resolution:

ORDINARY RESOLUTION

8. Share Issue Mandate **Resolution 7**

“That pursuant to Section 161 of the Companies Act 1963 (the “Companies Act”), and the Listing Rules of the SGX-ST, 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;
 - (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, “Instruments”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(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;

NOTICE OF ANNUAL GENERAL MEETING

provided always that

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 50% of the Company's issued share capital, 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 20% of the issued share capital of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's issued share capital at the time this resolution is passed, after adjusting for;

- (i) new shares arising from the conversion or exercise of convertible securities;
- (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
- (iii) any subsequent consolidation or subdivision of the Company's shares; and

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."

[see Explanatory Note (c)]

9. Proposed Renewal of The Share Purchase Mandate

Resolution 8

"That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) On-market purchase(s) on the SGX-ST; and/or
 - (ii) Off-market purchase(s) if effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the "Relevant Period" which is the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next annual general meeting of the Company is held;
 - (ii) the date by which the next annual general meeting of the Company is required by law to be held;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
 - (iv) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by ordinary resolution of the Company in general meeting.
- (c) in this Resolution:

“Maximum Percentage” means the number of Shares representing ten per cent (10%) of the total number of issued Shares as at the date of the passing of this Resolution unless the Company has effected a reduction of the total number of issued Shares in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued Shares shall be taken to be the amount of the issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time); and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of an on-market purchase, one hundred and five per cent (105%) of the Average Closing Price;
- (ii) in the case of an off-market purchase, one hundred and twenty per cent (120%) of the Average Closing Price,

where “Average Closing Price” is the average of the closing market prices of a Share transacted on the SGX-ST over the last five (5) Market Days (“Market Day” being a day on which the SGX-ST is opened for securities trading), on which transactions in the Shares are recorded, immediately preceding the date of the on-market purchase or, as the case may be, the date of making an announcement for an offer pursuant to the offmarket purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period;

- (d) the Directors or any of them be and are/is hereby authorized to deal with the Shares purchased or acquired by the Company pursuant to the Share Purchase Mandate in any manner as they think and/or he/she thinks fit, which is permissible under the Companies Act; and
- (e) the Directors and/or any of them be and are/is hereby authorized to complete and do all such acts and things (including executing such documents as may be required) as they and/or he/she may consider necessary, expedient or incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

[see Explanatory Note (d)]

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

10. Adoption of New Constitution

Resolution 9

All capitalised terms in the Resolution 9 below and defined in the Letter to Shareholders of the Company dated 5 October 2023 (the “**Letter**”) shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Letter.

That:

- (a) the regulations contained in the New Constitution submitted to this meeting and, for the purpose of identification, subscribed to by the Chairman thereof, be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the Existing Constitution; and
- (b) 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/she may consider expedient or necessary to give effect to this Resolution.

[see Explanatory Note (e)]

BY ORDER OF THE BOARD

Joanna Lim Lan Sim (Ms)
Company Secretary
5 October 2023

Explanatory Notes

- (a) In relation to Resolution no. 4, the detailed information on Mr Ang Kha King is set out in the section titled “Board of Directors” and in the “Additional Information on Directors Seeking Re-Election” of the Company’s 2023 Annual Report. Mr Ang Kha King is sibling of Mr Ang Kah Hong, father of Mr Ang Boon Chang and uncle of Mr Ang Guan Hwa.
- (b) In relation to Resolution no. 5, the detailed information on Mr Ang Guan Hwa is set out in the section titled “Board of Directors” and in the “Additional Information on Directors Seeking Re-Election” of the Company’s 2023 Annual Report. Mr Ang Guan Hwa is son of Mr Ang Kah Hong, nephew of Mr Ang Kha King and cousin of Mr Ang Boon Chang.
- (c) Ordinary Resolution no. 7, if passed, will authorise the Directors from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares) 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 20% of the total number of issued shares (excluding treasury shares) of the Company. Rule 806(3) of the Listing Rules of the SGX-ST currently provides that the percentage of issued share capital is based on the share capital of the Company at the time the mandate is passed after adjusting for:
 - i. new shares arising from the conversion or exercise of convertible securities;
 - ii. new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - iii. any subsequent 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.

NOTICE OF ANNUAL GENERAL MEETING

- (d) *Ordinary Resolution no. 8, if passed, will empower the Directors to exercise all powers of the Company in purchasing or acquiring Shares pursuant to the terms of the Share Purchase Mandate as set out in the letter to shareholders of the Company dated 5 October 2023 (“Letter”). This authority will continue in force until the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated unless previously varied or revoked by ordinary resolution of the Company in general meeting. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in the Letter.*
- (e) *Special Resolution no. 9 set out in item 10 above is to adopt the new Constitution for the Company to conform with the wide-ranging changes to the Companies Act 1967 introduced pursuant to the Companies (Amendment) Act 2014, the Companies (Amendment) Act 2017, as well as the prevailing SGX listing rules and other regulatory requirements. Please refer to the Letter to Shareholders dated 5 October 2023 for more details on the new Constitution.*

Other Notes:

1. FORMAT OF MEETING

The AGM will be held, in a wholly physical format, at the venue, date and time stated above. Shareholders, including CPF/SRS investors, and (where applicable) duly appointed proxies or representatives will be able to ask questions and vote at the AGM by attending the AGM in person. There will be no option for shareholders to participate virtually. Printed copies of this Notice of AGM, Proxy Form, Annual Report and Letter to Shareholders dated 5 October 2023 will be sent by post to members. These documents will also be published on the Company’s website at <http://www.tiongwoon.com/> and on the SGX website at <https://www.sgx.com/securities/company-announcements>.

2. APPOINTMENT OF PROXY(IES)

- (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding to be presented by each proxy in the instrument appointing a proxy or proxies.
- (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

Submission of Proxy Forms to Vote

A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

The Proxy Form, duly completed and signed, must be submitted to the Company in the following manner:

- (a) if submitted by personally or by post, must be deposited at the registered office of the Company at No. 15 Pandan Crescent, Singapore 128470; or
- (b) if submitted electronically, be submitted via email to the Company’s email address at AGM@tiongwoon.com

in either case, by 9.30 a.m. on 25 October 2023.

CPF and SRS investors:

- (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 October 2023.

NOTICE OF ANNUAL GENERAL MEETING

3. SUBMISSION OF QUESTIONS PRIOR TO THE AGM

Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM via any of the following manner.

- (a) if submitted by post, be deposited at the registered office of the Company at No. 15 Pandan Crescent, Singapore 128470; or
- (b) if submitted by email, be submitted to the Company's email address at AGM@tiongwoon.com.

When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) National Registration Identity Card Number or Passport Number (for individual)/Company Registration Number (for corporates); (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF/SRS and/or physical scrip); (iv) Contact Number; and (v) email address, for verification purposes.

All questions must be submitted not later than 5.00 p.m. on 12 October 2023.

The Company will address all substantial and relevant questions received from shareholders by 20 October 2023 by publishing its responses to such questions on the Company's corporate website at <http://www.tiongwoon.com/> and on the SGX website at <https://www.sgx.com/securities/company-announcements> and at least 72 hours prior to the closing date and time for the lodgement of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions submitted after the 12 October 2023 deadline either within a reasonable timeframe before the AGM, or at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies or representatives can also ask the substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

4. ACCESS TO DOCUMENTS

The Company's AGM Notice, Proxy Form, Annual Report 2023 and Letter to Shareholders dated 5 October 2023 can be accessed via the Company's website at <http://www.tiongwoon.com/> and <https://www.sgx.com/securities/company-announcements>.

5. PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or by attending the AGM, 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives 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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. In addition, by attending the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for any of the Purposes.

TIONG WOON CORPORATION HOLDING LTD

Company Registration No. 199705837C
(Incorporated in the Republic of Singapore)

Important:

1. The Annual General Meeting ("AGM") will be held, in a wholly physical format, at the venue, date and time stated below. There will be no option for shareholders to participate virtually.
2. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies).
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") who wishes to vote at the AGM should approach their respective agent banks to submit their votes at least seven working days before the date of the AGM (i.e.: by 5.00 p.m. on 17 October 2023). CPF Investors and/or SRS Investors are requested to contact their respective agent banks for any queries they may have with regards to appointment as to the appointment of the Chairman of the AGM as proxy for the AGM.
4. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (Name) NRIC/Passport/Registration No. _____

of _____ (Address)

being a member/members of Tiong Woon Corporation Holding Ltd (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	%
Address			

*and/or

Name	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	%
Address			

or, both of whom failing, the Chairman of the AGM as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM to be held at No. 15 Pandan Crescent, Level M1, Singapore 128470 on Friday, 27 October 2023 at 9.30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain from voting on, the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting is given, or in the event of any other matter arising at the AGM and at any adjournment thereof, *my/our *proxy/proxies will vote or abstain from voting at his/her/their discretion. Where the Chairman of the Meeting is appointed as proxy and no specific directions as to voting is given in respect of the resolution, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

* delete where appropriate

(Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick [✓] within the box provided. Alternatively, please indicate the number of votes "For" or "Against" as appropriate in each resolution. If you wish to "Abstain" from voting on a resolution, please indicate with tick [✓] in the "Abstain" box. If you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.)

No.	Ordinary Resolutions	For	Against	Abstain
1.	To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2023 and the Statement of Directors and the Reports of the Auditors thereon. (Resolution 1)			
2.	To approve a tax exempt (1-tier) final dividend of 0.40 Singapore cent per share and a tax exempt (1-tier) special dividend of 0.60 Singapore cent per share for the financial year ended 30 June 2023. (Resolution 2)			
3.	To approve Directors' fees of S\$130,000 for the year ended 30 June 2023. (2022: S\$145,000). (Resolution 3)			
4.	To re-elect Mr Ang Kha King who is retiring pursuant to Article 104 of the Company's Articles of Association. (Resolution 4)			
5.	To re-elect Mr Ang Guan Hwa who is retiring pursuant to Article 104 of the Company's Articles of Association. (Resolution 5)			
6.	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)			
7.	To approve the Share Issue Mandate (Resolution 7)			
8.	To approve the Renewal of The Share Purchase Mandate (Resolution 8)			
No.	Special Resolution			
9.	To approve the Adoption of the New Constitution (Resolution 9)			

Dated this _____ day of _____, 2023

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)/Common Seal
of Corporate Shareholder

IMPORTANT: Please read notes overleaf



NOTES

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register, you should insert that number. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding to be presented by each proxy in the instrument appointing a proxy or proxies.
(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

“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. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy/proxies, before submitting it in the manner set out below:
 - (a) if submitted by personally or by post, must be deposited at the registered office of the Company at No. 15 Pandan Crescent, Singapore 128470; or
 - (b) if submitted electronically, be submitted via email to the Company’s email address at AGM@tiongwoon.com

in either case, by 9.30 a.m. on 25 October 2023.

5. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or the power of attorney (or other authority) or a duly certified copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped and be deposited at the Office, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
7. A corporation, which is a member, may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act 1967.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointer, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. 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 vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the Annual General Meeting dated 5 October 2023.



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