



TA CORPORATION LTD

**Unaudited Condensed Interim Financial Statements for
the second half-year and full year ended 31 December 2023**

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(Company Registration No. 201105512R)
(Incorporated in the Republic of Singapore)

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A. Unaudited condensed interim consolidated statement of profit or loss and other comprehensive income

	Notes	GROUP					
		2H2023 S\$'000	Restated 2H2022 S\$'000	Change %	FY2023 S\$'000	Restated FY2022 S\$'000	Change %
Revenue	5	43,426	221,131	(80.4)	138,094	356,372	(61.3)
Cost of sales		(18,470)	(187,028)	(90.1)	(106,565)	(301,205)	(64.6)
Gross profit		24,956	34,103	(26.8)	31,529	55,167	(42.8)
Other income	6	107,993	17,380	NM	113,821	22,829	NM
Selling and distribution costs		(853)	(432)	97.5	(1,488)	(1,048)	42.0
General and administrative expenses		(6,801)	(9,885)	(31.2)	(17,003)	(19,165)	(11.3)
Other operating expenses		(52,035)	(4,054)	NM	(57,447)	(11,395)	NM
Impairment loss on financial assets		(12,094)	(549)	NM	(14,152)	(607)	NM
Share of profit, net of tax of associates and joint ventures		454	543	(16.4)	689	1,743	(60.5)
Finance costs		(6,071)	(6,156)	(1.4)	(12,726)	(11,304)	12.6
Profit before income tax	7	55,549	30,950	79.5	43,223	36,220	19.3
Income tax expense	8	(1,762)	(3,353)	(47.5)	(3,897)	(5,225)	(25.4)
Profit after income tax from continuing operations		53,787	27,597	94.9	39,326	30,995	26.9
Loss from discontinued operations		(3,080)	(4,109)	(25.0)	(3,080)	(4,109)	(25.0)
Total profit		50,707	23,488	115.9	36,246	26,886	34.8
Other comprehensive income (loss): <i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		(109)	(611)	(82.2)	(25)	(280)	(91.1)
Share of other comprehensive income (loss) of associates and joint ventures		(463)	(1,648)	(71.9)	(353)	(1,362)	(74.1)
Total comprehensive income for the year		50,135	21,229	136.2	35,868	25,244	42.1
Profit (Loss) attributable to :							
Owners of the Company		11,740	10,775	9.0	(7,628)	12,136	(162.9)
Non-controlling interests		38,967	12,713	206.5	43,874	14,750	197.5
		50,707	23,488	115.9	36,246	26,886	34.8
Total comprehensive income (loss) attributable to:							
Owners of the Company		11,376	9,100	25.0	(8,010)	10,698	(174.9)
Non-controlling interests		38,759	12,129	219.6	43,878	14,546	201.6
		50,135	21,229	136.2	35,868	25,244	42.1
NM = Not meaningful							

B. Unaudited condensed interim statements of financial position

	Note	Group		Company	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		SS'000	SS'000	SS'000	SS'000
ASSETS					
Current assets					
Cash and bank balances		36,830	48,260	32	2,590
Trade and other receivables	10 (a)	34,437	42,152	37,143	34,388
Deposits and prepayments		11,273	16,836	11	14
Inventories		3,476	7,263	-	-
Contract assets	10 (b)	3,210	27,697	-	-
Development properties		200,740	199,610	-	-
		289,966	341,818	37,186	36,992
Asset classified as held for sale		14,492	-	-	-
Total current assets		304,458	341,818	37,186	36,992
Non-current assets					
Property, plant and equipment	11	18,308	40,913	-	-
Investment properties	12	281,190	196,840	-	-
Subsidiaries	13	-	-	76,601	122,572
Goodwill		31	1,759	-	-
Associates and joint ventures		17,547	17,211	-	-
Trade and other receivables	10 (a)	29,073	50,760	39,636	44,605
Other non-current assets		-	255	-	-
Total non-current assets		346,149	307,738	116,237	167,177
Total assets		650,607	649,556	153,423	204,169
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	14	71,227	55,501	-	5,000
Trade and other payables		141,643	112,635	53,779	21,819
Lease liabilities		144	545	-	-
Term notes		26,823	-	26,823	-
Contract liabilities		89,022	98,399	-	-
Provisions		-	397	-	-
Income tax payable		3,839	3,547	-	-
		332,698	271,024	80,602	26,819
Liabilities directly associated with asset classified as held for sale		5,972	-	-	-
Total current liabilities		338,670	271,024	80,602	26,819
Non-current liabilities					
Borrowings	14	109,940	172,375	-	2,500
Trade and other payables		87,306	92,925	30,650	38,651
Lease liabilities		274	1,067	-	-
Term notes		-	26,929	-	26,929
Deferred tax liabilities		39	56	-	-
Total non-current liabilities		197,559	293,352	30,650	68,080
Capital, reserves and non-controlling interests					
Share capital	15	154,189	154,189	154,189	154,189
Reserves	16	437	644	-	-
Translation reserves		(2,724)	(2,342)	-	-
Accumulated losses		(80,569)	(72,941)	(112,018)	(44,919)
Equity attributable to owners of the Company		71,333	79,550	42,171	109,270
Non-controlling interests		43,045	5,630	-	-
Total equity		114,378	85,180	42,171	109,270
Total liabilities and equity		650,607	649,556	153,423	204,169

C. Unaudited condensed interim statements of changes in equity

<u>Group (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Translation reserves</u>	<u>Retained earnings (Accumulated losses)</u>	<u>Equity attributable to owners of the Company</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at January 1, 2022	154,189	675	(904)	(85,108)	68,852	(8,849)	60,003
Expiry of warrants	-	(31)	-	31	-	-	-
<i>Total comprehensive (loss) income for the year</i>							
Profit for the year	-	-	-	12,136	12,136	14,750	26,886
Other comprehensive loss for the year	-	-	(1,438)	-	(1,438)	(204)	(1,642)
Total	-	-	(1,438)	12,136	10,698	14,546	25,244
<i>Transactions with owners, recognised directly in equity</i>							
Dividends paid to non-controlling shareholders	-	-	-	-	-	(67)	(67)
Balance at December 31, 2022	154,189	644	(2,342)	(72,941)	79,550	5,630	85,180
<i>Total comprehensive (loss) income for the year</i>							
(Loss) Profit for the year	-	-	-	(7,628)	(7,628)	43,874	36,246
Other comprehensive (loss) income for the year	-	-	(382)	-	(382)	4	(378)
Total	-	-	(382)	(7,628)	(8,010)	43,878	35,868
<i>Transactions with owners, recognised directly in equity</i>							
Incorporation of new subsidiary	-	-	-	-	-	24	24
Dividends paid to non-controlling shareholders	-	-	-	-	-	(673)	(673)
De-recognition of subsidiaries upon loss of control (Note 20)	-	(207)	-	-	(207)	(5,814)	(6,021)
Balance at December 31, 2023	154,189	437	(2,724)	(80,569)	71,333	43,045	114,378

C. Unaudited condensed interim statements of changes in equity - continued

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

D. Unaudited condensed interim consolidated statement of cash flows

	Group	
	FY2023 S\$'000	Restated FY2022 S\$'000
Operating activities		
Profit before income tax	43,223	36,220
Loss from discontinued operations	(3,080)	(4,109)
Adjustments for expenses (income):		
Depreciation expenses	3,706	5,638
Interest income	(1,217)	(1,253)
Finance costs	12,822	11,291
Share of profit of associates and joint ventures	(689)	(1,743)
Gain on disposal of property, plant and equipment, net	(4,235)	(325)
Gain on disposal of other non-current assets	(55)	(9)
Impairment loss on contract assets	17,839	-
Impairment loss on financial assets	14,152	607
(Reversal of impairment loss) Impairment loss on other non-current assets	(3)	7
Impairment of goodwill	1,728	-
Impairment loss (Reversal of impairment loss) on investment in associates and joint ventures	125	(426)
Gain in fair value of investment properties	(91,850)	(15,360)
Gain on de-recognition of subsidiaries upon loss of control	(13,494)	-
Provision for contingent liabilities	30,350	-
Operating cash flows before movements in working capital	9,322	30,538
Trade and other receivables	(82,642)	6,998
Contract assets	3,740	4,448
Contract liabilities	(6,665)	(18,529)
Deposits and prepayments	4,277	(5,441)
Inventories	2,951	(3,600)
Development properties	2,041	99,737
Trade and other payables	85,663	12,508
Utilisation of provisions	(397)	(5,482)
Cash generated from operation	18,290	121,177
Income tax paid	(3,346)	(4,312)
Interest paid	(15,993)	(13,703)
Net cash (used in) from operating activities	(1,049)	103,162
Investing activities		
Repayment from associates and joint ventures	16,886	796
Dividends received from joint ventures	-	5
Interest received	1,217	1,253
Investment in associate	(125)	-
Purchase of property, plant and equipment	(2,994)	(2,262)
Proceed from disposal of asset held for sale	-	4,935
Proceed from disposal of other non-current assets	313	138
Proceeds from disposal of property, plant and equipment	6,136	744
Net cash outflow on de-recognition of subsidiaries upon loss of control	(6,813)	-
Net cash from investing activities	14,620	5,609

D. Unaudited condensed interim consolidated statement of cash flows - continued

	Group	
	FY2023 S\$'000	Restated FY2022 S\$'000
Financing activities		
Proceeds from borrowings	111,698	281,924
Repayment of borrowings	(138,914)	(409,394)
Repayment of principal portion of lease liabilities	(1,078)	(957)
Uplifting (Pledged) fixed deposits	(15,318)	5,204
Loan from a company in which certain directors have control	5,550	3,000
Dividends paid to non-controlling shareholders	(673)	(67)
Proceeds from issue of shares in subsidiaries from non-controlling shareholder	24	-
Net cash used in financing activities	(38,711)	(120,290)
Decrease in cash and cash equivalents	(25,140)	(11,519)
Cash and cash equivalents at beginning of the year	42,467	54,005
Effect of exchange rate changes	237	(19)
Cash and cash equivalents at end of the year	17,564	42,467

Cash and cash equivalents at end of the year comprise the following:

Cash and bank balances	15,706	27,242
Fixed deposits	21,124	21,018
	36,830	48,260
Cash at bank in disposal group held-for-sale	1,846	-
Less: pledged cash and fixed deposits	(21,112)	(5,793)
Cash and cash equivalents at end of the year	17,564	42,467

E. Notes to the unaudited condensed interim consolidated financial statements

1. Corporate information

The Company (Registration No. 201105512R) is incorporated in Singapore with its principal place of business and registered office at 1 Jalan Berseh, #03-03 New World Centre, Singapore 209037. The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. These unaudited condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding. The principal activities of the Group are:

Construction

General builders and construction contractors, training of workers, general engineering, sale of construction materials and design, installation and maintenance of air conditioning and mechanical ventilation systems.

Real estate investment

Investment in real estate.

Real estate development

Development of residential and commercial projects and project management services.

Distribution

Sale and distribution of petroleum based lubricant products, automotive tyres and commercial vehicles.

Others

This comprises management and administration services.

2. Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting. The unaudited condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last unaudited interim financial statements for the financial period ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of new and amended standards as set out in Note 2.1.

The unaudited condensed consolidated interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and Amended Standards adopted by the Group

The adoption of the various new/revised SFRS(I) pronouncements effective for the financial year beginning on 1 January 2023 does not have a material financial effect on the Group and the Company.

2.2 Uses of judgement and estimates

The preparation of the Group's unaudited condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.2 Uses of judgement and estimates - continued

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10 – expected credit losses of trade and other receivables and contract assets
- Note 12 – determination of fair value of investment property using significant unobservable inputs

Apart from the notes above, the following are critical judgements and key assumptions that management has made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the interim financial statements.

Critical judgements

Going concern assumption

The Group recorded a net profit after tax of S\$36.2 million for the financial year ended 31 December 2023. As of 31 December 2023, the Group's current assets amounted to S\$304.5 million and its current liabilities amounted to S\$338.7 million. However, the Group's current assets include development properties of S\$200.7 million that may not be realisable within one year. The net current liabilities of the Group included Medium Term Notes of S\$26.8 million reclassified from non-current liabilities to current liabilities as a result of suspension of interest payment after liquidation of TAC and recognition of S\$30.35 million of contingent liabilities arising from corporate guarantees provided by the Company.

In view of these circumstances, management has prepared a cash flow forecast containing major cash inflows and outflows of the Group over the next 12 months to 31 December 2024. The key assumptions applied in the cash flow forecast are:

- (a) The Group will be able to realise certain development properties at specified minimum values;
- (b) The Group will be able to monetize certain assets at specified minimum values;
- (c) Banks will not demand repayment of corporate guarantees, loans (current and non-current) which are revolving or repayable on demand and the banks will continue to support the Group with banking facilities currently utilised by the Group secured by properties for which fair values are higher than the bank loans as at 31 December 2023; and
- (d) Successful implementation and completion of consensual restructuring the Group's outstanding debts and businesses.

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

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

These condensed financial statements did not include any adjustments that may result in the event that the Company and the Group are unable to continue as going concerns.

Uses of judgement and estimates - continued

Sale of development properties

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

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

Key sources of estimation uncertainty

Construction contracts and development properties

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

For development properties whereby revenue is recognised over time, the percentage of completion is measured by reference to the construction and other related costs (excluding land cost) incurred to date as a proportion of the estimated total construction and other related costs (excluding land cost) to be incurred.

Significant assumptions and judgements are involved in estimating costs to completion for both construction contracts and development of properties; and in the case of contract work, the recoverable amounts for any variation work. Estimates of cost to completion which have yet to be contracted for are based on past experience, prevailing market conditions, and factors specific to the construction or development property

During the course of a project, the contract sum may also be adjusted for variations, omissions and variable consideration (including liquidated damages). Variations could relate to unpriced change orders approved by customers for which management has to estimate the transaction price.

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

Management reviews the net realisable values of development properties whenever there is indication that the estimated potential sales proceeds less cost to sell, may be lower than the total expected development cost. The estimated selling prices are based on selling prices for comparable developments and takes into consideration prevailing market conditions.

In assessing the recoverable amounts of properties for sale and the related costs, management considers the specific courses of action that it has taken or plans to take and expectations regarding the results of these actions. Provision is made for incremental cost relating to these conditions and is charged to profit or loss (included in cost of sales).

2.2 Uses of judgement and estimates - continued

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

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

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

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

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

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

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

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

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

In August 2018, DBOP issued a notification letter to DSPDC on its intent to cancel the sale and purchase agreements ("SPAs") for the sale of residential units from DSPDC to DBOP due to non-delivery of the fully paid purchased residential units within the contracted period under the SPAs by DSPDC. In September 2018, a cancellation agreement was entered into between both parties whereby DSPDC had to refund RMB148.4 million (approximately S\$29.4 million) due to DBOP and as at 31 December 2023, DBOP has receivables (including interest income receivable) RMB48.5 million (equivalent to S\$9.0 million) (31 December 2022: RMB51.6 million (equivalent to S\$10.6 million)) from DSPDC relating to the refund.

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

The above assessment is based on the best estimates of net cash flows which may be realised from sale of properties of DSPDC, the ability to sell the properties for the estimated amounts.

Management monitors the above projections, reassess the judgements and accounting estimates periodically.

2.2 Uses of judgement and estimates - continued

Useful life of property, plant and equipment

The management reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. These estimates have been made based on past experience relating to useful lives of equipment and are also subject to assumptions about future deployment of assets.

Expected credit losses of trade and other receivable and contract assets

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

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

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

Impairment in investments in subsidiaries and joint ventures

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

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

As at the end of the reporting period, allowance for impairment loss of S\$99.3 million (31 December 2022: S\$53.3 million) and S\$1.1 million (31 December 2022: S\$Nil) have been made for investments in subsidiaries and joint ventures respectively based on the market conditions reflecting the recoverability of the net assets in subsidiaries and joint ventures.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the main segments by business as set out in Note 1.

Segment by Business

	Construction	Real estate investment	Real estate development	Distribution	Others	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2H2023							
REVENUE							
External revenue	16,895	20,487	1,448	4,596	-	-	43,426
Inter-segment revenue	22,963	329	155	488	-	(23,935)	-
	39,858	20,816	1,603	5,084	-	(23,935)	43,426
RESULT							
Segment result	(7,990)	99,347	1,552	339	(32,277)	-	60,971
Interest income	-	590	-	59	-	-	649
Finance costs	(148)	(3,972)	(652)	(44)	(1,255)	-	(6,071)
(Loss) Profit before income tax	(8,138)	95,965	900	354	(33,532)	-	55,549
Income tax credit (expense)	334	(2,185)	19	70	-	-	(1,762)
(Loss) Profit for the period	(7,804)	93,780	919	424	(33,532)	-	53,787
OTHER INFORMATION							
Additions to non-current assets	1,702	87	14	-	-	-	1,803
Depreciation expenses	3,937	134	39	(2,764)	-	-	1,346
Gain in fair value of investment properties, net	-	91,850	-	-	-	-	91,850
Impairment loss (reversal of impairment loss) on financial assets	2,697	8,231	1,184	(18)	-	-	12,094
Impairment loss on other non-current assets	1	-	-	-	-	-	1

4. Segment and revenue information - continued

	Construction	Real estate investment	Real estate development	Distribution	Others	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2H2022 (Restated)							
REVENUE							
External revenue	86,858	14,208	114,451	5,614	-	-	221,131
Inter-segment revenue	13,546	445	138	3,326	-	(17,455)	-
	100,404	14,653	114,589	8,940	-	(17,455)	221,131
RESULT							
Segment result	(1,913)	27,734	11,110	48	(531)	-	36,448
Interest income	11	653	1	15	-	-	658
Finance costs	(606)	(3,592)	(538)	(55)	(1,365)	-	(6,156)
(Loss) Profit before income tax	(2,530)	24,795	10,573	8	(1,896)	-	30,950
Income tax credit (expense)	(325)	(2,100)	(891)	(37)	-	-	(3,353)
(Loss) Profit for the period	(2,855)	22,695	9,682	(29)	(1,896)	-	27,597
OTHER INFORMATION							
Additions to non-current assets	1,204	55	3	29	-	-	1,291
Depreciation expenses	2,422	168	55	115	-	-	2,760
Gain in fair value of investment properties	-	15,360	-	-	-	-	15,360
Impairment loss (reversal of impairment loss) on financial assets	60	522	-	(33)	-	-	549
Impairment loss on other non-current assets	5	-	-	-	-	-	5

Geographical segments

	Singapore	Myanmar	Cambodia	Other countries ⁽ⁱ⁾	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2H2023					
Revenue	29,132	3,759	1,465	9,070	43,426
2H2022 (Restated)					
Revenue	184,607	5,353	28,708	2,463	221,131

(i) Includes Malaysia, Thailand and India

4. Segment and revenue information - continued

	Construction	Real estate investment	Real estate development	Distribution	Others	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY2023							
REVENUE							
External revenue	87,760	36,550	2,452	11,332	-	-	138,094
Inter-segment revenue	34,460	767	303	1,634	-	(37,164)	-
	<u>122,220</u>	<u>37,317</u>	<u>2,755</u>	<u>12,966</u>	<u>-</u>	<u>(37,164)</u>	<u>138,094</u>
RESULT							
Segment result	(24,783)	110,651	(487)	1,816	(32,465)	-	54,732
Interest income	22	1,050	68	77	-	-	1,217
Interest expense	(838)	(7,941)	(1,303)	(89)	(2,555)	-	(12,726)
(Loss) Profit before income tax	(25,599)	103,760	(1,722)	1,804	(35,020)	-	43,223
Income tax (expense) credit	(6)	(3,611)	-	(280)	-	-	(3,897)
(Loss) Profit for the year	<u>(25,605)</u>	<u>100,149</u>	<u>(1,722)</u>	<u>1,524</u>	<u>(35,020)</u>	<u>-</u>	<u>39,326</u>
STATEMENT OF FINANCIAL POSITION							
Segment assets	38,503	320,467	231,509	12,735	47,393	-	650,607
Segment liabilities	30,950	211,751	189,482	3,116	100,930	-	536,229
OTHER INFORMATION							
Additions to non-current assets	4,107	106	27	27	-	-	4,267
Associates and joint ventures	-	12,621	2,631	2,295	-	-	17,547
Depreciation expenses	4,036	272	88	179	-	-	4,575
Gain in fair value of investment properties	-	91,850	-	-	-	-	91,850
Impairment loss on investment in associates	-	125	-	-	-	-	125
Impairment loss (reversal of impairment loss) on financial assets	4,552	8,434	1,184	(18)	-	-	14,152
Reversal of impairment loss on other non-current assets	(3)	-	-	-	-	-	(3)

4. Segment and revenue information - continued

	Construction	Real estate investment	Real estate development	Distribution	Others	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>FY2022 (Restated)</u>							
REVENUE							
External revenue	199,726	26,891	120,013	9,742	-	-	356,372
Inter-segment revenue	25,487	1,282	276	5,906	-	(32,951)	-
	<u>225,213</u>	<u>28,173</u>	<u>120,289</u>	<u>15,648</u>	<u>-</u>	<u>(32,951)</u>	<u>356,372</u>
RESULT							
Segment result	(1,217)	34,344	13,148	746	(733)	-	46,288
Interest income	12	1,186	3	35	-	-	1,236
Interest expense	(1,064)	(5,715)	(1,851)	(70)	(2,604)	-	(11,304)
(Loss) Profit before income tax	(2,269)	29,815	11,300	711	(3,337)	-	36,220
Income tax (expense) credit	(685)	(3,491)	(915)	(134)	-	-	(5,225)
(Loss) Profit for the year	<u>(2,954)</u>	<u>26,324</u>	<u>10,385</u>	<u>577</u>	<u>(3,337)</u>	<u>-</u>	<u>30,995</u>
STATEMENT OF FINANCIAL POSITION							
Segment assets	99,110	250,763	235,407	15,367	48,654	-	649,301
Unallocated corporate assets	255	-	-	-	-	-	255
Total assets	<u>99,365</u>	<u>250,763</u>	<u>235,407</u>	<u>15,367</u>	<u>48,654</u>	<u>-</u>	<u>649,556</u>
Segment liabilities	138,368	170,773	189,454	4,997	60,784	-	564,376
OTHER INFORMATION							
Additions to non-current assets	1,997	441	15	54	-	-	2,507
Associates and joint ventures	-	2,216	7,516	7,479	-	-	17,211
Depreciation expenses	4,793	258	241	346	-	-	5,638
Gain in fair value of investment properties	-	15,360	-	-	-	-	15,360
Impairment loss (reversal of impairment loss) on financial assets	60	582	-	(35)	-	-	607
Impairment loss on other non-current assets	7	-	-	-	-	-	7

Geographical segments

	Singapore	Myanmar	Cambodia	Other countries ⁽ⁱ⁾	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>FY2023</u>					
Revenue	107,725	9,294	3,654	17,421	138,094
Non-current assets	334,153	1,701	80	10,215	346,149
<u>FY2022 (Restated)</u>					
Revenue	310,543	8,334	34,915	2,580	356,372
Non-current assets	295,344	1,438	19	10,937	307,738

(i) Includes Malaysia, Thailand and India

5. Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product and service lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (Note 4).

A disaggregation of the Group's revenue is as follows:

	Group			
	2H2023	Restated 2H2022	FY2023	Restated FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue from:				
Construction				
- Construction contracts	3,094	75,210	57,073	180,146
- Sale of goods	12,998	4,875	23,621	8,665
- Worker training and other services	803	6,773	7,065	10,915
	<u>16,895</u>	<u>86,858</u>	<u>87,759</u>	<u>199,726</u>
Real estate investment				
- Rental of properties	20,487	14,208	36,550	26,891
Real estate development				
- Rendering of service	321	279	544	300
- Rental of properties	44	-	94	-
- Sale of development properties	1,083	114,172	1,815	119,713
Distribution				
- Sale of goods	4,596	5,614	11,332	9,742
	<u>43,426</u>	<u>221,131</u>	<u>138,094</u>	<u>356,372</u>
<u>Timing of revenue recognition</u>				
At a point in time	19,803	131,711	44,378	149,334
Over time	20,504	71,306	88,603	190,657

A breakdown of sales:

	Group		
	FY2023	Restated FY2022	Increase / (Decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	94,668	135,241	(30.0)
Operating profit (loss) after tax before deducting non-controlling interests reported for first half year	(14,461)	3,398	(586.1)
Sales reported for second half year	43,426	221,131	(80.4)
Operating profit (loss) after tax before deducting Non-controlling interest reported for second half year	<u>50,707</u>	<u>23,488</u>	<u>124.2</u>

6. Other income

	Group			
	2H2023	Restated 2H2022	FY2023	Restated FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Rental income	411	559	1,059	3,452
Management fee income from companies in which certain directors have control	1	119	105	311
Project management and administrative fee	36	29	64	58
Calling of performance bond	-	-	-	275
Interest income	234	141	372	208
Interest income from associates and joint ventures	415	515	845	1,028
Grant from government	31	35	111	222
Gain in fair value of investment properties, net	91,850	15,360	91,850	15,360
Gain on disposal of property, plant and equipment	462	222	4,218	325
Gain on de-recognition of subsidiaries upon loss of control	13,494	-	13,494	-
Reversal of impairment on joint ventures	-	-	-	426
Others	1,059	400	1,703	1,164
	<u>107,993</u>	<u>17,380</u>	<u>113,821</u>	<u>22,829</u>

7. Profit before income tax

	Group			
	2H2023	Restated 2H2022	FY2023	Restated FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before income tax for the period is stated after charging (crediting) the following:				
Depreciation expenses	1,346	2,760	3,706	5,638
Interest income	(649)	(658)	(1,217)	(1,236)
Impairment loss on contract assets	17,839	-	17,839	-
Impairment loss on financial assets	12,094	549	14,152	607
Gain in fair value of investment properties	(91,850)	(15,360)	(91,850)	(15,360)
Gain on disposal of other non-current assets	17	-	(53)	(9)
Foreign exchange loss	1,776	2,416	2,521	2,276
Impairment loss of goodwill	1,728	-	1,728	-
Impairment loss (Reversal of Impairment loss) of associates and joint ventures	-	(426)	125	(426)
(Reversal of Impairment loss) Impairment loss on other non-current assets	1	5	(3)	7
Recognition of contingent liabilities	30,350	-	30,350	-
Gain on de-recognition of subsidiaries upon loss of control	(13,494)	-	(13,494)	-
Gain on disposal of property, plant and equipment, net	(462)	(222)	(4,218)	(325)

8. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the unaudited condensed interim consolidated statement of profit or loss are:

	Group			
	2H2023	2H2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Provision for taxation				
- current year	1,777	2,620	3,865	4,488
- (over)/under provision for prior year	(35)	733	6	731
	1,742	3,353	3,871	5,219
Deferred tax	20	-	26	6
	1,762	3,353	3,897	5,225

9. Related company and related parties' transactions

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

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

Transactions with related parties during the financial periods/financial years were as follows:

	Group			
	2H2023	2H2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Income from associates</u>				
Construction revenue	-	20	-	41
Accounting and administrative services	25	29	53	58
<u>Income from joint ventures</u>				
Interest income	415	515	845	1,028
Sale of goods	1	414	412	684
<u>Income from/(Expenses charged by) companies in which certain directors have control</u>				
Sales and service of air-conditioners	10	2	12	7
Maintenance income	94	-	94	-
Management fee income	17	119	122	311
Rental income	16	16	32	37
Ad-hoc services rendered	20	24	44	69
Other income	54	-	54	-
Worker management services	(15)	(68)	(40)	(345)
Medical fee expense	(1)	(34)	(16)	(73)
Dormitory rental expense	-	(81)	(272)	(313)
Interest expense	(532)	(458)	(1,019)	(890)
<u>Directors</u>				
Interest expense	(185)	(189)	(370)	(375)
<u>Key management personnel</u>				
Interest expense	(7)	(8)	(15)	(15)

10. (a) Trade and other receivables

	Group		Company	
	As at 31 Dec 2023 S\$'000	As at 31 Dec 2022 S\$'000	As at 31 Dec 2023 S\$'000	As at 31 Dec 2022 S\$'000
<u>Current</u>				
Trade receivables	23,444	35,230	-	-
Other receivables	10,993	6,922	37,143	34,388
	34,437	42,152	37,143	34,388
<u>Non-current</u>				
Other receivables	29,073	50,760	39,636	44,605
	63,510	92,912	76,779	78,993

Trade receivables

Credit periods generally range from 30 to 120 days (31 December 2022: 30 to 120 days). No interest is charged on overdue trade receivables. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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

In the last financial year, the Company capitalised S\$46.05 million of advances due from its subsidiaries to investment in subsidiaries (refer to note 13).

Other receivables

Interest is charged at 2.0% to 6.8% (31 December 2022: 2.0% to 6.8%) per annum by the Group and Company on other receivables due from certain associates, joint ventures and subsidiaries.

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

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

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

(b) Contract assets

	Group	
	As at 31 Dec 2023	As at 31 Dec 2022
	S\$'000	S\$'000
<u>Retention monies on contract work:</u>		
Third parties	2,665	19,567
<u>Accrued income:</u>		
Construction contract customers	545	8,130
	<u>3,210</u>	<u>27,697</u>

Amounts relating to construction contracts are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance - related milestones. The Group had previously recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. Retention sums are classified as current as they are expected to be received within the Group's normal operating cycle.

The changes in contract assets in the interim financial period and prior year are mainly due to changes in measurement of progress contract asset which have not been billed as at 31 December 2023 and variable consideration arising from delays in construction progress.

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

11. Property, plant and equipment

During the financial year ended 31 December 2023, the Group acquired assets amounting to S\$4.3 million (31 December 2022: S\$2.5 million) and disposed of assets amounting to S\$6.1 million (31 December 2022: S\$0.4 million).

12. Investment properties

	Group	
	As at 31 Dec 2023	As at 31 Dec 2022
	S\$'000	S\$'000
<u>At fair value</u>		
Balance at beginning of the financial year	196,840	181,480
Property reclassified as held for sale	(7,500)	-
Changes in fair value included in profit or loss	91,850	15,360
Balance at end of the financial year	<u>281,190</u>	<u>196,840</u>

The fair values of the Group's investment properties have been determined based on the formal and desktop valuations conducted on 31 December 2022 and 31 December 2023 respectively by independent qualified valuers. The valuations were arrived at (i) by reference to market evidence of transacted prices per square meter in the open market for comparable properties, adjusted for differences such as location, age and size; and (ii) income capitalisation method.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. Fair value measurements of the Group's investment properties are classified as Level 3 in the fair value hierarchy.

13. Subsidiaries

	Company	
	As at 31 Dec 2023	As at 31 Dec 2022
	S\$'000	S\$'000
Unquoted equity shares at cost	175,917	130,992
Add: Addition during the year	-	46,050
Less: Strike off	-	(1,125)
Less: Allowance for impairment	(99,316)	(53,345)
	76,601	122,572

In the last financial year, the Company capitalised S\$46.0 million of advances due from its subsidiaries to investment in subsidiaries (refer to note 10 (a)) and injected S\$0.05 million in a subsidiary.

The Company carried out a review of the recoverable amount of the investments in subsidiaries based on fair value less costs to sell. Based on the review performed, additional impairment of S\$45.971 million (31 December 2022: S\$1.123 million) was recognised during the financial year ended 31 December 2023.

14. Borrowings

	Group		Company	
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	69,337	52,461	-	5,000
Unsecured	1,890	3,040	-	-
	71,227	55,501	-	5,000
<u>Amount repayable after one year</u>				
Secured	106,736	165,841	-	2,500
Unsecured	3,204	6,534	-	-
	109,940	172,375	-	2,500
Total borrowings	181,167	227,876	-	7,500

Details of any collateral

Collateral for the above secured borrowings include mortgages over the Group's investment properties, development properties, leasehold properties, certain property, plant and equipment and fixed deposits and legal assignment of sales proceeds from the development properties. Certain bank facilities are also secured by corporate guarantees from the Company, two of its subsidiaries and guarantees from certain non-controlling shareholders of partially owned subsidiaries.

15. Share capital

	Group and Company			
	As at	As at	As at	As at
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	Number of ordinary shares		SS'000	SS'000
Issued and paid up:				
At beginning and end of the period	518,068,220	518,068,220	154,189	154,189

- a) During the financial year ended 31 December 2023, there was no change in the Company's share capital.
- b) As at 31 December 2023, total issued share capital of the Company was 518,068,220 (31 December 2022: 518,068,220) ordinary shares.
- c) As at the end of 31 December 2023, the Company does not have any outstanding treasury shares (31 December 2023: Nil). There was no sale, transfer, disposal, cancellation and use of treasury shares during the six months ended 2023.
- d) As at 31 December 2023, there were no outstanding convertibles (31 December 2022: Nil).
- e) There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 2023 (31 December 2022: Nil).

16. Reserves

	Group		Company	
	As at	As at	As at	As at
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	SS'000	SS'000	SS'000	SS'000
Capital reserve	437	644	-	-
	437	644	-	-

The capital reserve arose from the gift of shares in the Company previously owned by the executive directors to certain employees of the Group in year 2012.

17. (Loss) Profit per share

	Group			
	2H2023	2H2022	FY2023	FY2022
(Loss) Profit per ordinary share based on weighted average number of shares (in cents)	2.27	2.07	(1.47)	2.34
(Loss) Profit per ordinary share based on a fully diluted basis (in cents)	2.27	2.07	(1.47)	2.34
Weighted average number of ordinary shares (in millions)	518.1	518.1	518.1	518.1

As there were no outstanding potentially dilutive ordinary shares, the diluted earnings per ordinary shares were the same as the earnings per ordinary shares based on the weighted average number of shares for the respective periods.

18. Net asset value per share

	Group		Company	
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Net asset value per ordinary share issued (in cents)	13.8	15.4	8.1	21.1

Net asset value per ordinary share as at 31 December 2023 and 2022 are calculated based on the number of ordinary shares in issue of 518,068,220.

19. Financial assets and financial liabilities

Set out is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 2021:

	Group		Company	
	As at 31 Dec 2023 S\$'000	As at 31 Dec 2022 S\$'000	As at 31 Dec 2023 S\$'000	As at 31 Dec 2022 S\$'000
Financial Assets				
Financial assets at amortised cost	100,723	143,853	76,811	81,583
Financial Liabilities				
Financial liabilities at amortised cost	436,939	460,365	110,817	94,899
Lease liabilities	418	1,612	-	-

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

The carrying amounts of other classes of financial instruments approximately their fair value.

20. Deconsolidation of subsidiaries

Tiong Aik Construction Pte Ltd (“TAC”) and Tiong Aik Resources (Singapore) Pte Ltd (“TARS”) were placed under Creditors Voluntary Liquidation on 17 July 2023 and 5 September 2023 respectively. As a result, the Company no longer has control over Tiong Aik Construction Pte Ltd and its subsidiaries, i.e. TAC Resources (India) Pte Ltd, Tiong Aik Resources (S) Pte Ltd, TA Care Solutions Pte Ltd, Learncollab Pte Ltd and Lets Pte Ltd. As at the respective dates of the Group loss control of the subsidiaries, all assets and liabilities, non-controlling interest, past accumulated profits/ losses were derecognized from the consolidated balance sheet of the Group.

The identifiable assets and liabilities, non-controlling interests, reserves and accumulated profits/ losses derecognized were as follows:

TAC Group	As at 17 July 2023 \$'000
Effects on de-recognition	
Cash and cash equivalents	6,813
Trade receivables and other receivables	79,337
Contract assets	428
Deposits & prepayments	1,000
Inventories	8
Property, plant and equipment (inclusive of Right-of-use assets)	20,776
Bank loans and overdraft	(12,620)
Trade payables and other payables	(93,417)
Contract liabilities	(1,588)
Long-term borrowings	(6,980)
Income tax payables	(227)
Lease liabilities	(1,298)
Deferred tax liabilities	(43)
Net identifiable liabilities de-recognised	(7,811)
Non-controlling interest	(5,814)
Capital Reserve	(207)
Foreign currency translation	338
Net	(13,494)
Gain on de-recognition	13,494
	-
Cash and cash equivalents disposed of	(6,813)
Net cash outflow from the de-recognition upon loss of control	(6,813)

21. Event after financial year end

Subsequent to financial year end 31 December 2023, on 18 January 2024, the Company entered into a sale and purchase agreement to dispose of 90% owned Aston Air Control Pte Ltd held by the Company.

F. Other information required by Listing Rule Appendix 7.2

1. Review

The unaudited condensed interim consolidated statement of financial position of TA Corporation Ltd and its subsidiaries as at 31 December 2023 and the related unaudited condensed interim consolidated profit or loss and other comprehensive income, unaudited condensed interim consolidated statement of changes in equity and unaudited condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2H2023 vs 2H2022

The Group's revenue for 2H2023 was S\$43.4 million, a decrease of S\$177.7 million compared to S\$221.1 million in 2H2022.

Construction segment recorded revenue of S\$16.9 million for 2H2023, a decrease of S\$70.0 million compared to S\$86.9 million for 2H2022 as a result of liquidation of TAC on 17 July 2023.

Real estate investment segment recorded revenue of S\$20.5 million for 2H2023, an increase of S\$6.3 million compared to S\$14.2 million for 2H2022 due to improvement in bed rate for Tuas South Dormitory compared with 2H2022.

Real Estate development segment recorded revenue of S\$1.5 million for 2H2023, a decrease of S\$113.0 million compared to S\$114.5 million for 2H2022 due to lower revenue recognised from the Group's overseas developments, as the Group recognize revenue from overseas development based on point in time method and recognizing revenue when the buyers obtains control of the property developed by the Group.

Distribution segment recorded revenue of S\$4.6 million for 2H2023, a decrease of S\$1.0 million compared to S\$5.6 million for 2H2022 due to lower revenue from lubricant business in Myanmar.

Other income increased by S\$90.6 million to S\$108.0 million in 2H2023 compared to S\$17.4 million in 2H2022. The increase was mainly due to gain in fair value of investment properties.

General and administrative expenses decreased by S\$3.1 million to S\$6.8 million for 2H2023 compared to S\$9.9 million for 2H2022 mainly due to the decrease in staff cost and lower trade financing fee charges due to liquidation of TAC.

Other operating expenses increased by S\$47.9 million to S\$52.0 million for 2H2023 compared to S\$4.1 million for 2H2022 due mainly to recognition of S\$30.35 million contingent liabilities arising from calling of performance bonds by project owners of TAC which TA Corporation Ltd is the corporate guarantor.

Impairment loss on financial assets increased by S\$11.5 million to S\$12.1 million in 2H2023 compared to S\$0.6 million in 2H2022 mainly due to higher impairment loss recognised on trade receivables and amount due from associate and joint ventures.

The share of profit, net of tax of associates and joint ventures decreased by S\$0.09 million in 2H2023 mainly due to lower share of profit from joint ventures in Myanmar.

The Group recorded profit before income tax of S\$55.5 million for 2H2023 compared to profit before income tax of S\$31.0 million for 2H2022.

2. Review of performance of the Group - continued

FY2023 vs FY2022

The Group's revenue for FY2023 was S\$138.1 million, a decrease of S\$218.3 million compared to S\$356.4 million in FY2022.

Construction segment recorded revenue of S\$87.8 million for FY2023, a decrease of S\$111.9 million compared to S\$199.7 million for FY2022 as a result of liquidation of TAC on 17 July 2023.

Real estate investment segment recorded revenue of S\$36.6 million for FY2023, an increase of S\$9.7 million compared to S\$26.9 million for FY2022 due to improvement in bed rate for Tuas South Dormitory compared with FY2022.

Real Estate development segment recorded revenue of S\$2.5 million for FY2023, a decrease of S\$117.5 million compared to S\$120.0 million for FY2022 due to lower revenue recognised from the Group's overseas developments as the Group recognize revenue from overseas development based on point in time method and recognizing revenue when the buyers obtains control of the property developed by the Group. .

Distribution segment recorded revenue of S\$11.3 million for FY2023, an increase of S\$1.6 million compared to S\$9.7 million for FY2022 due to lower revenue from lubricant business in Myanmar.

Other income increased by S\$91.0 million to S\$113.8 million in FY2023 compared to S\$22.8 million in FY2022. The increase was mainly due to gain in fair value of investment properties.

General and administrative expenses decreased by S\$2.2 million to S\$17.0 million for FY2023 compared to S\$19.2 million for FY2022 mainly due to the decrease in staff cost and lower trade financing fee charges due to liquidation of TAC.

Other operating expenses increased by S\$46.0 million to S\$57.4 million in FY2023 compared to S\$11.4 million in FY2022 due mainly to recognition of S\$30.35 million contingent liabilities arising from calling of performance bonds by project owners of TAC which TA Corporation Ltd is the corporate guarantor.

Impairment loss on financial assets increased by S\$13.6 million to S\$14.2 million in FY2023 compared to S\$0.6 million in FY2022 mainly due to higher impairment loss recognised on trade receivables, amount due from associate and joint ventures.

The share of profit, net of tax of associates and joint ventures decreased by S\$1.1 million in FY2023 mainly due to lower share of profit from joint ventures in Myanmar.

Finance costs increased by S\$1.4 million to S\$12.7 million in FY2023 compared to S\$11.3 million in FY2022 mainly due to increase interest rates.

The Group recorded profit before income tax of S\$43.2 million for FY2023 compared to profit before tax of S\$36.2 million for FY2022.

Statement of financial position

The changes in assets and liabilities are as follows:

- i) Decrease in current and non-current trade and other receivables by S\$29.4 million was mainly due to deconsolidation of TAC and TAR(S) resulted in exclusion receivables from the Group.
- ii) Decrease in inventories by S\$3.8 million was mainly due to decrease in inventory for trading in distribution and construction segment (manufactured pre cast units) and reclassification of inventories relating to business under asset classified as held for sale.
- iii) Decrease in contract assets by S\$24.5 million was mainly due to deconsolidation of TAC.
- iv) Increase in development properties by S\$1.1 million was mainly due to capitalisation of expenses in the development properties.

2. Review of performance of the Group – continued

Statement of financial position - continued

- v) Decrease in property, plant and equipment by S\$22.6 million was mainly due to deconsolidation of TAC and TAR(S).
- vi) Increase in investment properties by S\$84.4 million due mainly to gain in fair value of an investment property.
- vii) Increase in associate and joint ventures by S\$0.34 million due mainly to share of profit from joint ventures in Myanmar.
- viii) Decrease in current and non-current borrowings by S\$46.7 million was mainly due to deconsolidation of TAC and repayment of bank borrowings during the financial year.
- ix) Increase in current and non-current trade and other payables by S\$23.4 million was mainly due to amount owing to TAC and TAR(S) by subsidiaries within the Group as TAC and TAR(S) were deconsolidated and the liabilities are not eliminated and accruals of a contingent liability of S\$30.35 million arising a corporate guarantee provided by the Company to TAC.
- x) Decrease in contract liabilities by S\$9.4 million was mainly due deconsolidation of TAC.

Consolidated statement of cash flow

Cash and cash equivalents decreased by S\$11.4 million in FY2023 mainly due to the following items:

- i) Net cash used in operating activities of S\$1.1 million was mainly attributable to cash used in servicing loan interest and operations.
- ii) Net cash generated from investing activities of S\$14.6 million was mainly due to receipt of repayment from associates and joint ventures and proceeds from disposal of property, plant and equipment.
- iii) Net cash used in financing activities of S\$38.7 million was mainly due to net repayment of bank borrowings and increase in pledged deposit for certain banking facilities.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Company has not made any forecast or prospect statement for the year ended 31 December 2023 previously.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The Group expects the operating environment to remain challenging. The operating environment continues to be highly competitive while the construction costs remained high and affect the project margins negatively. Against this backdrop, the Management will prudently manage its business strategies and focus on effective cost management to ensure that the Group has sufficient resources to thrive in this challenging time.

The Group's purpose built workers' dormitory under the Group's investment properties segment continue to record a positive and healthy rental rate and occupancy rate. The Group expect the positive outlook to continue due to high demand from the migrant worker population.

The Group's overseas property development projects in Thailand and in Cambodia are both actively being marketed for sale and lease. The outlook of this segment is highly dependent on availability of end financing to provide financing to our potential buyers by the local banks and financial institutions in Thailand and market conditions in Cambodia.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months – continued

The Group's precast and prefabrication segment expects to capture the increasing local market demand for the precast and prefabricated products locally

For the Construction segment, the Group remains focused on executing its order book of S\$35.4 million as at 31 December 2023 to be delivered progressively over the contract period.

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

5. Dividend information

(a) Current Financial Period Reported On

(i) Any dividend declared for the current financial period reported on? No.

(ii) Any dividend recommended for the current financial period reported on? No.

(b) Corresponding period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

No dividend for the financial year ended 31 December 2023 (31 December 2022: Nil) is recommended as the Group intends to conserve cash.

6. Interested person transactions

The Group has not obtained a general mandate for interested person transactions pursuant to Rule 920 of Listing Manual of the Singapore Exchange Securities Trading Limited (“SGT-ST”)

During the financial year, the following interested person transactions were entered into by the Group:

Name of Interested person and nature of transaction	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Listing Manual Rule 920)		Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Listing Manual Rule 920 (excluding transactions less than S\$100,000)	
		2H2023 S\$’000	FY2023 S\$’000	2H2023 S\$’000	FY2023 S\$’000
<u>TAC Alliance Pte. Ltd.</u> Management service	Associate of directors - LKT, NTB, NTP and NTA	18	394	N.A.	N.A.
<u>Sinotac Group Pte. Ltd</u> Loan interest from a company in which certain directors have control	Associate of directors - LKT, NTB, NTP and NTA	273	501	N.A.	N.A.
Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes		259	518	N.A.	N.A.
<u>Neo Tiam Boon</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director and his spouse	81	163	N.A.	N.A.
<u>Liong Kiam Teck</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director and his children	66	133	N.A.	N.A.
<u>Neo Thiam Poon</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director	22	44	N.A.	N.A.
<u>Neo Bee Lan</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director’s siblings	8	15	N.A.	N.A.
<u>Lee Hua Yong</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director’s spouse	8	15	N.A.	N.A.
<u>Lee Kim Lian, Juliana</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director’s spouse	15	30	N.A.	N.A.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

We confirm that the Company has procured undertakings from all its directors and the executive officer based on the latest revised format set out in Appendix 7.7.

8. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Neo Kian Lee	63	Sibling to Liong Kiam Teck, Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	Site Manager in charge of the properties operation of Sino Holdings (S'pore) Pte Ltd from January 1983 to July 2023. Project Supervisor of Credence Engineering Pte Ltd since November 2023.	N.A.
Liong Chai Yin, Fiona	44	Daughter of Liong Kiam Teck and niece of Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	Manager (Marketing/ Business development (Overseas)), in charge of the marketing and project-related aspects of our real estate development division and the sourcing for real estate development and construction opportunities since year 2002.	N.A.
Liong Cailin, Wendy	41	Daughter of Liong Kiam Teck and niece of Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	Group Chief Operating Officer, in charge of the operational functions of the Group.	N.A.
Liew Yit Chung, Timothy	46	Son-in-law of Liong Kiam Teck, Nephew in-law of Neo Tiam Boon, Neow Thiam An and Neo Tiam Poon @ Neo Thiam Poon	Director of Cornerstone Builders Pte. Ltd. and TK Modular Pte. Ltd..	N.A.

9. Confirmation Pursuant to Rule 705(5) of the Listing Manual

We confirm on behalf of the Board of Directors, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the financial year ended 31 December 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Liong Kiam Teck
Executive Chairman

Neo Tiam Boon
Chief Executive Officer and Director

BY ORDER OF THE BOARD

Foo Soon Soo / Tam Siew Kheong

Company Secretaries
29 February 2024