



TA CORPORATION LTD

**Unaudited Condensed Interim Financial Statements for
the six months ended 30 June 2022**

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

TA CORPORATION LTD

(Company Registration No. 201105512R)

(Incorporated in the Republic of Singapore)

Table of Contents

A.	Unaudited condensed interim consolidated statement of profit or loss and other comprehensive income	- 1 -
B.	Unaudited condensed interim consolidated statement of financial position.....	- 2 -
C.	Unaudited condensed interim statements of changes in equity	- 3 -
D.	Unaudited condensed interim consolidated statement of cash flows	- 5 -
E.	Notes to the unaudited condensed interim consolidated financial statements.....	- 6 -
F.	Other information required by Listing Rule Appendix 7.2	- 20 -

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

	Notes	Group		
		6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000	Change %
Revenue	5	130,168	105,695	23.15
Cost of sales		(109,104)	(99,052)	10.15
Gross profit		21,064	6,643	217.09
Other income	6	5,023	2,881	74.35
Selling and distribution costs		(616)	(762)	(19.16)
General and administrative expenses		(9,280)	(9,142)	1.51
Other operating expenses		(6,973)	(9,679)	(27.96)
Share of profit (loss), net of tax of associates and joint ventures		1,200	(945)	NM
Finance costs		(5,148)	(5,000)	2.96
Profit (Loss) before income tax	7	5,270	(16,004)	(132.93)
Income tax expense	8	(1,872)	(1,128)	65.96
Profit (Loss) after income tax		3,398	(17,132)	(119.83)
Other comprehensive income (loss):				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		407	(1,745)	NM
Share of comprehensive income (loss) of associates and joint ventures		210	(440)	NM
Total comprehensive income (loss) for the period		4,015	(19,317)	(120.78)
Profit (Loss) attributable to :				
Owners of the Company		1,361	(18,053)	NM
Non-controlling interests		2,037	921	NM
		3,398	(17,132)	(119.83)
Total comprehensive income (loss) attributable to:				
Owners of the Company		1,598	(19,628)	NM
Non-controlling interests		2,417	311	NM
		4,015	(19,317)	(120.78)
NM = Not meaningful				

B. Unaudited condensed interim consolidated statement of financial position

	Note	Group		Company	
		30.06.2022	31.12.2021	30.06.2022	31.12.2021
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and bank balances		50,416	65,002	898	125
Trade and other receivables	10	70,552	51,080	34,147	32,744
Deposits and prepayments		9,767	11,395	5	14
Inventories		5,694	3,663	-	-
Contract assets	10	34,034	32,145	-	-
Development properties		306,316	296,935	-	-
		476,779	460,220	35,050	32,883
Non-current asset classified as held for sale		-	4,935	-	-
Total current assets		476,779	465,155	35,050	32,883
Non-current assets					
Property, plant and equipment	11	43,689	45,705	-	-
Investment properties	12	178,480	181,480	-	-
Subsidiaries		-	-	78,552	79,384
Goodwill		1,759	1,759	-	-
Associates and joint ventures		16,732	15,322	-	-
Trade and other receivables	10	45,658	50,518	87,759	88,065
Other non-current assets		260	391	-	-
Total non-current assets		286,578	295,175	166,311	167,449
Total assets		763,357	760,330	201,361	200,332
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	13	177,862	194,823	5,000	5,080
Trade and other payables		122,908	108,140	15,569	13,264
Lease liabilities		719	1,133	-	-
Contract liabilities		130,969	116,928	-	-
Provisions		538	5,879	-	-
Income tax payable		3,165	2,655	-	-
		436,161	429,558	20,569	18,344
Liabilities directly associated with asset classified as held for sale		-	4,150	-	-
Total current liabilities		436,161	433,708	20,569	18,344
Non-current liabilities					
Borrowings	13	149,077	156,577	2,500	5,000
Trade and other payables		85,798	81,914	38,406	35,510
Lease liabilities		1,380	1,354	-	-
Term notes		26,866	26,724	26,866	26,724
Deferred tax liabilities		57	50	-	-
Total non-current liabilities		263,178	266,619	67,772	67,234
Capital, reserves and non-controlling interests					
Share capital	14	154,189	154,189	154,189	154,189
Reserves	15	644	675	-	31
Translation reserves		(667)	(904)	-	-
Accumulated losses		(83,716)	(85,108)	(41,169)	(39,466)
Equity attributable to owners of the Company		70,450	68,852	113,020	114,754
Non-controlling interests		(6,432)	(8,849)	-	-
Total equity		64,018	60,003	113,020	114,754
Total liabilities and equity		763,357	760,330	201,361	200,332

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>Accumulated losses</u>	<u>Equity attributable to owners of the Company</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at 01 January 2021	154,189	675	630	(48,572)	106,922	(8,454)	98,468
<i>Total comprehensive loss for the period</i>							
Loss for the period	-	-	-	(18,053)	(18,053)	921	(17,132)
Other comprehensive loss for the period	-	-	(1,575)	-	(1,575)	(610)	(2,185)
Total	-	-	(1,575)	(18,053)	(19,628)	311	(19,317)
Balance at 30 June 2021	154,189	675	(945)	(66,625)	87,294	(8,143)	79,151
Balance at 01 January 2022	154,189	675	(904)	(85,108)	68,852	(8,849)	60,003
Expiry of warrants	-	(31)	-	31	-	-	-
<i>Total comprehensive loss for the period</i>							
Profit for the period	-	-	-	1,361	1,361	2,037	3,398
Other comprehensive income for the period	-	-	237	-	237	380	617
Total	-	-	237	1,361	1,598	2,417	4,015
Balance at 30 June 2022	154,189	644	(667)	(83,716)	70,450	(6,432)	64,018

<u>Company (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Accumulated losses</u>	<u>Total equity</u>
Balance at 01 January 2021	154,189	31	(15,827)	138,393
<i>Total comprehensive income for the period</i>				
Profit for the year, representing total comprehensive income for the period	-	-	265	265
Balance at 30 June 2021	<u>154,189</u>	<u>31</u>	<u>(15,562)</u>	<u>138,658</u>
Balance at 01 January 2022	154,189	31	(39,466)	114,754
Expiry of warrants	-	(31)	31	-
<i>Total comprehensive income for the period</i>				
Loss for the period, representing total comprehensive loss for the period	-	-	(1,734)	(1,734)
Balance at 30 June 2022	<u>154,189</u>	<u>-</u>	<u>(41,169)</u>	<u>113,020</u>

D. Unaudited condensed interim consolidated statement of cash flows

	Group	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
Operating activities		
Profit (Loss) before income tax	5,270	(16,004)
Adjustments for expenses (income):		
Depreciation expenses	2,878	3,888
Interest income	(578)	(594)
Interest expense	5,148	5,000
Share of (profit) loss of associates and joint ventures	(1,200)	945
(Gain) Loss on disposal of property, plant and equipment, net	(103)	1
(Gain) on disposal of other non-current assets	(9)	-
Impairment loss on other non-current assets	2	-
Loss in fair value of investment properties	3,000	5,470
Provisions	-	2,913
Bad debts written off	2	-
Impairment loss recognised on financial assets	58	143
Operating cash flows before movements in working capital	14,468	1,762
Trade and other receivables	(15,169)	(18,915)
Contract assets	(1,889)	(5,136)
Contract liabilities	14,041	16,515
Deposits and prepayments	1,628	(11)
Inventories	(2,031)	1,095
Development properties	(9,166)	(8,841)
Trade and other payables	16,054	8,929
Utilisation of provisions	(5,341)	-
Cash generated from (used in) operations	12,595	(4,602)
Income tax paid	(1,349)	(2,103)
Interest paid	(5,364)	(5,852)
Net cash from (used in) operating activities	5,882	(12,557)
Investing activities		
Repayments from associates and joint ventures	1,220	5,400
Interest received	578	594
Purchase of property, plant and equipment	(1,216)	(806)
Proceeds from disposal of property, plant and equipment	111	5
Proceeds from disposal of other investment	138	-
Proceeds from disposal of asset held for sale	4,935	-
Net cash from investing activities	5,766	5,193
Financing activities		
Loan from a company in which certain directors have control	2,600	3,000
Proceeds from borrowings	127,776	97,812
Repayment of borrowings	(156,246)	(102,291)
Repayment of principal portion of lease liabilities	(388)	(520)
Pledged cash and fixed deposits	2,053	(1,655)
Net cash used in financing activities	(24,205)	(3,654)
Decrease in cash and cash equivalents	(12,557)	(11,018)
Cash and cash equivalents at beginning of the period	54,005	45,215
Effect of exchange rate changes	24	5
Cash and cash equivalents at end of the period	41,472	34,202
Cash and cash equivalents at end of the period comprise the following:		
Cash and bank balances	30,176	24,962
Fixed deposits	20,240	20,591
	50,416	45,553
Less: pledged cash and fixed deposits	(8,944)	(11,351)
Cash and cash equivalents at end of the period	41,472	34,202

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 ended 30 June 2022 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 30 June 2022 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 audited financial statements for the financial period ended 31 December 2021.

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 condensed interim financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements of the Group for the financial year ended 31 December 2021. The Group applied for the first-time certain standards and amendments, which are effective for annual period beginning on or after 1 January 2022. The adoption of these standards and amendments did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current financial period.

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.

2.2 Uses of judgement and estimates - continued

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 2021.

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.

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\$3.4 million for the financial period ended 30 June 2022. As of 30 June 2022, the Group's current assets amounted to S\$476.8 million and its current liabilities amounted to S\$436.2 million. However, the Group's current assets include development properties of S\$306.3 million that may not be realisable within one year.

In view of these circumstances, management has prepared a cash flow forecast containing major cash inflows and outflows of the Group over the next 12 months till 30 June 2023. The key assumptions applied in the cash flow forecast are:

- (a) With regard to ongoing construction projects, the Group will be able to manage business disruptions and operational changes resulting from the COVID-19 pandemic;
- (b) The Group will be able to realise certain development properties at specified minimum values;
- (c) Banks will not demand repayment for loans which are revolving or repayable on demand;
- (d) The Group will be able to refinance or extend repayment date of a bank loan amounting to S\$52.0 million (31 December 2021: S\$53.4 million) taken to finance a Group's substantially completed development property in Cambodia which is contractually due by September 2022, beyond June 30, 2023; and
- (e) A subsidiary of the Company had not complied with financial covenants on a banking facility consists of *inter alia* banker's guarantee for ongoing construction contracts and a fully paid bank loan (31 December 2021: S\$3.9 million). One off waiver had been obtained from the bank for the financial year ended 31 December 2021. The bank will be conducting annual review of the subsidiary's compliance for the financial year 2022 during the annual review to be conducted in 4th quarter of the year.

The bank reserves the right to recall the facility. Management is of the view that the lender will not exercise their right to recall these loans and will continue to support the Group with other banking facilities currently utilised by the Group.

Based on the cash flow forecast, the directors have concluded that the Group will be able to pay its debts when they fall due for at least the next twelve months from 30 June 2022.

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.

2.2 Uses of judgement and estimates - continued

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, taking into consideration impact arising from COVID-19 pandemic. The COVID-19 pandemic has resulted in business disruptions and operational changes, which have increased the estimation uncertainty relating to budgeted time and costs needed to complete ongoing projects.

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).

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.

2.2 Uses of judgement and estimates - continued

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

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

The Group has 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 30 June 2022 based on management’s assessment, which takes into consideration the market value of unsold units and undeveloped land.

In addition to the full impairment of the investment in DSPDS, the Group has made an allowance of S\$28.4 million (31 December 2021: S\$28.3 million) for impairment of receivables from DSPDS which represents all receivables from DSPDS as at 30 June 2022.

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

The Group has 50% equity stake in the joint venture, SZI. At 30 June 2022, non-current receivables of the Group include S\$23.9 million (31 December 2021: S\$23.7 million) owing by SZI.

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 2021, DBOP has receivables (including interest income receivable) amounting to RMB49.9 million (equivalent to S\$10.6 million) (2021: RMB49.9 million (equivalent to S\$10.6 million)) from DSPDC relating to the refund. This receivable is determined to be recoverable.

Rights of usage of carparks bought by DBOP have not been transferred as at 30 June 2022. After considering the financial position of SZI group and the valuation of the properties in the Development at 31 December 2021 by an independent valuer, management expects the amount of S\$23.9 million (31 December 2021: S\$23.7 million) to be recoverable from SZI. The fair values of the properties are determined using direct comparison method (31 December 2021: Direct comparison method) which has considered potential impact of the COVID-19 pandemic on real estate valuations.

(c) Assessment of corporate guarantee given in connection with bank loan of DSPDS

The Company together with another shareholder (the “Joint Guarantor”) of the associate, DSPDS, provided joint and several corporate guarantees to a bank for credit facilities utilised by DSPDS to lend to its subsidiary, DSPDC for development of Singapore Garden (the “Development”). At 30 June 2022, the outstanding bank loan of DSPDS was S\$10.0 million (31 December 2021: S\$10.0 million).

In assessing whether the Group needs to record any loss allowance in respect of the above joint and several corporate guarantee, management relied on the valuation of the properties in the Development at 31 December 2021 by an independent valuer to estimate the market value of unsold units and remaining land in respect of which there are no development plans as at 30 June 2022.

Based on these estimates, management projects that DSPDC will be able to realise sufficient proceeds to repay its loan from DSPDS and in turn for DSPDS to pay the bank loan.

It is anticipated that the Group together with the Joint Guarantor will be required to fund instalment payments due on DSPDS’s bank loan. However, such payments are expected to be recovered subsequently from the eventual sale of properties in the Development.

2.2 Uses of judgement and estimates – continued

Based on the above assessment, management has made the judgement that (a) as of 30 June 2022, no provision for loss needs to be made in connection with the bank guarantees (31 December 2021: S\$Nil); and (b) with the full impairment since 2015 of the Group's investment in DSPDS, the Group discontinues recognition of any share of losses of DSPDS group.

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, the timing of sale relative to timing of repayment of bank loans and the assumption that the Joint Guarantor will fund 50% of any cash required for instalment payments due on the bank loans.

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

Impairment in investment in subsidiaries and joint ventures

The Group assesses whether there is 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 indication 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\$Nil (2021: S\$51.6 million) and S\$Nil (2021: S\$0.4 million) 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
1H2022							
REVENUE							
External revenue	112,868	12,683	489	4,128	-	-	130,168
Inter-segment revenue	11,941	837	138	2,580	-	(15,496)	-
	124,809	13,520	627	6,708	-	(15,496)	130,168
RESULT							
Segment result	696	6,611	2,037	698	(202)	-	9,840
Interest income	23	533	2	20	-	-	578
Finance costs	(458)	(2,123)	(1,313)	(15)	(1,239)	-	(5,148)
Profit (Loss) before income tax	261	5,021	726	703	(1,441)	-	5,270
Income tax expense	(360)	(1,391)	(24)	(97)	-	-	(1,872)
Profit (Loss) for the period	(99)	3,630	702	606	(1,441)	-	3,398

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
1H2022							
STATEMENT OF FINANCIAL POSITION							
Segment assets	110,093	284,961	354,019	13,122	902	-	763,097
Unallocated corporate assets	260	-	-	-	-	-	260
Total assets	110,353	284,961	354,019	13,122	902	-	763,357
Segment liabilities	157,297	179,176	297,289	5,489	60,088	-	699,339
OTHER INFORMATION							
Additions to non-current assets	793	386	12	25	-	-	1,216
Associates and joint ventures	-	2,216	7,095	7,421	-	-	16,732
Depreciation expenses	2,371	90	186	231	-	-	2,878
Loss in fair value of investment properties	-	3,000	-	-	-	-	3,000
Impairment loss on other non-current assets	2	-	-	-	-	-	2
Impairment loss (Reversal of impairment loss) recognised on financial assets	-	60	-	(2)	-	-	58

	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
1H2021							
REVENUE							
External revenue	86,677	11,552	726	6,740	-	-	105,695
Inter-segment revenue	17,183	586	138	2,422	-	(20,329)	-
	103,860	12,138	864	9,162	-	(20,329)	105,695
RESULT							
Segment result	(13,266)	2,777	(345)	(539)	(226)	-	(11,599)
Interest income	6	542	2	45	-	-	595
Interest expense	(531)	(2,219)	(1,124)	(69)	(1,057)	-	(5,000)
(Loss) Profit before income tax	(13,791)	1,100	(1,467)	(563)	(1,283)	-	(16,004)
Income tax expense	(15)	(1,090)	-	(23)	-	-	(1,128)
(Loss) Profit for the year	(13,806)	10	(1,467)	(586)	(1,283)	-	(17,132)

STATEMENT OF FINANCIAL POSITION

Segment assets	112,305	313,426	339,827	18,990	1,779	-	786,327
Unallocated corporate assets	392	-	-	-	-	-	392
Total assets	112,697	313,426	339,827	18,990	1,779	-	786,719
Segment liabilities	169,855	199,535	274,427	10,125	53,626	-	707,568

OTHER INFORMATION

Additions to non-current assets	751	58	9	55	-	-	873
Associates and joint ventures	-	6,729	-	9,720	-	-	16,449
Depreciation expenses	3,216	156	199	317	-	-	3,888
Loss in fair value of investment properties	-	5,470	-	-	-	-	5,470
Impairment loss recognised on financial assets	34	-	29	80	-	-	143

4. Segment and revenue information – continued

Geographical segments

	Singapore	Myanmar	Cambodia	Other countries ⁽ⁱ⁾	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>1H2022</u>					
Revenue	125,936	2,981	1,134	117	130,168
Non-current assets	273,128	1,981	139	11,330	286,578
<u>1H2021</u>					
Revenue	99,853	5,068	756	18	105,695
Non-current assets	289,603	2,653	2,836	12,826	307,918

(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 for the period is as follows:

	Group	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
Revenue from:		
Construction		
- Construction contracts	104,936	77,338
- Sale of goods	3,790	7,351
- Worker training and other services	4,142	1,988
	<u>112,868</u>	<u>86,677</u>
Real estate investment		
- Rental of properties	12,683	11,552
Real estate development		
- Rendering of service	21	21
- Sale of development properties	468	705
Distribution		
- Sale of goods	4,128	6,740
	<u>130,168</u>	<u>105,695</u>
<u>Timing of revenue recognition</u>		
At a point in time	12,549	16,804
Over time	109,982	81,668
	<u>122,531</u>	<u>98,472</u>

6. Other income

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	S\$'000	S\$'000
Rental income	2,893	928
Interest income	578	595
Management fee	221	225
Gain on disposal of property, plant and equipment	103	-
Gain on disposal of other investment	9	-
Grant from government	187	231
Gain on foreign exchange	140	613
Calling of performance bond	307	-
Dormitory facility charges	216	95
Sale of scrap	123	55
Other sundry income	246	139
	<u>5,023</u>	<u>2,881</u>

7. Profit (Loss) before income tax

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	S\$'000	S\$'000
Profit (Loss) before income tax for the period is stated after charging/ (crediting) the following:		
Impairment loss recognised on financial assets	58	143
Depreciation expenses	2,878	3,888
Loss in fair value of investment properties	3,000	5,470
(Gain) Loss on disposal of property, plant and equipment, net	(103)	1
(Gain) on disposal of other investment	(9)	-
Interest income	(578)	(595)
Impairment loss on other non-current assets	2	-
	<u>2</u>	<u>-</u>

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	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	S\$'000	S\$'000
Current tax:		
- for the reporting period	(1,868)	(1,151)
- over provision in prior year	2	17
	<u>(1,866)</u>	<u>(1,134)</u>
Deferred tax	(6)	6
	<u>(1,872)</u>	<u>(1,128)</u>

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 interim financial periods were as follows:

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	S\$'000	S\$'000
<u>Income from associates</u>		
Construction revenue	21	21
Accounting and administrative services	29	33
<u>Income from joint ventures</u>		
Interest income	513	518
Sale of goods	266	74
<u>Income from/(Expenses charged by) companies in which certain directors have control</u>		
Sales and service of air-conditioners	5	15
Management fee income	192	192
Rental income	22	20
Worker management services	(277)	(122)
Medical fee expense	(40)	(31)
Miscellaneous expenses	-	(11)
Dormitory rental expense	(232)	(149)
Interest expense	(432)	(268)
<u>Directors</u>		
Interest expense	(186)	(186)
<u>Key management personnel</u>		
Interest expense	(8)	(8)

10. (a) Trade and other receivables

	Group		Company	
	As at 30 June 2022	As at 31 Dec 2021	As at 30 June 2022	As at 31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current</u>				
Trade receivables	59,715	42,741	-	-
Other receivables	10,837	8,339	34,147	32,744
	70,552	51,080	34,147	32,744
<u>Non-current</u>				
Other receivables	45,658	50,518	87,759	88,065
	116,210	101,598	121,906	120,809

10. (a) Trade and other receivables - continued

Trade receivables

Credit periods generally range from 30 to 120 days (31 December 2021: 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.

Other receivables

Interest is charged at 2.0% to 6.8% (31 December 2021: 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 30 June 2022	As at 31 Dec 2021
	S\$'000	S\$'000
<u>Retention monies on contract work:</u>		
Third parties	19,935	22,632
<u>Accrued income:</u>		
Construction contract customers	14,099	9,513
	<u>34,034</u>	<u>32,145</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 30 June 2022 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 six months ended 30 June 2022, the Group acquired assets amounting to S\$1,216,000 (30 June 2021: S\$873,000) and disposed of assets amounting to S\$8,000 (30 June 2021: \$6,000).

12. Investment properties

	Group	
	As at 30 June 2022 S\$'000	As at 31 Dec 2021 S\$'000
<u>At fair value</u>		
Balance at beginning of the financial period/year	181,480	213,560
Property reclassified as held for sale	-	(4,935)
Disposal during the year	-	(19,820)
Changes in fair value included in profit or loss	(3,000)	(7,325)
Balance at end of the financial period/year	178,480	181,480

Formal valuation of the investment properties is conducted once a year at year end. The fair values of the Group's investment properties as at 30 June 2022 have been determined based on internal assessment of the investment properties in consultation with external valuers considering any significant changes in operating performance movement in market data and enhancement done during the period. As at 31 December 2021, the external 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. Borrowings

	Group		Company	
	As at 30 June 2022 S\$'000	As at 31 Dec 2021 S\$'000	As at 30 June 2022 S\$'000	As at 31 Dec 2021 S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	175,412	191,730	5,000	5,080
Unsecured	2,450	3,093	-	-
	177,862	194,823	5,000	5,080
<u>Amount repayable after one year</u>				
Secured	141,657	146,907	2,500	5,000
Unsecured	7,420	9,670	-	-
	149,077	156,577	2,500	5,000
Total borrowings	326,939	351,400	7,500	10,080

13. Borrowings - continued

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.

Covenants

A subsidiary of the Company had not complied with financial covenants on a banking facility consists of inter alia banker's guarantee for ongoing construction contracts and a fully paid bank loan (31 December 2021: S\$3.9 million). One off waiver had been obtained from the bank for the financial year ended 31 December 2021, the bank is currently conducting annual review of the Company's compliance for the FY2022.

The bank reserves the right to recall the facility. Management is of the view that the lender will not exercise their right to recall these loans and will continue to support the Group with other banking facilities currently utilised by the Group.

14. Share capital

	Group and Company			
	As at 30 June 2022	As at 31 Dec 2021	As at 30 June 2022	As at 31 Dec 2021
	Number of ordinary shares		S\$'000	
Issued and paid up:				
At beginning and end of the period	518,068,220	518,068,220	154,189	154,189

- During the period ended 30 June 2022, there was no change in the Company's share capital.
- As at 30 June 2022, total issued share capital of the Company was 518,068,220 (31 December 2021: 518,068,220) ordinary shares.
- As at the end of 30 June 2022, the Company does not have any outstanding treasury shares (31 December 2021: Nil). There was no sale, transfer, disposal, cancellation and use of treasury shares during the six months ended 2022.
- As at 30 June 2022, there were no outstanding convertibles (31 December 2021: Nil).
- There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 June 2022 (31 December 2021: Nil).

15. Reserves

	Group		Company	
	As at 30 June 2022	As at 31 Dec 2021	As at 30 June 2022	As at 31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Capital reserve	644	644	-	-
Warrants reserve	-	31	-	31
	644	675	-	31

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.

The warrants reserve represents the gross proceeds from the issuance of warrants, net of direct issuance costs. In 2017, the Company had issued and allotted 120,567,589 warrants, with each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of \$0.28 for each new share. The warrants have expired on 20 May 2022.

There is no outstanding warrants as at 30 June 2022 (31 December 2021: 120,567,589).

16. Profit (Loss) per share

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
Profit (Loss) per ordinary share based on weighted average number of shares (in cents)	0.27	(3.5)
Profit (Loss) per ordinary share based on a fully diluted basis (in cents)	0.27	(3.5)
Weighted average number of ordinary shares (in millions)	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.

17. Net asset value per share

	Group		Company	
	As at 30 June 2022	As at 31 Dec 2021	As at 30 June 2022	As at 31 Dec 2021
Net asset value per ordinary share issued (in cents)	13.6	13.3	21.8	22.2

Net asset value per ordinary share as at 30 June 2022 and 31 December 2021 are calculated based on the number of ordinary shares in issue of 518,068,220.

18. Financial assets and financial liabilities

Set out is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Group		Company	
	As at 30 June 2022	As at 31 Dec 2021	As at 30 June 2022	As at 31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Financial assets at amortised cost	167,054	170,034	122,804	120,934
Financial Liabilities				
Financial liabilities at amortised cost	562,511	572,228	88,341	85,578
Lease liabilities	2,099	2,487	-	-

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.

19. Event after reporting period

On 1 July 2022, the Group has completed the disposal of a development property known as 12 On Shan. For further details on the disposal, please refer to announcement released on SGXNET on 1 April 2022 and 1 July 2022

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 30 June 2022 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

The Group's revenue for 1H2022 was S\$130.2 million, an increase of S\$24.5 million compared to S\$105.7 million in 1H2021.

Construction segment recorded revenue of S\$112.9 million for 1H2022, an increase of S\$26.2 million compared to S\$86.7 million for 1H2021 due to higher revenue recognised from worker training and progressive construction work for projects.

Distribution segment recorded revenue of S\$4.1 million for 1H2022, a decrease of S\$2.6 million compared to S\$6.7 million for 1H2021 due to lower revenue contribution from lubricant business in Myanmar.

Other income increased by S\$2.2 million to S\$5.1 million for 1H2022 compared to S\$2.9 million for 1H2021. The increase was mainly due to rental income generated by a serviced apartment.

Other operating expenses decreased by S\$2.7 million to S\$7.0 million for 1H2022 compared to S\$9.7 million for 1H2021 due mainly to lower impairment loss in fair value of investment properties.

Finance costs increased by S\$0.2 million to S\$5.2 million for 1H2022 compared to S\$5.0 million for 1H2021 mainly due to increasing interest rate.

The share of profit, net of tax of associates and joint ventures in 1H2022 of S\$1.2 million, as compared to net loss of S\$0.9 million in 1H2021 was mainly due to share of profit from the Group's 20%-owned associate in a property development project and joint ventures in Myanmar.

Review of cash flow, working capital, assets and liabilities

The changes in assets and liabilities are as follows:

- i) Increase in current and non-current trade and other receivables by S\$14.6 million was mainly due to progress billings for The Gateway's project. The increase is partially offset by repayment from an associate company.
- ii) Increase in contract assets by S\$1.9 million was mainly due to timing difference between billing of work done and revenue recognised from construction contracts.
- iii) Increase in development properties by S\$9.4 million was mainly due to additional development cost incurred for the Group's on-going projects.
- iv) Decrease in investment properties due mainly to loss in fair value amounting to S\$3 million.
- v) Decrease in current and non-current borrowings by S\$24.5 million was mainly due to repayment of borrowings during the period.
- vi) Increase in current and non-current trade and other payables by S\$18.7 million was mainly due to loan from a company in which certain directors have control and increase of amount due to subcontractors and suppliers.
- vii) Increase in contract liabilities by S\$14.0 million was mainly due to higher cumulative progress billings for sold units of an overseas development property which revenue will be recognised when legal title is passed to buyers.
- viii) Decrease in provisions by S\$5.3 million was due to utilisation of provision for onerous contracts due to performance of construction projects.

2. Review of performance of the Group - continued

Cash and cash equivalents decreased by S\$12.6 million in 1H2022 mainly due to higher trade and other receivables of S\$15.2 million and repayment of borrowings, increase property development costs incurred of S\$9.2 million, interest payment of S\$5.4 million, net repayment on borrowing of S\$28.5 million and increase in contract assets of S\$1.9 million. These were partially offset by increase in contract liabilities of S\$14.0 million, increase in trade and other payables of S\$16.1 million, repayment from amounts due from associates and joint venture of S\$1.2 million and increase in inventories of S\$2 million.

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 period ended 30 June 2022 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

According to the Ministry of Trade and Industry Singapore advanced estimates released on 11 August 2022, Singapore's construction sector grew by 3.3% year-on-year in the second quarter of 2022 and 2.4% over the first quarter of 2022, in part due to the reopening effects and relaxation of border restrictions on inbound migrant workers.

The Group expects the outlook for its construction segment to remain challenging on the back of supply chain disruptions, labour shortages, and higher material and manpower costs. The prevailing labour situation, along with rising construction material costs, is expected to pose operational challenges in this business segment. In addition, the current interest rate environment is expected to raise the Group's cost of borrowing and consequently affect its operation costs.

Amidst rising Covid-19 cases in the dormitories and across Singapore recently, the Group's dormitory business is expected to face challenges, the Government had held several consultations via different agencies with public health experts, dormitory operators, employers and migrant workers on strengthening the resilience of the dormitories against future public health outbreak through redesigning of floor lay out and retrofitting, while ensuring the stable supply of beds and the affordability of bed rates. The implementation of such new regulations and measures could possibly see a reduction in Group's dormitory capacity with increased spending on additional retrofitting expenditures, manpower and maintenance costs to ensure compliance.

The Group's overseas property development projects in Thailand and in Cambodia are both substantially completed in FY2021. The Group shall recognise revenue from Gateway project upon the transfer of certain strata title to its buyers as the Group adopted point in time accounting principle in recognising its overseas property development projects.

For the Construction segment, the Group remains focused on executing its order book of S\$135.8 million as at 30 June 2022 to be delivered progressively over the contract period. The Group will continue to be prudent in tendering for more construction projects where we have the requisite track record, experience and capabilities to ensure a consistently strong order book for sustainable growth. Nonetheless, taking into consideration the prevailing market conditions, the Group will be selective in tendering for new projects.

In view of the challenges from the COVID-19 outbreak since FY2020, the Group remains financially prudent and maintains operational agility to conserve essential resources to prepare for the post pandemic recovery process. The Group will continue to prioritise cost control and exercise caution when exploring business opportunities in the region.

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 interim dividend for the half year ended 30 June 2022 (30 June 2021: Nil) is recommended as the Group intends to conserve cash. It is not the Group's practice to declare interim dividend.

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 period, 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 (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)
		6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2022 S\$'000
<u>Prestige Resources Pte Ltd</u> Management service	Associate of directors - Liong Kiam Teck ("LKT"), Neo Tiam Boon ("NTB"), Neo Tiam Poon @ Neo Thiam Poon ("NTP"), and Neo Thiam An ("NTA")	252	N.A
<u>Tac Alliance Pte. Ltd.</u> Management service	Associate of directors - LKT, NTB, NTP and NTA	163	N.A
<u>MW Employment Agency Pte Ltd</u> Pre-Departure Preparatory Programmed (PDPP) service fee	Associate of directors - NTB and NTA	243	N.A

6. Interested person transactions - continued

Name of Interested person and nature of transaction	Nature of relationship	Aggregate value of all interested person transactions (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)
		6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2022 S\$'000
<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	174	N.A.
Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes		258	N.A.
<u>Neo Tiam Boon</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director and his spouse	81	N.A.
<u>Liong Kiam Teck</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director	66	N.A.
<u>Neo Thiam Poon</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director	22	N.A.
<u>Neo Bee Lan</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director's siblings	7	N.A.
<u>Lee Hua Yong</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director's spouse	7	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. 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 six months ended 30 June 2022 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
12 August 2022