



TA CORPORATION LTD

**Unaudited Condensed Interim Financial Statements for
the six months ended 30 June 2024**

TA CORPORATION LTD
(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		
		6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000	Change %
Revenue	5	46,522	94,668	(50.9)
Cost of sales		(15,883)	(88,095)	(82.0)
Gross profit		30,639	6,573	366.1
Other income	6	3,363	5,828	(42.3)
Selling and distribution costs		(129)	(635)	(79.7)
General and administrative expenses		(5,008)	(10,202)	(50.9)
Other operating expenses		(12,749)	(7,470)	70.7
Share of profit, net of tax of associates and joint ventures		19	235	(91.9)
Finance costs	7	(5,270)	(6,655)	(20.8)
Profit (Loss) before income tax	8	10,865	(12,326)	NM
Income tax expense	9	(3,214)	(2,135)	50.5
Profit (Loss) from continuing operations		7,651	(14,461)	NM
Discontinued operations	10	(471)	-	NM
Profit/ (loss) for the period		7,180	(14,461)	NM
Other comprehensive income (loss):				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		580	84	NM
Share of comprehensive income of associates and joint ventures		(168)	110	NM
Total comprehensive income (loss) for the period		7,592	(14,267)	NM
Profit (Loss) attributable to:				
Owners of the Company		4,743	(19,368)	NM
Non-controlling interests		2,437	4,907	(50.3)
		7,180	(14,461)	NM
Total comprehensive income (loss) attributable to:				
Owners of the Company		4,763	(19,386)	NM
Non-controlling interests		2,829	5,119	(44.7)
		7,592	(14,267)	NM
NM = Not meaningful				

B. Unaudited condensed interim consolidated statement of financial position

	Note	Group		Company	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances	12	43,161	36,840	25	32
Trade and other receivables	13	41,389	38,204	1,326	1,326
Deposits and prepayments		2,311	11,971	8	11
Inventories		2,755	3,534	-	-
Contract assets	13	6,259	4,372	-	-
Development properties		202,157	196,127	-	-
		298,032	291,048	1,359	1,369
Non-current asset held for sale	15	49,091	59,290	-	-
Total current assets		347,123	350,338	1,359	1,369
Non-current assets					
Property, plant and equipment	14	9,394	9,999	-	-
Investment properties	16	239,200	248,000	-	-
Subsidiaries		-	-	76,601	76,601
Goodwill		31	31	-	-
Associates and joint ventures		16,175	16,324	-	-
Trade and other receivables	13	29,145	26,011	75,739	75,453
Total non-current assets		293,945	300,365	152,340	152,054
Total assets		641,068	650,703	153,699	153,423
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	17	26,406	36,985	-	-
Trade and other payables		155,957	144,561	56,329	53,779
Lease liabilities		328	146	-	-
Term notes		26,879	26,823	26,879	26,823
Contract liabilities		96,133	93,362	-	-
Provisions		195	-	-	-
Income tax payable		5,004	3,610	-	-
		310,902	305,487	83,208	80,602
Liabilities directly associated with asset classified as held for sale	15	28,377	42,771	-	-
Total current liabilities		339,279	348,258	83,208	80,602
Non-current liabilities					
Borrowings	17	101,771	109,924	-	-
Trade and other payables		87,392	87,306	29,189	30,650
Lease liabilities		104	273	-	-
Deferred tax liabilities		27	39	-	-
Total non-current liabilities		189,294	197,542	29,189	30,650
Capital, reserves and non-controlling interests					
Share capital	18	154,189	154,189	154,189	154,189
Reserves	19	432	432	-	-
Translation reserves		(2,808)	(2,827)	-	-
Accumulated losses		(84,477)	(89,220)	(112,887)	(112,018)
Equity attributable to owners of the Company		67,336	62,574	41,302	42,171
Non-controlling interests		45,159	42,329	-	-
Total equity		112,495	104,903	41,302	42,171
Total liabilities and equity		641,068	650,703	153,699	153,423

C. Unaudited condensed interim statements of changes in equity

<u>Group (\$'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 1 January 2023	154,189	644	(2,342)	(72,941)	79,550	5,630	85,180
<i>Total comprehensive loss for the period</i>							
(Loss) Profit for the period	-	-	-	(19,368)	(19,368)	4,907	(14,461)
Other comprehensive (loss) income for the period	-	-	(18)	-	(18)	212	194
Total	-	-	(18)	(19,368)	(19,386)	5,119	(14,267)
Incorporation of new subsidiary	-	-	-	-	-	24	24
Balance at 30 June 2023	154,189	644	(2,360)	(92,309)	60,164	10,773	70,937
Balance at 1 January 2024	154,189	432	(2,827)	(89,220)	62,574	42,329	104,903
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	4,743	4,743	2,437	7,180
Other comprehensive profit for the period	-	-	19	-	19	393	412
Total	-	-	19	4,743	4,762	2,830	7,592
Balance at 30 June 2024	154,189	432	(2,808)	(84,477)	67,366	45,159	112,495

<u>Company (\$'000)</u>	<u>Share capital</u>	<u>Accumulated losses</u>	<u>Total equity</u>
Balance at 1 January 2023	154,189	(44,919)	109,270
<i>Total comprehensive income for the period</i>			
Loss for the period, representing total comprehensive loss for the period	-	(1,827)	(1,827)
Balance at 30 June 2023	<u>154,189</u>	<u>(46,746)</u>	<u>107,443</u>
Balance at 1 January 2024	154,189	(112,018)	42,171
<i>Total comprehensive income for the period</i>			
Loss for the period, representing total comprehensive loss for the period	-	(869)	(869)
Balance at 30 June 2024	<u>154,189</u>	<u>(112,887)</u>	<u>41,302</u>

D. Unaudited condensed interim consolidated statement of cash flows

	Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Operating activities		
Profit (Loss) before income tax	10,865	(12,326)
Adjustments for expenses (income):		
Depreciation expenses	712	3,229
Interest income	(497)	(568)
Interest expense	5,270	6,655
Share of profit of associates and joint ventures	(19)	(235)
Loss (Gain) on disposal of property, plant and equipment,	12	(3,756)
(Gain) on disposal of other non-current assets	-	(70)
Impairment loss on investment in associate	-	125
Reversal of impairment loss on other non-current assets	-	(4)
Loss in fair value of investment properties	8,800	-
Bad debts written off	18	-
Impairment loss on financial assets	-	2,058
Operating cash flows before movements in working capital	25,161	(4,892)
Trade and other receivables	(9,930)	8,678
Contract assets	(1,887)	776
Contract liabilities	2,771	(9,524)
Deposits and prepayments	9,660	(3,311)
Inventories	779	1,277
Development properties	(6,030)	1,674
Trade and other payables	12,466	5,915
Provisions	195	(397)
Cash generated from operations	33,185	196
Income tax paid	(1,832)	(1,851)
Interest paid	(5,270)	(8,184)
Net cash generated from (used in) operating activities	26,083	(9,839)
Investing activities		
Repayments from associates and joint ventures	3,593	11,646
Loan from a company in which certain directors have control	-	5,550
Interest received	497	568
Investment in associate	-	(125)
Purchase of property, plant and equipment	(205)	(1,339)
Proceeds from disposal of property, plant and equipment	83	3,937
Proceeds from disposal of other investment	-	301
Proceeds from disposal of asset held for sale	400	-
Net cash generated from investing activities	4,368	20,538
Financing activities		
Proceeds from borrowings	-	104,081
Repayment of borrowings	(24,726)	(114,090)
Repayment of principal portion of lease liabilities	(92)	(852)
Share capital from non-controlling interest	-	24
Pledged cash and fixed deposits	4,258	(6,967)
Net cash used in financing activities	(20,560)	(17,804)
Increase (Decrease) in cash and cash equivalents	9,891	(7,105)
Cash and cash equivalents at beginning of the period	12,349	42,467
Effect of exchange rate changes	688	9
Cash and cash equivalents at end of the period	22,928	35,371

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 8 Kaki Bukit Avenue 1, #04-08, Singapore 417941..

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 2024 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 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 2024 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 year ended 31 December 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 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 2023. The Group applied for the first-time certain standards and amendments, which are effective for annual period beginning on or after 1 January 2024. 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.

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.

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 13 – expected credit losses of trade and other receivables and contract assets
- Note 16 – 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's current assets amounted to \$347.1 million (2023: \$350.3 million) and its current liabilities amounted to \$339.3 million (2023: \$348.3 million). In addition, the Group's current assets include development properties of \$202.2 million (2023: \$196.1 million) that may not be realisable within one year as the normal operating cycle for development properties exceeds one year.

Notwithstanding that the above indicates existence of events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, management believes that the use of going concern assumption in the preparation of the financial statements for the financial period ended 30 June 2024 is still appropriate. In view of these circumstances, management has prepared a cash flow forecast containing major cash inflows and outflows of the Group over the next 12 months till 30 June 2025. The key assumptions applied in the cash flow forecast are:

- (a) Positive cashflow from existing customers and contracts and successful conversion of current tendering opportunities into future revenues and cashflows;
- (b) The Group will be able to realise its development properties at specified minimum values;
- (c) Management believes that the 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 30 June 2024; 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 30 June 2024.

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.

2.2 Uses of judgement and estimates – continued

Critical judgements – 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).

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

Key sources of estimation uncertainty - continued

Fair value of investment properties

As at 30 June 2024, the carrying value of the Group's investment property of approximately \$239.2 million (31 Dec 2023: \$248.0 million) accounted for 38% (31 Dec 2023: 39%) of the Group's total assets.

The Group had carried out an internal assessment on its investment property as at 30 June 2024, in consultation with the independent professional valuer who had performed the valuations of the Group's investment property as at 31 December 2023, for any material changes in key inputs. The key inputs were found to remain substantially unchanged compared to 31 December 2023. After considering other factors including the operating performance of the property, the prevailing local market outlook, the Group recognized the net fair value of the investment property of approximately \$239.2 million (2023: \$248.0 million).

Significant valuation issues are reported to the Group's Audit Committee and disclosed in Note 16.

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

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

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% 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 2024 based on management's assessment, which takes into consideration the market value of unsold units and undeveloped land.

In addition to the full impairment of the investment in DSPDS, the Group has made an allowance of \$28.6 million (31 December 2023: \$28.6 million) for impairment of receivables from DSPDS which represents all receivables from DSPDS as at 30 June 2024.

2.2 Uses of judgement and estimates – continued

Key sources of estimation uncertainty - continued

(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 \$19.8 million (31 December 2023: \$19.5 million) (net of allowance of \$5.2 million (31 December 2023: \$5.2 million)).

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 DSPDC’s multi-phase mixed development in PRC (Singapore Garden, the “Development”) for amounts totalling RMB201.1 million (equivalent to \$42.2 million).

In 2018, DBOP issued a notification letter to DSPDC on its intent to cancel the sale and purchase agreements (“SPAs”) for the sale of residential units from DSPDC to DBOP due to non-delivery of the fully paid purchased residential units within the contracted period under the SPAs by DSPDC. In September 2018, a cancellation agreement was entered into between both parties whereby DSPDC had to refund RMB148.4 million (approximately \$29.4 million) due to DBOP and as at 30 June 2024, DBOP has receivables (including interest income receivable) amounting to RMB49.1 million (equivalent to \$9.2 million) (31 December 2023: RMB48.5 million (equivalent to \$9.0 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 2024. After considering the financial position of SZI group and the valuation of the properties in the Development at 30 June 2024 by an independent valuer, management expects the amount of \$19.5 million (31 December 2023: \$19.5 million) to be recoverable from SZI. The fair values of the properties are determined using direct comparison method (31 December 2023: Direct comparison method).

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.

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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1H2024							
REVENUE							
External revenue	17,711	23,208	846	4,757	-	-	46,522
Inter-segment revenue	10,168	266	173	1,528	-	(12,135)	-
	27,879	23,474	1,019	6,285	-	(12,135)	46,522
RESULT							
Segment result	3,819	11,685	213	(57)	(22)	-	15,638
Interest income	23	436	1	37	-	-	497
Finance costs	(152)	(3,161)	(634)	(47)	(1,276)	-	(5,270)
Profit (Loss) before income tax	3,690	8,960	(420)	(67)	(1,298)	-	10,865
Income tax expense	(282)	(2,935)	(9)	12	-	-	(3,214)
Profit (Loss) for the period	3,408	6,025	(429)	(55)	(1,298)	-	7,651

1H2024

STATEMENT OF FINANCIAL POSITION

Segment assets	35,481	362,420	230,393	11,414	1,360	-	641,068
Unallocated corporate assets	-	-	-	-	-	-	-
Total assets	35,481	362,420	230,393	11,414	1,360	-	641,068
Segment liabilities	38,226	199,316	185,680	3,114	102,237	-	528,573

OTHER INFORMATION

Additions to non-current assets	138	54	1	118	--	-	311
Associates and joint ventures	-	15,494	6	675	--	-	16,175
Depreciation expenses	509	84	23	96	-	-	712
Loss in fair value of investment properties	-	8,800	-	-	-	-	8,800

4. Segment and revenue information

Segment by Business

	Construction	Real estate investment	Real estate development	Distribution	Others	Elimination	Total
1H2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE							
External revenue	70,865	16,063	1,004	6,736	-	-	94,668
Inter-segment revenue	11,497	438	148	1,146	-	(13,229)	-
	<u>82,362</u>	<u>16,501</u>	<u>1,152</u>	<u>7,882</u>	<u>-</u>	<u>(13,229)</u>	<u>94,668</u>
RESULT							
Segment result	(18,851)	11,304	19	1,477	(188)	-	(6,239)
Interest income	22	460	68	18	-	-	568
Finance costs	(690)	(3,969)	(651)	(45)	(1,300)	-	(6,655)
Profit (Loss) before income tax	(19,519)	7,795	(564)	1,450	(1,488)	-	(12,326)
Income tax expense	(340)	(1,426)	(19)	(350)	-	-	(2,135)
Profit (Loss) for the period	<u>(19,859)</u>	<u>6,369</u>	<u>(583)</u>	<u>1,100</u>	<u>(1,488)</u>	<u>-</u>	<u>(14,461)</u>

STATEMENT OF FINANCIAL POSITION

Segment assets	92,860	238,495	232,630	17,338	46,060	-	627,383
Unallocated corporate assets	27	-	-	-	-	-	27
Total assets	<u>92,887</u>	<u>238,495</u>	<u>232,630</u>	<u>17,338</u>	<u>46,060</u>	<u>-</u>	<u>627,410</u>
Segment liabilities	<u>124,915</u>	<u>174,280</u>	<u>189,294</u>	<u>6,333</u>	<u>61,651</u>	<u>-</u>	<u>556,473</u>

OTHER INFORMATION

Additions to non-current assets	2,405	19	13	27	-	-	2,464
Associates and joint ventures	-	13,708	2,679	1,174	-	-	17,561
Depreciation expenses	99	138	49	2,943	-	-	3,229
Loss in fair value of investment properties	-	125	-	-	-	-	125
Impairment loss on other non-current assets	(4)	-	-	-	-	-	(4)
Impairment loss recognised on financial assets	<u>1,855</u>	<u>203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,058</u>

Geographical segments

	Singapore	Myanmar	Cambodia	Other countries ⁽ⁱ⁾	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
1H2024					
Revenue	<u>41,923</u>	<u>3,915</u>	<u>569</u>	<u>115</u>	<u>46,522</u>
Non-current assets	<u>284,593</u>	<u>1,756</u>	<u>13</u>	<u>7,583</u>	<u>293,945</u>
1H2023					
Revenue	<u>78,593</u>	<u>5,535</u>	<u>2,189</u>	<u>8,351</u>	<u>94,668</u>
Non-current assets	<u>282,915</u>	<u>1,618</u>	<u>83</u>	<u>10,469</u>	<u>295,085</u>

(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 2024	6 months ended 30 June 2023
	\$'000	\$'000
Revenue from:		
Construction		
- Construction contracts	6,201	53,979
- Sale of goods	11,510	10,623
- Worker training and other services	-	6,262
	<hr/> 17,711	<hr/> 70,864
Real estate investment		
- Rental of properties	23,208	16,063
Real estate development		
- Rendering of service	-	223
- Rental of properties	-	50
- Sale of development properties	846	732
Distribution		
- Sale of goods	4,757	6,736
	<hr/> 46,522	<hr/> 94,668
	<hr/> <hr/>	<hr/> <hr/>
<u>Timing of revenue recognition</u>		
At a point in time	17,113	24,575
Over time	6,201	68,099
	<hr/> <hr/>	<hr/> <hr/>

6. Other income

	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000
Rental income	94	648
Interest income	497	568
Project management and administrative fee	23	28
Admin charges from joint venture	-	54
Gain on disposal of property, plant and equipment	1	3,756
Gain on disposal of other non-current assets	-	70
Grant from government	67	80
Gain on foreign exchange	530	-
Reversal of impairment loss on other non-current assets	-	4
Refurbishment income (Dormitory)	-	69
Dormitory facility charges	224	110
Sale of scrap	64	53
Dividend from associate	990	-
Waiver of debts	435	-
Others	438	388
	<hr/> 3,363	<hr/> 5,828
	<hr/> <hr/>	<hr/> <hr/>

7. Finance Costs

	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000
Interest on borrowing	6,006	7,162
Shareholders' loan interest (non-controlling interest)	895	964
Interest on lease liabilities	11	58
Total borrowing costs	6,912	8,184
Less: Amounts included as cost of development properties	(1,642)	(1,529)
	<u>5,270</u>	<u>6,655</u>

8. Profit (Loss) before income tax

	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000
Profit (Loss) before income tax for the period is stated after charging/ (crediting) the following:		
Impairment loss recognised on financial assets	-	2,058
Depreciation expenses	712	3,229
Loss in fair value of investment properties	8,800	-
Loss/(Gain) on disposal of property, plant and equipment, net	12	(3,756)
Gain on disposal of other non-current assets	-	(70)
Interest income	(497)	(568)
Impairment loss on investment in associates	-	125
Reversal of impairment loss on other non-current assets	-	(4)
	<u>-</u>	<u>(4)</u>

9. 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 2024	6 months ended 30 June 2023
	\$'000	\$'000
Current tax:		
- for the reporting period	3,217	2,087
- under provision in prior year	9	41
	<u>3,226</u>	<u>2,128</u>
Deferred tax	(12)	7
	<u>3,214</u>	<u>2,135</u>

10. Discontinued operation

On 18 January 2024, the Company entered into a sale and purchase agreement for the disposal of 567,000 ordinary shares of Aston Air Control Pte Ltd (“AAC”) held by the Company, representing 90% of the issued and paid-up share capital of AAC at a cash consideration of \$400,000.

AAC was presented as a disposal group classified as held-for-sale as at 31 December 2023, and the entire results from AAC were presented separately on the statement of comprehensive income as “Discontinued operations” for the financial year ended 31 December 2023. AAC was previously presented under the “Construction” segment of the Group. The disposal was completed on 18 January 2024, subsequent to initial classification, gains or losses on remeasurement are recognised in profit or loss.

11. 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 2024	6 months ended 30 June 2023
	\$’000	\$’000
<u>Income from associates</u>		
Accounting and administrative services	21	28
<u>Income from joint ventures</u>		
Interest income	329	430
Sale of goods	-	411
<u>Income from/(Expenses charged by) companies in which certain directors have control</u>		
Sales and service of air-conditioners	-	2
Management fee income	-	105
Maintenance income	96	-
Rental income	91	16
Medical fee expense	-	(15)
Worker management service	(9)	(25)
Dormitory rental expense	(38)	(272)
Interest expense	(536)	(487)
<u>Directors</u>		
Interest expense	(185)	(185)
<u>Key management personnel</u>		
Interest expense	(7)	(8)

12. Cash and bank balances

	Group		Company	
	As at	As at	As at	As at
	30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	23,316	17,748	25	32
Fixed deposits	19,845	19,092	-	-
	43,161	36,840	25	32
Less: Pledged cash and fixed deposits	(20,233)	(24,491)	-	-
Cash and cash equivalents in the consolidation statement of cash flows	22,928	12,349	25	32

13. (a) Trade and other receivables

	Group		Company	
	As at	As at	As at	As at
	30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Trade receivables	23,102	23,881	-	-
Other receivables	18,287	14,323	1,326	1,326
	41,389	38,204	1,326	1,326
<u>Non-current</u>				
Other receivables	29,145	26,011	75,739	75,453
	70,534	64,215	77,065	76,779

Trade receivables

Credit periods generally range from 30 to 120 days (31 December 2023: 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 2.5% to 6.75% (31 December 2023: 2.5% to 6.75%) 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.

13. (b) Contract assets

	Group	
	As at 30 June 2024	As at 31 Dec 2023
	\$'000	\$'000
<u>Retention monies on contract work:</u>		
Third parties	1,924	2,718
<u>Accrued income:</u>		
Construction contract customers	4,335	1,654
	6,259	4,372

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 2024 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.

14. **Property, plant and equipment**

During the six months ended 30 June 2024, the Group acquired assets amounting to \$311,000 (30 June 2023: \$2,464,000) of which approximately \$106,000 was acquired under finance lease and during the period, disposed of assets amounting to \$98,000 (30 June 2023: \$182,000).

15. **Non-current asset held for sale/ Liabilities directly associated with asset classified as held for sale**

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

	Group	
	As at 30 June 2024	As at 31 Dec 2023
	\$'000	\$'000
Property, plant and equipment	8,401	8,401
Investment property (Note 16)	40,690	40,690
Subsidiaries	-	10,199
Total non-current asset held for sale	49,091	59,290
Borrowings	27,340	34,372
Liabilities directly associated with subsidiaries	1,037	8,399
Total liabilities directly associated with asset classified as held for sale	28,377	42,771

16. Investment properties

	Group	
	As at 30 June 2024	As at 31 Dec 2023
	\$'000	\$'000
<u>At fair value</u>		
Balance at beginning of the financial period/year	248,000	196,840
Changes in fair value included in profit or loss	(8,800)	91,850
Reclassified as assets held for sales (Note 15)	-	(40,690)
Balance at end of the financial period/year	239,200	248,000

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 2024 have been determined based on internal assessment of the investment properties in consultation with independent professional valuers who had performed the valuation of the Group's investment properties as at 31 December 2023. After considering other factors including the operating performance of the properties, the prevailing local market outlook and the remaining lease terms of the leased properties.

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.

17. Borrowings

	Group		Company	
	As at 30 June 2024	As at 31 Dec 2023	As at 30 June 2024	As at 31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	22,790	33,402	-	-
Unsecured	3,616	3,583	-	-
	26,406	36,985	-	-
<u>Amount repayable after one year</u>				
Secured	100,448	108,298	-	-
Unsecured	1,323	1,626	-	-
	101,771	109,924	-	-
Total borrowings	128,177	146,909	-	-

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.

18. Share capital

	Group and Company			
	As at 30 June 2024	As at 31 Dec 2023	As at 30 June 2024	As at 31 Dec 2023
	Number of ordinary shares		\$'000	\$'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 period ended 30 June 2024, there was no change in the Company's share capital.
- b) As at 30 June 2024, total issued share capital of the Company was 518,068,220 (31 December 2023: 518,068,220) ordinary shares.
- c) As at the end of 30 June 2024, 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 2024.
- d) As at 30 June 2024, there were no outstanding convertibles (31 December 2023: Nil).
- e) There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 June 2024 (31 December 2023: Nil).

19. Reserves

	Group		Company	
	As at 30 June 2024	As at 31 Dec 2023	As at 30 June 2024	As at 31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
Capital reserve	432	432	-	-
	432	432	-	-

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.

20. Profit (Loss) per share

	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
Profit (Loss) per ordinary share based on weighted average number of shares (in cents)	0.92	(3.74)
Profit (Loss) per ordinary share based on a fully diluted basis (in cents)	0.92	(3.74)
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.

21. Net asset value per share

	Group		Company	
	As at 30 June 2024	As at 31 Dec 2023	As at 30 June 2024	As at 31 Dec 2023
Net asset value per ordinary share issued (in cents)	13.0	12.1	8.0	8.1

Net asset value per ordinary share as at 30 June 2024 and 31 December 2023 are calculated based on the number of ordinary shares in issue of 518,068,220.

22. Financial assets and financial liabilities

Set out is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	As at 30 June 2024 \$'000	As at 31 Dec 2023 \$'000	As at 30 June 2024 \$'000	As at 31 Dec 2023 \$'000
Financial Assets				
Financial assets at amortised cost	114,219	101,438	77,090	76,811
Financial Liabilities				
Financial liabilities at amortised cost	426,783	448,370	112,397	111,252
Lease liabilities	432	419	-	-

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.

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 2024 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 1H2024 was \$46.5 million, a decrease of \$48.2 million compared to \$94.7 million in 1H2023.

Construction segment recorded revenue of \$17.7 million for 1H2024, a decrease of \$53.2 million compared to \$70.9 million for 1H2023 due to lower value of work done in 1H2024 due to completion of projects.

Distribution segment recorded revenue of \$4.8 million for 1H2024, a decrease of \$1.9 million compared to \$6.7 million for 1H2023 due to lower sales from lubricant business in Myanmar.

Real estate investment segment recorded \$23.2 million revenue in 1H2024, an increase of \$7.2 million compared to \$16.0 million in 1H2023 mainly due to improved bed rates in Tuas South Dormitory.

Real estate development segment recorded \$0.9 million revenue in 1H2024, a decrease of \$0.1 million compared to \$1.0 million in 1H2023 due to lower sales recognised from overseas real estate development project.

Other income decreased by \$2.4 million to \$3.4 million for 1H2024 compared to \$5.8 million for 1H2023. The decrease was mainly due to one-off gain on disposal of property, plant and equipment in 1H23 and lower rental income in 1H24.

General and administrative expenses decreased by \$5.2 million to \$5.0 million for 1H2024 compared to \$10.2 million for 1H2023 mainly due to lower salary and wages costs due to liquidation of Tiong Aik Construction Pte Ltd in FY2023.

Other operating expenses increased by \$5.2 million to \$12.7 million for 1H2024 compared to \$7.5 million for 1H2023 due mainly to fair value loss of an investment property.

Finance costs decreased by \$1.4 million to \$5.3 million for 1H2024 compared to \$6.7 million for 1H2023 mainly due to lower borrowings in 1H2024.

The share of profit, net of tax of associates and joint ventures decrease by \$0.21 million to \$0.02 million in 1H2024 compared to \$0.23 million in 1H2023 was due to share of expenses from the Group's associates in property developments due to completion of the project and share of interest expense.

Review of cash flow, working capital, assets and liabilities

The changes in assets and liabilities of the Group during the period are as follows:

The Group's trade and other receivables increased by \$6.3 million mainly due to higher trade receivables from construction segment's trade debtors net of repayment of loan from the Group's 20% owned associate and lower revenue/ lower billing recorded during the period under review mainly due to completion of constructions contracts.

The Group's borrowings reduced by \$18.7 million mainly due to reclassification of Group's borrowings related to assets held for sale to liabilities directly associated with asset classified as held for sale and repayment of borrowings during the financial period.

2. Review of performance of the Group - continued

Review of cash flow, working capital, assets and liabilities - continued

Trade and other payables increased by \$11.5 million due mainly to increase in retention payables and deposits received from tenants.

In 1H2024, the Group's cash and cash equivalent increased by \$9.9 million was mainly due to the followings:

Net cash generated from operating activities was \$26.1 million mainly due to collections from operation during the period under review.

Net cash generated from investing activities of \$4.4 million was mainly due to repayment of loan of \$3.6 million from the Group's 20% owned property development project in Singapore.

The Group also recorded net cash used in financing activities of \$20.6 million mainly due to repayment of borrowings during the period.

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 2024 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 of its Construction segment 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 manage the risks in this segment while continue to tender for new construction contract to strengthen the project pipeline.

While bed rate have begun to moderate, the Group's purpose built workers dormitory under the Group's investment properties segment continue to record a positive and healthy occupancy rate. The Group expect the positive outlook to continue due to healthy 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 local economy condition in Thailand and in Cambodia's case, the international buyers' interest and local market condition.

Given the unresolved political situation, import restriction and custom clearance challenges in Myanmar, the Group continues to operate the distribution business with high degree of discretion. Nevertheless, these will inevitably affect the business volume from the distribution segment going forward.

For the Construction segment, the Group remains focused on executing its order book of \$26.2 million as at 30 June 2024 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 restructuring/ 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 interim dividend for the half year ended 30 June 2024 (30 June 2023: 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 ("SGX-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 2024 S\$'000	6 months ended 30 June 2024 S\$'000
<u>Tac Alliance Pte. Ltd.</u> Management service	Associate of directors - LKT, NTB, NTP and NTA	376	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	228	N.A.
Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes		259	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 2024 S\$'000	6 months ended 30 June 2024 S\$'000
<u>Neo Tiam Boon</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director and his spouse	82	N.A.
<u>Liong Kiam Teck</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director	67	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.
<u>Lee Kim Lian, Juliana</u> Interest from subscription of 6% Series 3 Multicurrency Medium Term Notes	Director's spouse	15	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)

The Company confirms that the undertakings required under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

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 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Neo Tiam Boon
Executive Chairman and CEO

Fong Heng Boo
Lead Independent Director

BY ORDER OF THE BOARD

Foo Soon Soo / Tam Siew Kheong

Company Secretaries
14 October 2024