



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Registration Number: 200807295Z)

Condensed Interim Financial Statements For the Six Months Ended 30 June 2024

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Condensed Interim Consolidated Statement of Comprehensive Income

	Note	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000	Change %
Revenue				
Revenue from construction contracts and engineering solutions	4	240,581	139,963	72%
Revenue from sales of development properties	4	7,781	20,464	(62%)
Rental Income		166	211	(21%)
		248,528	160,638	55%
Other income		7,419	1,819	>100%
Costs of construction contracts and engineering solutions		(229,297)	(139,305)	65%
Costs of sales of development properties		(5,520)	(18,503)	(70%)
Depreciation and amortisation		(2,408)	(2,547)	(5%)
Selling expenses		(340)	(674)	(50%)
Staff costs		(8,618)	(9,022)	(4%)
Other expenses		(5,418)	(5,467)	(1%)
		(251,601)	(175,518)	43%
Profit/(Loss) from operating activities		4,346	(13,061)	N.M.
Finance income		2,328	1,116	>100%
Finance costs		(2,784)	(4,272)	(35%)
Net finance costs		(456)	(3,156)	(86%)
Share of profit of joint ventures, net of tax		1,886	999	89%
Profit/(Loss) before tax	5	5,776	(15,218)	N.M.
Tax expense	7	(726)	(415)	75%
Profit/(Loss) for the period		5,050	(15,633)	N.M.

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

Condensed Interim Consolidated Statement of Comprehensive Income (cont'd)

	Note	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000	Change %
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Translation differences relating to financial statements of foreign subsidiaries		218	(5,217)	N.M.
Exchange differences on monetary items forming part of net investment in a foreign operation		55	(834)	N.M.
Net change in fair value of equity investment at fair value through other comprehensive income		103	(45)	N.M.
Other comprehensive income for the period, net of tax		376	(6,096)	N.M.
Total comprehensive income for the period		5,426	(21,729)	N.M.
Profit/(Loss) attributable to:				
Owners of the Company		4,824	(15,642)	N.M.
Non-controlling interests		226	9	>100%
Profit/(Loss) for the period		5,050	(15,633)	N.M.
Total comprehensive income attributable to:				
Owners of the Company		5,163	(21,269)	N.M.
Non-controlling interests		263	(460)	N.M.
Total comprehensive income for the period		5,426	(21,729)	N.M.
Earnings per share				
- Basic and diluted (cents) ¹		1.09	(3.54)	N.M.

¹The earnings per share net of non-controlling interests has been calculated based on 441,076,649 (2023: 441,076,649) weighted average number of shares excluding treasury shares.

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

Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	10	41,990	44,730	-	-
Intangible assets		888	983	-	-
Investment properties		1,204	1,219	-	-
Right-of-use assets		6,631	7,540	-	-
Subsidiaries		-	-	53,986	53,986
Joint ventures		15,625	14,609	-	-
Trade and other receivables		33,742	31,482	-	-
Amount due from related parties		2,482	4,930	-	-
Other investments		568	673	-	-
Deferred tax assets		2,259	2,259	-	-
		105,389	108,425	53,986	53,986
Current assets					
Inventories		5,255	4,291	-	-
Contract costs		254	900	-	-
Contract assets	11	57,263	56,724	-	-
Development properties	12	124,601	128,402	-	-
Trade and other receivables		32,920	46,969	3,549	2,226
Amounts due from related parties		14,346	14,376	31,310	31,310
Cash and cash equivalents		68,226	112,578	428	328
		302,865	364,240	35,287	33,864
Assets held for sale	13	37,909	41,384	-	-
		340,774	405,624	35,287	33,864
		-	-	-	-
Total assets		446,163	514,049	89,273	87,850
Equity attributable to owners of the Company					
Share capital		181,947	181,947	181,947	181,947
Treasury shares		(4,906)	(4,906)	(4,906)	(4,906)
Reserves		(93,795)	(93,508)	(45,850)	(45,850)
Accumulated losses		(5,005)	(10,455)	(113,583)	(112,300)
		78,241	73,078	17,608	18,891
Non-controlling interests		2,337	2,074	-	-
Total equity		80,578	75,152	17,608	18,891
Non-current liabilities					
Trade and other payables		26,555	21,973	-	-
Loans and borrowings	15	10,464	12,131	-	-
Deferred tax liabilities		454	674	-	-
		37,473	34,778	-	-
Current liabilities					
Contract liabilities	11	121,268	114,986	-	-
Trade and other payables	14	112,200	169,472	246	366
Amounts due to related parties		7,299	6,720	71,419	68,593
Loans and borrowings	15	84,378	109,929	-	-
Current tax payable		2,967	3,012	-	-
		328,112	404,119	71,665	68,959
		-	-	-	-
Total liabilities		365,585	438,897	71,665	68,959
		-	-	-	-
Total equity and liabilities		446,163	514,049	89,273	87,850

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

Condensed Interim Consolidated Statement of Changes in Equity

Group	Attributable to owners of the Company										
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Capital reserve \$'000	Statutory reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2024	181,947	(4,906)	(77,720)	(9,345)	6,404	(103)	(12,744)	(10,455)	73,078	2,074	75,152
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	4,824	4,824	226	5,050
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	181	-	181	37	218
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	-	-	-	55	-	55	-	55
Net change in fair value of equity investment at fair value through other comprehensive income	-	-	-	-	-	103	-	-	103	-	103
Total other comprehensive income	-	-	-	-	-	103	236	-	339	37	376
Total comprehensive income for the period	-	-	-	-	-	103	236	4,824	5,163	263	5,426
<i>Transfer to Retained Earning</i>	-	-	-	287	(913)	-	-	626	-	-	-
At 30 June 2024	181,947	(4,906)	(77,720)	(9,058)	5,491	-	(12,508)	(5,005)	78,241	2,337	80,578

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

Condensed Interim Consolidated Statement of Changes in Equity (cont'd)

Group	Attributable to owners of the Company										
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Capital reserve \$'000	Statutory reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2023	181,947	(4,906)	(77,720)	(9,345)	4,045	142	(6,036)	4,026	92,153	4,492	96,645
Total comprehensive income for the period											
Loss for the period	-	-	-	-	-	-	-	(15,642)	(15,642)	9	(15,633)
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	(4,748)	-	(4,748)	(469)	(5,217)
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	-	-	-	(834)	-	(834)	-	(834)
Net change in fair value of equity investment at fair value through other comprehensive income	-	-	-	-	-	(45)	-	-	(45)	-	(45)
Total other comprehensive income	-	-	-	-	-	(45)	(5,582)	-	(5,627)	(469)	(6,096)
Total comprehensive income for the period	-	-	-	-	-	(45)	(5,582)	(15,642)	(21,269)	(460)	(21,729)
At 30 June 2023	181,947	(4,906)	(77,720)	(9,345)	4,045	97	(11,618)	(11,616)	70,884	4,032	74,916

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

Condensed Interim Consolidated Statement of Changes in Equity (cont'd)

The Company	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Accumulate d losses \$'000	Total equity \$'000
At 1 January 2024	181,947	(4,906)	(45,850)	(112,300)	18,891
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,283)	(1,283)
At 30 June 2024	<u>181,947</u>	<u>(4,906)</u>	<u>(45,850)</u>	<u>(113,583)</u>	<u>17,608</u>
At 1 January 2023	181,947	(4,906)	(45,850)	(93,738)	37,453
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,275)	(1,275)
At 30 June 2023	<u>181,947</u>	<u>(4,906)</u>	<u>(45,850)</u>	<u>(95,013)</u>	<u>36,178</u>

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

Condensed Interim Consolidated Statement of Cash Flows

	6 months ended	6 months ended
	30 June 2024	30 June 2023
	\$'000	\$'000
Cash flows from operating activities		
Profit/(Loss) from operating activities	4,346	(13,061)
Adjustments for:		
Impairment on contract assets	-	(161)
Provisions	12,761	593
Depreciation and amortisation	4,890	7,107
(Gain)/Loss on disposal of:		
- property, plant and equipment	844	(14)
- assets held for sales	(6,514)	-
Written-off		
- bad debt	-	126
- intangible assets	6	-
- property, plant and equipment	2	30
	<hr/>	<hr/>
	16,335	(5,380)
Changes in:		
Inventories	(967)	(1,705)
Contract costs	646	191
Contract assets/liabilities	5,743	81,958
Development properties	3,922	8,358
Trade and other receivables	13,329	(5,542)
Trade and other payables	(65,187)	(43,486)
Balances with related parties	890	1,926
	<hr/>	<hr/>
Cash (used in)/generated from operations	(25,289)	36,320
Tax paid	(988)	(394)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(26,277)	35,926
	<hr/>	<hr/>
Cash flows from investing activities		
Other investment	105	45
Repayment of loan from joint ventures	3,030	18,273
Interest received	779	606
Proceeds from disposal of:		
- property, plant and equipment	1,444	761
- assets held for sales	9,995	-
Purchase of:		
- property, plant and equipment	(3,317)	(1,776)
- intangible assets	(37)	(564)
	<hr/>	<hr/>
Net cash generated from investing activities	11,999	17,345
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The accompanying notes form an integral part of these interim financial statements.

Condensed Interim Consolidated Statement of Cash Flows (cont'd)

	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Cash flows from financing activities		
Interest paid	(2,965)	(2,769)
Payments of lease liabilities	(834)	(418)
Proceeds from loans and borrowings	39,538	39,034
Repayment of loans and borrowings	(65,922)	(43,614)
Net cash used in financing activities	(30,183)	(7,767)
Net (decrease)/increase in cash and cash equivalents	(44,461)	45,504
Cash and cash equivalents at beginning of the period	112,578	47,632
Effect of exchange rate changes on balances held in foreign currencies	109	3,674
Cash and cash equivalents at end of the period	68,226	96,810

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

Notes to the Condensed Interim Consolidated Financial Statements

1 Corporate information

Tiong Seng Holdings Limited (the ‘Company’) (Registration Number 200807295Z) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The registered address of the Company is located at 30A Kallang Place #04-01 to #04-11, Singapore 339213.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group are building construction and civil engineering, provision of engineering solutions and property development.

2 Basis of preparation

The 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* issued by the Accounting Standards Council Singapore. The condensed consolidated interim financial statements do not include all the information required for complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

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

The condensed consolidated interim financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 January 2024. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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.

In the process of applying the Group's accounting policies, there is no instance of application of judgments with significant updates since the audited financial statements as at 31 December 2023 and is expected to have a significant effect on the amounts recognised in the condensed interim financial statements.

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 financial period are included in the following notes:

- Note 4.2 – Revenue and cost recognition from construction contracts
- Note 12 – Measurement of realisable amounts of development properties

Information about other judgements made and estimates applied are included in the following notes:

- Note 10 – Measurement of recoverable amounts of property, plant and equipment
- Note 14 – Recognition and measurement of provision

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group periodically reviews fair value measurements, including Level 3 fair values, where inputs are unobservable. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

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).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the Note 10 - Accounting classifications and fair values.

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 has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they are located in different geographical areas and require different marketing strategies. For each of the strategic business unit, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

- **Construction:** Relates to acting as main contractors in construction and civil engineering projects and provision of construction and civil engineering services mainly to property developers and government in both private and public sectors.
- **Engineering solutions:** Relates to manufactures and supplies precast and prefabricated components as well as provision of steel and mass engineered timber works to main contractors in construction and civil engineering projects.
- **Property development:** Relates to development and sales of properties.

Other operations include rental and general corporate activities.

4.1 Information about reportable segments

	Construction	Engineering	Property	Segments	Others*	Elimination	Total
	\$'000	solutions	development	total	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>1 January 2024 to 30 June 2024</u>							
External revenues	219,283	21,298	7,781	248,362	166	-	248,528
Inter-segment revenue	-	31,446	-	-	-	(31,446)	-
Interest income	717	-	15	732	287	(239)	(780)
Interest expenses	(2,365)	(597)	(173)	(3,135)	(70)	239	(2,966)
Provision	(12,362)	-	(399)	(12,761)	-	-	(12,761)
Depreciation and amortisation	(2,900)	(1,874)	(22)	(4,796)	(96)	-	(4,892)
Reportable segment profit/(loss) before tax	4,699	313	876	5,888	(1,998)	-	3,890
Share of gain of joint ventures, net of tax							1,886
Profit before tax							5,776
Tax expense							(726)
Profit for the period							5,050
Reportable segment assets	217,655	61,320	136,228	415,203	15,335	-	430,538
Investment in associates and joint ventures	10,810	576	4,239	15,625	-	-	15,625
Total assets							446,163
Reportable segment liabilities	288,807	58,247	19,346	366,400	(815)	-	365,585
Capital expenditure	1,055	2,232	3	3,290	61	-	3,354

* *Rental and general corporate activities*

4.1 Information about reportable segments

	Construction	Engineering	Property	Segments	Others*	Elimination	Total
	\$'000	solutions	development	total	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>1 January 2023 to 30 June 2023</u>							
External revenues	126,041	13,922	20,464	160,427	211	-	160,638
Inter-segment revenue	-	22,959	-	22,959	-	(22,959)	-
Interest income	592	-	12	604	191	(189)	606
Interest expenses	(2,251)	(509)	(171)	(2,931)	(27)	189	(2,769)
Provision	-	-	(593)	(593)	-	-	(593)
Depreciation and amortisation	(3,872)	(3,201)	(12)	(7,085)	(22)	-	(7,107)
Reportable segment loss before tax	(8,657)	(4,204)	(1,510)	(14,371)	(1,846)	-	(16,217)
Share of gain of joint ventures, net of tax							999
Loss before tax							(15,218)
Tax expense							(415)
Loss for the period							(15,633)
Reportable segment assets	241,179	60,717	148,450	450,346	20,165	-	470,511
Investment in associates and joint ventures	10,452	624	4,568	15,644	-	-	15,644
Total assets							486,155
Reportable segment liabilities	330,462	57,200	22,967	410,629	610	-	411,239
Capital expenditure	1,290	1,634	877	3,801	525	-	4,326

* *Rental and general corporate activities*

4.2 Disaggregation of Revenue

	Group						
	6 months ended 30 June 2024						
	Construction	Engineering	Property	Segments	Others*	Elimination	Total
	\$'000	solutions	development	total	\$'000	\$'000	\$'000
		\$'000	\$'000	\$'000			\$'000
Types of goods or services:							
Revenue from construction contracts and engineering solutions	219,283	52,744	-	272,027	-	(31,446)	240,581
Revenue from sales of development properties	-	-	7,781	7,781	-	-	7,781
Rental income	-	-	-	-	166	-	166
Total revenue	219,283	52,744	7,781	279,808	166	(31,446)	248,528
Timing of revenue recognition:							
At a point in time	-	38,711	7,781	46,492	-	(20,241)	26,251
Over time	219,283	14,033	-	233,316	166	(11,205)	222,277
Total revenue	219,283	52,744	7,781	279,808	166	(31,446)	248,528
Geographical information:							
Singapore	219,283	52,744	-	272,027	107	(31,446)	240,688
PRC	-	-	7,781	7,781	-	-	7,781
Malaysia	-	-	-	-	59	-	59
Total revenue	219,283	52,744	7,781	279,808	166	(31,446)	248,528

* Rental and general corporate activities

4.2 Disaggregation of Revenue

	Group						Total
	6 months ended 30 June 2023						
	Construction	Engineering	Property	Segments	Others*	Elimination	Total
	\$'000	solutions	development	total	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Types of goods or services:							
Revenue from construction contracts and engineering solutions	126,041	36,881	-	162,922	-	(22,959)	139,963
Revenue from sales of development properties	-	-	20,464	20,464	-	-	20,464
Rental income	-	-	-	-	211	-	211
Total revenue	126,041	36,881	20,464	183,386	211	(22,959)	160,638
Timing of revenue recognition:							
At a point in time	-	25,823	20,464	46,287	-	(15,631)	30,656
Over time	126,041	11,058	-	137,099	211	(7,328)	129,982
Total revenue	126,041	36,881	20,464	183,386	211	(22,959)	160,638
Geographical information:							
Singapore	126,041	36,881	-	162,922	209	(22,959)	140,172
PRC	-	-	20,464	20,464	-	-	20,464
Malaysia	-	-	-	-	2	-	2
Total revenue	126,041	36,881	20,464	183,386	211	(22,959)	160,638

* Rental and general corporate activities

Disaggregation of revenue (cont'd)

Revenue and costs recognition from construction contracts

The Group recognises revenue from construction contracts progressively over time. Significant judgement is required in determining the stage of completion, the estimated total contract revenue and estimated total contract cost, as well as the recoverability of the contract cost incurred.

Estimation of total contract revenue also includes an estimation of the variation works that are recoverable from the customers. In making the judgement, the Group relies on past experience and/or the work of relevant professionals.

Estimated total contract cost for construction contract comprises direct costs attributable to the construction of works. In estimating the total budgeted costs for construction contracts, the Group makes reference to information such as the level of work content sub-contracted, fluctuations in the prices of raw materials, size, design and material specifications of the projects, cost overruns and savings, variation works requested by customers, current offers from contractors and suppliers, recent offers agreed with contractors and suppliers, and professional estimation on construction and material costs as well as its past experience.

Given the contractual nature of the business, variation orders, additional works and prolongation costs are expected on a continual basis. As some of these items could be subjective and hence contentious in nature, the Group may from time to time be involved in arbitration or legal processes. As any such processes could be lengthy and outcome inherently uncertain where estimates, assumptions and significant judgement involved, the carrying amount of the contract assets and retention sum receivables at the reporting date may invariably be affected by these outcome.

4.3 Major Customers

During the financial period ended 30 June 2024 and 30 June 2023, revenue from certain customers (named alphabetically A to D) of the Group's construction segment amounted to approximately \$170,158,000 (2023: \$75,990,000). The details of these customers which individually contributed 10 percent or more of the Group's revenue in the period were as follows:

	30 June 2024		30 June 2023	
	\$'000	%	\$'000	%
Customer A	62,134	29	30,458	19
Customer B	43,900	21	25,664	16
Customer C	39,414	18	19,868	12
Customer D	24,710	12	-	-
Total	170,158	80	75,990	47

5 Profit/(Loss) before tax

Significant items

The following items have been included in arriving at profit before tax for the period:

	Group		
	6 months	6 months	Change
	ended 30 June	ended 30 June	
	2024	2023	%
	\$'000	\$'000	
(a) Other incomes include			
Fees from project and property management	(120)	(86)	40%
(Gain)/loss on disposal of:			
- investment properties	(3)	-	100%
- property, plant and equipment	844	(14)	N.M
- assets held for sale	(6,514)	-	100%
- scrap parts and materials	(323)	(468)	(31%)
Government grants/credit scheme	(16)	(149)	(89%)
Training and testing fee income	(28)	(164)	(83%)
Management fees	(25)	(545)	(95%)
	<hr/>	<hr/>	
(b) Other expenses include			
Advertisement and Commission expenses	208	492	(58%)
Property, plant and equipment written off	2	30	(93%)
Intangible asset written off	6	-	100%
Bad debt written off	-	126	(100%)
Entertainment	148	170	(13%)
Impairment on contract assets	-	(161)	(100%)
Legal and Professional fees	2,318	2,482	(7%)
Short term/low value lease expenses	254	116	>100%
Property tax	386	385	0%
Property management expenses	178	72	>100%
Repair and maintenance	440	953	(54%)
Travelling and transport	183	178	3%
	<hr/>	<hr/>	
(c) Finance income and costs include			
Interest income on:			
- cash and cash equivalents	(779)	(606)	29%
	<hr/>	<hr/>	
Interest expense on:			
- bank loans	2,361	2,380	(1%)
- lease liabilities	604	389	55%
Exchange (gain)/loss	(214)	683	N.M
	<hr/>	<hr/>	

6 Related party transactions

Other than as disclosed elsewhere in the condensed interim financial statements, there were the following significant related party transactions during the period:

	Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Affiliated corporations		
Lease of storage space	259	673
Hiring charges	3,193	2,262
Consultancy fees	417	583
	<hr/>	<hr/>
Joint venture		
Construction revenue	(1,919)	(2,724)
	<hr/>	<hr/>
Related party		
Construction cost	1,510	179
	<hr/>	<hr/>

7 Taxation

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 condensed interim consolidated statement of comprehensive income are:

	Group	
	6 months ended 30 June 2024 \$'000	6 months ended 30 June 2023 \$'000
Tax recognised in profit or loss		
Current tax		
Current period	203	417
Changes in estimate related to prior periods	51	112
	<hr/>	<hr/>
	254	529
	<hr/>	<hr/>
Deferred tax		
Changes in estimate related to prior periods	103	(114)
	<hr/>	<hr/>
Land appreciation tax		
Current period	369	-
	<hr/>	<hr/>
Total tax expense	<hr/>	<hr/>
	726	415
	<hr/>	<hr/>

8 Net Asset Value

	Group		Company	
	30 June 2024 (cents)	31 December 2023 (cents)	30 June 2024 (cents)	31 December 2023 (cents)
Net asset value per ordinary share based on issued share capital at the end of:	17.74	16.57	3.99	4.28

The net asset value per ordinary share, net of non-controlling interests and excluding treasury shares, has been calculated based on 441,076,649 shares as at 30 June 2024 (31 December 2023: 441,076,649).

9 Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, for the current period the fair value disclosure of lease liabilities is also not required.

	Carrying amount			Fair value			
	FVOCI# -			Level 1	Level 2	Level 3	Total
	equity instruments	Amortised cost	Total				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
30 June 2024							
Financial assets measured at fair value							
Quoted equity investments – at FVOCI	22	-	22	22	-	-	22
Financial assets not measured at fair value							
Trade and other receivables*	-	60,473	60,473				
Amount due from related parties	-	16,828	16,828				
Cash and cash equivalents	-	68,226	68,226				
	-	145,527	145,527				
Financial liabilities not measured at fair value							
Amounts due to related parties	-	(7,299)	(7,299)				
Trade and other payables**	-	(111,301)	(111,301)				
Loans and borrowings	-	(75,752)	(75,752)	-	(71,587)	-	(71,587)
	-	(194,352)	(194,352)				

* Excluded tax prepayments, deposits and prepayments, advances to suppliers and government grant receivables

** Excluded GST payables, deferred income and provisions

FVOCI = fair value through other comprehensive income

Group	Carrying amount			Fair value			
	FVOCI# - equity instruments \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2023							
Financial assets measured at fair value							
Quoted equity investments – at FVOCI	22	-	22	22	-	-	22
Unquoted equity investments – at FVOCI	245	-	245	-	-	245	245
	267	-	267				
Financial assets not measured at fair value							
Trade and other receivables*	-	70,870	70,870				
Amount due from related parties	-	19,306	19,306				
Cash and cash equivalents	-	112,578	112,578				
	-	202,754	202,754				
Financial liabilities not measured at fair value							
Amounts due to related parties	-	(6,720)	(6,720)				
Trade and other payables**	-	(151,898)	(151,898)				
Loans and borrowings	-	(115,528)	(115,528)	-	(106,743)	-	(106,743)
	-	(271,146)	(271,146)				

* Excluded tax prepayments, value-added tax receivables, deposits and prepayments, advances to suppliers and government grant receivables

** Excluded employee benefits, GST payables and provisions

FVOCI = fair value through other comprehensive income

	<u>Carrying amount</u>	
	Amortised	Total
	cost	\$'000
Company	\$'000	\$'000
30 June 2024		
Financial assets not measured at fair value		
Trade and other receivables	3,370	3,370
Amount due from related parties	26,069	26,069
Cash and cash equivalents	428	428
	29,867	29,867
Financial liabilities not measured at fair value		
Amounts due to related parties	(73,137)	(73,137)
Trade and other payables	(347)	(347)
	(73,484)	(73,484)
31 December 2023		
Financial assets not measured at fair value		
Trade and other receivables	2,017	2,017
Amount due from related parties	31,310	31,310
Cash and cash equivalents	328	328
	33,655	33,655
Financial liabilities not measured at fair value		
Amounts due to related parties	(68,593)	(68,593)
Trade and other payables	(366)	(366)
	(68,959)	(68,959)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
<i>Financial instruments measured at fair value – Group</i>			
Unquoted equity investments – at FVOCI	The fair value of the equity investments is the net asset value of the investee entity adjusted for the fair value of the underlying properties, where applicable	Net asset value*	The estimated fair value varies directly with the net asset value of the entity.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
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Financial instruments not measured at fair value – Group and Company

Loan and borrowings	Discounted cash flows	Not applicable	Not applicable
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* Where the underlying investment is in equity shares of an entity, management relies on yearly unaudited financial statements for the reporting period for the determination of fair value. The underlying assets and liabilities are mainly short-term in nature, hence management has determined that the carrying value approximates fair value.

(ii) Transfers between Level 1 and 2

There were no transfers between Level 1 and 2 in 1H2024 and 2023.

(iii) Level 3 fair value

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Group Unquoted equity investments – at FVOCI \$'000
At 1 January 2024	245
Net change in fair value	(245)
At 30 June 2024	-

Sensitivity analysis

There is no sensitivity analysis prepared as the Group's exposure to the effect on fair value changes for 1H2024 and 2023 are insignificant.

10 Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to \$3,317,000 (31 December 2023: \$4,409,000) and disposed of assets amounting to \$1,444,000 (31 December 2023: \$1,173,000).

Measurement of recoverable amounts of property, plant and equipment

The Group reviews the carrying amounts of property, plant and equipment as at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. Determining the recoverable amount requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of the assets. This requires the Group to make estimates and assumptions that can materially affect the financial statements.

The Group estimated recoverable amount of property, plant and equipment, based on fair value less cost to sell method. The critical assumptions used for assessing the fair value of leasehold land, freehold land and leasehold properties included selling price per square metre based on recent market transactions for comparable property and adjusted for property size. The critical assumptions used for assessing the fair value of plant and machinery included the selling price for similar items, adjusted for machine age. The Group determined that the estimated recoverable amount of property, plant and equipment exceeded its carrying amount and no impairment losses were recognised.

11 Contract assets and contract liabilities

The following table provides information about contract assets and contract liabilities from contracts with customers.

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
Contract assets	57,263	56,724
Contract liabilities	(121,268)	(114,986)

The contract assets relate to the Group's right to consideration for work completed but not billed at the reporting date in respect of its construction and engineering solutions businesses. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the customer certifies the progress claims.

The contract liabilities relate to:

- advanced consideration received from customers from sale of development properties; and
- progress billings issued in excess of the Group's rights to the consideration in respect of its construction and engineering solutions businesses.

12 Development properties

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
(a) Properties under development, for which revenue is to be recognised at a point in time		
Land and land related costs	56,880	57,160
Development costs	25,879	23,133
	<u>82,759</u>	<u>80,293</u>
Allowance for diminution in value	(24,211)	(24,166)
Properties under development	<u>58,548</u>	<u>56,127</u>
(b) Completed development properties, at cost	73,600	80,010
Allowance for diminution in value	(7,547)	(7,735)
Completed development properties	<u>66,053</u>	<u>72,275</u>
Total development properties	<u>124,601</u>	<u>128,402</u>

Allowance for diminution in value

Movement in allowance for diminution in value was as follows:

	Group
	30 June 2024
	\$'000
At 1 January	31,901
Utilisation during the period	(228)
Translation differences on consolidation	85
At 30 June	<u>31,758</u>

The Group's properties under development and completed development properties are stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion in case for properties under development and the costs to be incurred in selling the properties based on prevailing market conditions. If there is a decrease in net sales value, the net realisable value will decrease. Changes in the estimates of the costs to completion and the estimated selling price would also have an effect on the determination of diminution in value for each project. Such allowance requires the use of judgement and estimates.

Where the expectation is different from the original estimate, the carrying value and allowance for diminution in value on properties in the period in which such estimate is changed will be adjusted accordingly. In addition, given the volatility of the PRC property market and the unique nature of individual properties, the actual outcome in terms of costs and revenue may be higher or lower than estimated at the reporting date. Any increase or decrease in the allowance would affect profit or loss in future years.

Management has assessed that the estimated costs to completion and estimated selling price remains substantially unchanged from those as at 31 December 2023 and no revision to the allowance for diminution in value as required as at 30 June 2024.

During the 1H2024, completed development properties of \$5,520,000 (1H2023: \$18,503,000) were recognised as an expense and included in "Cost of sales of development properties".

13 Assets held for sale

In June 2024, the Group has committed to sell certain properties under property, plant and equipment (2023: one investment property and certain properties under property, plant and equipment). The sales are expected to be completed in the next 12 months and accordingly, these properties are presented as assets held for sale.

The details of the properties classified as assets held for sale as at 30 June 2024 were:

Description	Previous classification
SLF building	Investment properties
6 Tuas South Street 11	Leasehold land and leasehold properties under property, plant and equipment
Pontian land	Freehold land under property, plant and equipment
Fang Yoong building	Leasehold land and leasehold properties under property, plant and equipment

	Group	
	30 June 2024 \$'000	31 December 2023 \$'000
SLF building	-	3,481
6 Tuas South Street 11	12,115	12,115
Pontian land	8,991	8,988
Fan Yoong building	16,802	16,800
	37,908	41,384

14 Provisions

Included in Trade and other payables are provisions as disclosed below.

	Provision for penalties \$'000	Provision for onerous contracts \$'000	Total \$'000
	Group		
At 1 January 2024	8,500	27,003	35,503
Utilisation during the year	(3,496)	(18,693)	(22,189)
Provision made during the period	399	12,362	12,761
At 30 June 2024	5,403	20,672	26,075

The provision for penalties made during the period has been included in “Costs of sales of development properties”.

Provision for penalties made in relation to the late completion of one of the PRC developments.

Provisions for onerous contracts relate to expected losses arising from non-cancellable construction contracts where the expected total contract costs exceed the total contract sums and are expected to be materialised as these contracts progress towards completion. The Group conducts critical review of all its contracts regularly. The Group monitors and reviews the progress of all the contracts, taking into consideration inputs from internal project managers and external customers in estimating these total contract costs to complete as well as in the evaluation of any potential risks and factors which may affect contract price, cost and timely completion of these contracts. The review also encompasses the cost analysis process whereby both actual costs incurred and future costs to complete are critically examined.

15 Loans and borrowings

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
Amount repayable within one year or on demand		
Secured bank loans	71,165	93,783
Lease liabilities	1,567	1,592
Secured bank loans associated with assets held for sale	10,407	13,286
Lease liabilities associated with assets held for sale	1,239	1,268
	84,378	109,929
Amount repayable after one year		
Secured bank loans	4,586	5,459
Lease liabilities	5,877	6,672
	10,463	12,131
 Total loans and borrowings	 94,841	 122,060

The secured bank loans are secured on the following assets:

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold land	3,800	3,855
Freehold land	3,581	3,438
Leasehold properties	18,188	18,640
Plant and machinery	681	783
Assets held for sale	37,909	41,384
Total	64,159	68,100

The secured bank loans are also secured by assignment of rights, interests and benefits in connection with construction contracts and engineering solutions.

16 Share capital

	30 June 2024		31 December 2023	
	No of shares	\$'000	No of shares	\$'000
Issued and fully paid ordinary shares, excluding treasury shares				
As at 1 January	459,623,849	181,947	459,623,849	181,947
Treasury shares purchased	(18,547,200)	(4,906)	(18,547,200)	(4,906)
As at 30 June	<u>441,076,649</u>	<u>177,041</u>	<u>441,076,649</u>	<u>177,041</u>

The Company held 18,547,200 treasury shares as at 30 June 2024 (18,547,200 treasury share as at 31 December 2023) which represent 4.20% (4.20% as at 31 December 2023) of the total number of issued shares of the Company, excluding treasury shares.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company did not have any outstanding options or convertibles as at end of the current financial period reported on and as at the end of corresponding period of the immediately preceding financial year.

17 Significant commitments

Commitments of the Group not reflected in the condensed interim financial statements at the respective reporting dates are as follows:

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
Development costs contracted but not provided for:		
- subsidiaries	<u>3,281</u>	<u>1,210</u>

18 Financial guarantee by the Company in respect of banking facilities provided to subsidiaries

	30 June 2024	31 December 2023
	\$'000	\$'000
Significant issued financial guarantees to certain financial institutions in respect of banking facilities (inclusive of guaranteed performance bonds) for its subsidiaries	454,050	523,790

As at 30 June 2024 and 31 December 2023, the Company does not consider it probable that the claims will be made against the Company under these guarantee contracts.

Other Information Required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

2. Whether the figures have been audited or reviewed, the auditors' report (including any modification or emphasis of a matter).

Not Applicable.

3. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial information for the current financial year reported on have been prepared using the same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 30 June 2024.

4. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all new and revised Singapore Financial Standards (International) ("SFRS(I)") issued by the Accounting Standards Council that are relevant to the Group and effective for financial year beginning on 1 January 2024.

The adoption of the new SFRS(I)s, amendments and interpretations of SFRS(I)s does not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements of the Group for the current reporting period or the prior year's reporting period.

5. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance for 1H2024 vs 1H2023

Overview

	<u>Construction</u>	<u>Engineering</u> <u>Solution</u>	<u>Property</u> <u>Development</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
	Six Months Ended 30 June 2024					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	219,283	52,744	7,781	166	(31,446)	248,528
Costs	(213,691)	(48,981)	(5,520)	-	33,375	(234,817)
Gross Profit	5,592	3,763	2,261	166	1,929	13,711
Other income	7,774	1,239	119	306	(2,019)	7,419
Depreciation and amortisation	(2,097)	(205)	(10)	(96)	-	(2,408)
Selling expenses	-	-	(340)	-	-	(340)
Staff costs	(5,148)	(2,280)	(328)	(862)	-	(8,618)
Other expenses	(2,046)	(1,258)	(684)	(1,520)	90	(5,418)
Profit/(Loss) from operating activities	4,075	1,259	1,018	(2,006)	-	4,346

	<u>Construction</u>	<u>Engineering</u> <u>Solution</u>	<u>Property</u> <u>Development</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
	Six Months Ended 30 June 2023					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	126,041	36,881	20,464	211	(22,959)	160,638
Costs	(123,304)	(38,960)	(18,503)	-	22,959	(157,808)
Gross Profit/(Loss)	2,737	(2,079)	1,961	211	-	2,830
Other income	319	1,351	107	132	(90)	1,819
Depreciation and amortisation	(2,259)	(253)	(4)	(31)	-	(2,547)
Selling expenses	-	-	(674)	-	-	(674)
Staff costs	(5,705)	(2,272)	(640)	(405)	-	(9,022)
Other expenses	(2,190)	(581)	(1,454)	(1,332)	90	(5,467)
Loss from operating activities	(7,098)	(3,834)	(704)	(1,425)	-	(13,061)

As a whole, the Group reported an operating profit in 1H2024 of \$4.3 million, compared to a loss of \$13.1 million in 1H2023. The profit in 1H2024 was primarily attributed to profits generated from the construction, the engineering solutions and the property development segments partially offset by an operating loss in the others segment.

Group Revenue and Revenue from construction and engineering solutions segment

Group revenue increased by approximately \$87.9 million from \$160.6 million in 1H2023 to \$248.5 million in 1H2024, which was mainly due to the increase in revenue from construction and engineering solutions following the resumption of construction work.

Revenue from sales of development properties

Revenue from sales of development properties in 1H2024 amounted to \$7.8 million contributed mainly from the sale recognition of 2 units from Tranquility Project and 7 units from Equinox Project. In 1H2023, revenue amounted to \$20.5 million contributed mainly from the sale recognition of 36 units from Equinox Project.

As at 30 June 2024, approximately \$3.0 million of gross development value were sold, but yet to be recognised as revenue in accordance to our revenue recognition policy, as follows:

Projects		Total	Total Launch	Sold and recognised	Sold but yet to be recognised	Unsold Inventories	Future Launch	ASP [^] psm for units sold but yet to be recognized (RMB)
Equinox	Units	Note 1	565	445	4	116	Note 1	13,342
	Area ('000 sqm)	172	109	88	1	19	63	
Tranquility	Units	636	636	636	-	-	-	-
	Area ('000 sqm)	100	100	99	-	-	-	

Note 1: Launch of products for subsequent phases to be finalized on accordance to market demand

[^] Average selling price

Gross profit in construction segment

Gross profit margin of approximately 2.6% in 1H2024 as compared to gross profit margin of 2.2% in 1H2023 mainly due to the differences in projects' profiles and relative weighted average profitability in the projects recognised over the two periods.

Gross profit in engineering solutions

The gross profit margin was approximately 7.1% in 1H2024, compared to a gross loss of 5.6% in 1H2023. This was mainly due to differences in profitability and stages of work progress from various projects over the two periods.

Gross profit in property development segment

Gross profit margin increased from 9.6% in 1H2023 to 29.1% in 1H2024 mainly due to the differences in projects' profile and relative profitability in the units recognised over the two periods.

Other income

Our other income increased by approximately \$5.6 million from \$1.8 million in 1H2023 to \$8.7 million in 1H2024 mainly due to gain on disposal of a unit in SLF building of \$6.5 million. The gain was partially offset by the loss on disposal of certain plant and machinery of \$0.8 million. During the period, the Group disposed of certain project-related plant and machineries that were beyond economical repair and maintenance upon the completion of projects, which resulted in a loss on the disposal of plant and machinery of \$0.8 million.

Expenses

Our selling expenses decreased by approximately \$0.3 million from \$0.6 million in 1H2023 to \$0.3 million in 1H2024 mainly due to decrease in sales commission for the sale of development properties following lower revenue recognition.

Net finance costs

Our net finance cost has decreased by approximately \$2.8 million from \$3.2 million in 1H2023 to \$0.4 million in 1H2024. This is mainly due to decrease of borrowing cost as a result of the repayments of certain loans and borrowings during 1H2024 and exchange gain recorded in 1H2024 in contrast to exchange loss in 1H2023.

Share of profit of joint ventures, net of tax

The Group registered a higher share of profit from joint ventures by approximately \$0.9 million from \$1.0 million in 1H2023 to \$1.9 million in 1H2024 due mainly to higher net contribution from joint ventures projects.

Profit for the period

As a result of the foregoing, 1H2024 reported a profit after tax of approximately \$5.0 million as a result of the factors mentioned in the preceding paragraphs.

Review of Group Financial Position

Non-current assets

Our non-current assets decreased by approximately \$3.0 million from \$108.4 million as at 31 December 2023 to \$105.4 million as at 30 June 2024. The decreased in non-current assets was mainly due to:

- (i) Decrease in property, plant and equipment by approximately \$2.7 million from \$44.7 million to \$42.0 million due to disposal of machineries and depreciation incurred for the period.
- (ii) Decrease in amount due from related parties by approximately \$2.4 million from \$4.9 million to \$2.5 million due to release the retention sum receivables.
- (iii) Decrease in right-of-use by approximately \$0.9 million from \$7.5 million to \$6.6 million due to depreciation incurred for the period.

The decrease was partially offset by:

- (iv) Increase in joint ventures by approximately \$1.0 million from \$14.6 million to 15.6 million due to higher net contribution from joint ventures projects.
- (v) Increase in trade and other receivables by approximately \$2.3 million from \$14.6 million to 15.6 million due to increase in retention sum receivables following pick up in construction activities.

Current assets

Our current assets decreased by approximately \$64.8 million from \$405.6 million as at 31 December 2023 to \$340.8 million as at 30 June 2024. The decreased in current assets was mainly due to:

- (i) Decrease in assets held for sales by approximately \$3.5 million to \$37.9 million as at 30 June 2024 was due to sale of a unit in SLF building.
- (ii) Decrease in cash and bank balances by approximately \$44.4 million to \$68.2 million as at 30 June 2024 was mainly due to negative operating cash flow generated and capital expenditure.
- (iii) Decrease in development properties by approximate \$3.8 million to \$124.6 million as at 30 June 2024 was mainly due to revenue recognition partially offset by development cost incurred for the same period.
- (iv) Decrease in current trade and other receivables by approximately \$14.0 million to \$32.9 million as at 30 Jun 2024 was mainly due to the timing difference with more billing occurred towards the end of the previous year.

The decrease was partially offset by increase in inventories by \$1.0 million to \$5.3 million as at 30 June 2024 was mainly due to more inventories due to the timing difference of delivering inventory to customers.

Non-current liabilities

Our non-current liabilities increased by approximately \$2.7 million from \$34.8 million as at 31 December 2023 to \$37.5 million as at 30 June 2024. The increase in non-current liabilities was mainly due to increase in retention sum payables arising from increase construction activities.

The increase was partially offset by decrease in loan and borrowings by approximately \$12.1 million to \$10.5 million as at 30 June 2024 that due to reclassification of borrowings due within 12 months to current liabilities.

Current liabilities

Our current liabilities decreased by approximately \$76.0 million from \$404.1 million as at 31 December 2023 to \$328.1 million as at 30 June 2024. The decrease in current liabilities was mainly due to:

- (i) Decrease in trade and other payables by \$57.3 million to S\$112.2 million as at 30 June 2024 mainly due to decrease in trade payables of \$21.4 million, accrued trade payables of \$28.0 million and net provision for onerous contract of \$3.2 million.
- (ii) Decrease in loan and borrowings by approximately \$25.6 million to \$84.4 million as at 30 June 2024 was due to mainly due to repayment of project loans and lower utilisation of trade financing.

The decrease was partially offset by increase in contract liabilities by approximately \$6.3 million to \$121.2 million as at 30 June 2024 mainly due to increase in the excess of progress billing over construction revenue of certain projects over the period under review.

Review of Statement of Cash Flows

Net cash used in operating activities

Net cash outflow from operating activities was approximately \$26.3 million mainly attributable to the movement in working capital of the Group.

Net cash generated from investing activities

Net cash inflow from investing activities was approximately \$12.0 million in 1H2024, which was primarily due to the repayment of loan from a joint venture of \$3.0 million and proceeds from disposal of property, plant and equipment of \$11.4 million, which was partially offset by purchase of property, plant and equipment of \$3.3 million.

Net cash used in financing activities

Net cash outflow from financing activities was approximately \$30.2 million in 1H2024, which was primarily due to net repayment borrowing of \$26.4 million.

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

No forecast or prospect statement has been previously disclosed to shareholders.

7. 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 reporting period and the next 12 months.

Construction and Engineering Solutions Outlook in Singapore

Construction

Singapore's construction industry is expected to expand by 3.3% in real terms in 2024, driven by public infrastructure, housing projects as well as private investment in areas like renewable energy. Tiong Seng is well-positioned to benefit from this growing demand and plans to secure more projects, particularly in the public sector. The construction segment will actively pursue opportunities, while maintaining strong collaborations with key stakeholders to enhance the Group's branding and reputation.

Engineering Solutions

Singapore has targeted at least 80% of its buildings to go green by 2030 . As a leading engineering specialist, Tiong Seng offers sustainable Design for Manufacturing and Assembly (“DfMA”) solutions, enabling Tiong Seng to design and build Green Mark-certified buildings. This adoption of advanced technologies keeps Tiong Seng at the forefront of the industry and boosts its competitiveness. The Prefabricated Prefinished Volumetric Construction (“PPVC”) market is expected to grow. Tiong Seng, holding the highest grading of A1 awarded by the Building and Construction Authority, is well-positioned to benefit from this market expansion. The engineering solutions segment will continue promoting green solutions to third-party clients, aiming to expand the order book and improve profit margins.

The Group’s order book as at 30 June 2024 stood at approximately \$0.47 billion, which is expected to extend till 2028.

Property Development Outlook

China

The real estate market in China remains subdued due to an economic slowdown and decreased consumer spending. The Group is closely monitoring developments and adjusting strategies as necessary. The focus remains on managing risks and navigating uncertain market conditions with prudence.

As at 30 June 2024, approximately \$3.0 million of gross development value, comprising 4 units (1,229 sqm) of The Equinox, were sold, but are yet to be recognised as revenue in accordance with the Group’s revenue recognition policy. For the Tranquillity Residences project in Suzhou New District Development zone, 100% of the total 636 completed units were sold.

As at 30 June 2024, approximately 79.5% of the total 564 units launched for The Equinox have been sold. Based on its current existing phase development plan and schedule, the Group has completed construction for two phases, E3 and G1, with completion and handover in mid-2023.

8. Dividend

(a) Current Financial Period Reported On

Any dividend declared 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.

9. If no dividend has been declared/recommended, a statement to that effect.

No dividend had been declared by the Board of the Company in respect of 1H2024. The Company had been declaring dividend annually in full year results announcement since 2010 till 2021.

10. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as require under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Pursuant to Rule 920(1)(a)(ii), the following interested person transactions were entered into during the financial period ended 30 June 2024.

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		1H2024	1H2023
		\$'000	\$'000
<u>Hiring charges</u> Peck Tiong Choon Transport (Pte) Ltd	Subsidiary of Controlling Shareholder, Peck Tiong Choon (Private) Limited	-	3,189
Peck Tiong Choon Logistic (Pte) Ltd	Subsidiary of Controlling Shareholder, Peck Tiong Choon (Private) Limited	-	4
Total		-	3,193

Lease of Storage Space			
Peck Tiong Choon Logistic (Pte) Ltd	Subsidiary of Controlling Shareholder, Peck Tiong Choon (Private) Limited	259	-
Total		259	-
Total Transactions with associates of a Controlling Shareholder		259	3,193
Consultancy fees			
G&T Multitask (Private Limited) [#]	Associate of Director, Pek Zhi Kai	417	-
Total		417	-
Total Transactions with Associate of a Director		417	-

[#] The Company appointed Mr Pek Lian Guan, a former employee of the Company, as a consultant of the Group in May 2022. The intent is to avail the Group of Mr Pek Lian Guan's knowledge in three main areas: strategic growth advisory, executive coaching for senior management, and digital transformation advisory services.

The Board considered the appointment of Mr Pek as consultant, having taken independent advice from relevant third-party advisors regarding the suitability of Mr Pek Lian Guan for the roles, the quantum of the consultancy fees payable, and the methodology and governance framework of implementing such an agreement. The Audit Committee and the Board were satisfied from the findings and advice of the third-party advisors that the consultancy agreement with Mr Pek Lian Guan was entered into on an arm's length basis and is not prejudicial to the interests of the Company and its minority shareholders. Accordingly, the Audit Committee and the Board approved the proposal for Mr Pek Lian Guan to provide consultancy services to the Group. Mr Pay Sim Tee (who is a cousin of Mr Pek Lian Guan) and Mr Pek Zhi Kai (who is the son of Mr Pek Lian Guan) abstained from voting in the process of making this decision.

Mr Pek Lian Guan renders the consultancy services through G&T Multitask (Private Limited) which is 100% owned by Mdm Ong Geok Toe (who is the spouse of Mr Pek Lian Guan and the mother of Executive Director Mr Pek Zhi Kai). Accordingly, the consultancy agreement constitutes an interested person transaction.

11. Confirmation that the issuer has procured undertakings 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.

12. Confirmation pursuant to Rule 705(5) of the Listing Rule

On behalf of the Board of Directors of the Company, we confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of the Group and the Company for the half year ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board

Pay Sim Tee
Executive Director & CEO

Pek Zhi Kai
Executive Director

BY ORDER OF THE BOARD

Pay Sim Tee
Executive Director and CEO
12 August 2024