



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Registration Number: 200807295Z)

**Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 December 2023**

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Condensed Interim Consolidated Statement of Comprehensive Income

	6 months ended 31 December	6 months ended 31 December		12 months ended 31 December	12 months ended 31 December		
Note	2023 \$'000	2022 \$'000	Change %	2023 \$'000	2022 \$'000	Change %	
Revenue							
Revenue from construction contracts and engineering solutions	4	309,682	197,463	57%	449,645	329,318	37%
Revenue from sales of development properties	4	4,388	9,255	(53%)	24,852	26,076	(5%)
Rental Income		340	285	19%	551	346	59%
		<u>314,410</u>	<u>207,003</u>	52%	<u>475,048</u>	<u>355,740</u>	34%
Other income		3,311	3,200	3%	5,130	5,639	(9%)
Costs of construction contracts and engineering solutions		(286,404)	(219,561)	30%	(425,709)	(375,638)	13%
Costs of sales of development properties		(7,993)	(8,094)	(1%)	(26,496)	(20,507)	29%
Impairment arising from property development business		-	(3,084)	(100%)	-	(3,084)	(100%)
Depreciation and amortisation		(1,834)	(3,535)	(48%)	(4,381)	(6,709)	(35%)
Selling expenses		(244)	(784)	(69%)	(918)	(1,136)	(19%)
Staff costs		(8,870)	(9,739)	(9%)	(17,892)	(19,382)	(8%)
Other expenses		(8,728)	(9,290)	(6%)	(14,195)	(19,749)	(28%)
		<u>(314,073)</u>	<u>(254,087)</u>	23%	<u>(489,591)</u>	<u>(446,205)</u>	10%
Profit/(loss) from operating activities		3,648	(43,884)	N.M.	(9,413)	(84,826)	(89%)
Finance income		1,850	634	>100%	2,966	911	>100%
Finance costs		(3,292)	(4,425)	(26%)	(7,564)	(6,681)	13%
Net finance costs		<u>(1,442)</u>	<u>(3,791)</u>	(62%)	<u>(4,598)</u>	<u>(5,770)</u>	(20%)
Share of (loss)/profit of joint ventures, net of tax		(142)	4,315	N.M.	857	4,853	(82%)
Profit/(loss) before tax	5	2,064	(43,360)	N.M.	(13,154)	(85,743)	(85%)
Tax (expense)/credit	7	(30)	2,844	N.M.	(445)	699	N.M.
Profit/(loss) for the period/year		<u>2,034</u>	<u>(40,516)</u>	N.M.	<u>(13,599)</u>	<u>(85,044)</u>	(84%)

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

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

	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	Change %	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000	Change %
<u>Other comprehensive income</u>						
Items that are or may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiaries	(1,278)	(6,383)	(80%)	(6,495)	(9,824)	(34%)
Exchange differences on monetary items forming part of net investment in a foreign operation	(320)	(3,419)	(91%)	(1,154)	(4,390)	(74%)
Net change in fair value of equity investment at fair value through other comprehensive income	(200)	(67)	>100%	(245)	(67)	>100%
Other comprehensive income for the period/year, net of tax	<u>(1,798)</u>	<u>(9,869)</u>	(82%)	<u>(7,894)</u>	<u>(14,281)</u>	(45%)
Total comprehensive income for the period/year	<u>236</u>	<u>(50,385)</u>	N.M.	<u>(21,493)</u>	<u>(99,325)</u>	(78%)
Profit/(loss) attributable to:						
Owners of the Company	3,520	(40,695)	N.M.	(12,122)	(84,700)	(86%)
Non-controlling interests	(1,486)	179	N.M.	(1,477)	(344)	>100%
Profit/(loss) for the period/year	<u>2,034</u>	<u>(40,516)</u>	N.M.	<u>(13,599)</u>	<u>(85,044)</u>	(84%)
Total comprehensive income attributable to:						
Owners of the Company	2,194	(49,760)	N.M.	(19,075)	(97,913)	(81%)
Non-controlling interests	(1,958)	(625)	>100%	(2,418)	(1,412)	71%
Total comprehensive income for the period/year	<u>236</u>	<u>(50,385)</u>	N.M.	<u>(21,493)</u>	<u>(99,325)</u>	(78%)
Earnings per share						
- Basic and diluted (cents) ¹	<u>0.80</u>	<u>(9.22)</u>	N.M.	<u>(2.75)</u>	<u>(19.19)</u>	(86%)

¹The earnings per share net of non-controlling interests has been calculated based on 441,076,649 (2022: 441,355,673) 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	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Non-current assets					
Property, plant and equipment	11	44,730	67,934	-	-
Intangible assets		983	296	-	-
Investment properties		1,219	386	-	-
Right-of-use assets		7,540	2,874	-	-
Subsidiaries		-	-	53,986	53,986
Joint ventures		14,609	23,429	-	-
Trade and other receivables		31,482	20,049	-	-
Amount due from related parties		4,930	4,807	-	-
Other investments		673	902	-	-
Deferred tax assets		2,259	2,271	-	-
		<u>108,425</u>	<u>122,948</u>	<u>53,986</u>	<u>53,986</u>
Current assets					
Inventories		4,291	3,647	-	-
Contract costs		900	710	-	-
Contract assets	12	56,724	75,646	-	-
Development properties	13	128,402	149,517	-	-
Trade and other receivables		46,969	51,745	2,226	1,233
Amount due from related parties		14,376	30,848	31,310	47,317
Cash and bank balances		112,578	47,632	328	88
		<u>364,240</u>	<u>359,745</u>	<u>33,864</u>	<u>48,638</u>
Assets held for sale	14	41,384	25,089	-	-
		<u>405,624</u>	<u>384,834</u>	<u>33,864</u>	<u>48,638</u>
		-	-	-	-
Total assets		<u>514,049</u>	<u>507,782</u>	<u>87,850</u>	<u>102,624</u>
Share capital		181,947	181,947	181,947	181,947
Treasury shares		(4,906)	(4,906)	(4,906)	(4,906)
Reserves		(93,508)	(88,914)	(45,850)	(45,850)
Retained earnings/(Accumulated losses)		(10,455)	4,026	(112,300)	(93,738)
		<u>73,078</u>	<u>92,153</u>	<u>18,891</u>	<u>37,453</u>
Non-controlling interests		2,074	4,492	-	-
Total equity		<u>75,152</u>	<u>96,645</u>	<u>18,891</u>	<u>37,453</u>
Non-current liabilities					
Trade and other payables		21,973	12,267	-	-
Loans and borrowings	16	12,131	19,031	-	-
Deferred tax liabilities		674	580	-	-
		<u>34,778</u>	<u>31,878</u>	<u>-</u>	<u>-</u>
Current liabilities					
Contract liabilities	12	114,986	74,300	-	-
Trade and other payables		169,472	198,704	366	207
Amount due to related parties		6,720	10,449	68,593	64,964
Loans and borrowings	16	109,929	92,782	-	-
Current tax payable		3,012	3,024	-	-
		<u>404,119</u>	<u>379,259</u>	<u>68,959</u>	<u>65,171</u>
		-	-	-	-
Total liabilities		<u>438,897</u>	<u>411,137</u>	<u>68,959</u>	<u>65,171</u>
		-	-	-	-
Total equity and liabilities		<u>514,049</u>	<u>507,782</u>	<u>87,850</u>	<u>102,624</u>

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

Condensed Interim Consolidated Statements of Changes in Equity

The Group	Note	← Attributable to owners of the Company →							Total \$'000	Non- controlling interests \$'000	Total equity \$'000	
		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/ (Accumulated loss) \$'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 year												
Loss for the year		-	-	-	-	-	-	-	(12,122)	(12,122)	(1,477)	(13,599)
Other comprehensive income												
Translation differences relating to financial statements of foreign subsidiaries		-	-	-	-	-	-	(5,554)	-	(5,554)	(941)	(6,495)
Exchange differences on monetary items forming part of net investment in foreign operations		-	-	-	-	-	-	(1,154)	-	(1,154)	-	(1,154)
Net change in fair value of equity investment at fair value through other comprehensive income		-	-	-	-	-	(245)	-	-	(245)	-	(245)
Total other comprehensive income		-	-	-	-	-	(245)	(6,708)	-	(6,953)	(941)	(7,894)
Total comprehensive income for the year		-	-	-	-	-	(245)	(6,708)	(12,122)	(19,075)	(2,418)	(21,493)
Transfer to statutory reserve		-	-	-	-	2,359	-	-	(2,359)	-	-	-
At 31 December 2023		181,947	(4,906)	(77,720)	(9,345)	6,404	(103)	(12,744)	(10,455)	73,078	2,074	75,152

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

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

The Group	Note	← 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 2022		181,947	(4,873)	(77,720)	(9,345)	3,746	209	7,110	90,129	191,203	2,967	194,170
Total comprehensive income for the year												
Loss for the year		-	-	-	-	-	-	-	(84,700)	(84,700)	(344)	(85,044)
Other comprehensive income												
Translation differences relating to financial statements of foreign subsidiaries		-	-	-	-	-	-	(8,756)	-	(8,756)	(1,068)	(9,824)
Exchange differences on monetary items forming part of net investment in foreign operations		-	-	-	-	-	-	(4,390)	-	(4,390)	-	(4,390)
Net change in fair value of equity investment at fair value through other comprehensive income		-	-	-	-	-	(67)	-	-	(67)	-	(67)
Total other comprehensive income		-	-	-	-	-	(67)	(13,146)	-	(13,213)	(1,068)	(14,281)
Total comprehensive income for the year		-	-	-	-	-	(67)	(13,146)	(84,700)	(97,913)	(1,412)	(99,325)
Transfer to statutory reserve		-	-	-	-	299	-	-	(299)	-	-	-
Transaction with owners, recognised directly in equity												
<i>Contributions by and distributions to owners</i>												
Purchase of treasury shares		-	(33)	-	-	-	-	-	-	(33)	-	(33)
Dividend paid	8	-	-	-	-	-	-	-	(1,104)	(1,104)	(51)	(1,155)
<i>Changes in ownership interests in subsidiaries</i>												
Acquisition of subsidiary with non-controlling interest		-	-	-	-	-	-	-	-	-	2,988	2,988
Total transactions with owners of the Company		-	(33)	-	-	-	-	-	(1,104)	(1,137)	2,937	1,800
At 31 December 2022		181,947	(4,906)	(77,720)	(9,345)	4,045	142	(6,036)	4,026	92,153	4,492	96,645

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

Tiong Seng Holdings Limited
For the Six Months and Full Year Ended 31 December 2023

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

The Company	Note	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2023		181,947	(4,906)	(45,850)	(93,738)	37,453
Total comprehensive income for the year						
Loss for the year		-	-	-	(18,562)	(18,562)
At 31 December 2023		<u>181,947</u>	<u>(4,906)</u>	<u>(45,850)</u>	<u>(112,300)</u>	<u>18,891</u>
At 1 January 2022		181,947	(4,873)	(45,850)	(39,955)	91,269
Total comprehensive income for the year						
Loss for the year		-	-	-	(52,679)	(52,679)
Transactions with owner, recognised directly in equity						
Purchase of treasury shares		-	(33)	-	-	(33)
Dividend paid	8	-	-	-	(1,104)	(1,104)
At 31 December 2022		<u>181,947</u>	<u>(4,906)</u>	<u>(45,850)</u>	<u>(93,738)</u>	<u>37,453</u>

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

Condensed Interim Consolidated Statement of Cash Flows

	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Cash flows from operating activities		
Loss from operating activities	(9,413)	(84,826)
Adjustments for:		
Depreciation and amortisation	11,395	13,916
Gain on disposal of:		
- property, plant and equipment	(280)	(158)
- investment property	-	(757)
Impairment loss arising from property development business	-	3,084
Impairment loss:		
- contract assets	244	5,067
- a joint venture	-	2,618
- trade receivables	294	142
Reversal of impairment loss on contract assets	(455)	-
Reversal of impairment loss on trade receivable	-	(12)
Provisions	10,198	49,000
Written off:		
- goodwill	756	221
- property, plant and equipment	30	6
- inventory	317	-
- bad debts	126	395
Operating cash flows before working capital changes	<u>13,212</u>	<u>(11,304)</u>
Inventories	(964)	1,914
Contract costs	(190)	283
Contract assets/liabilities	59,819	(23,881)
Development properties	8,395	6,971
Trade and other receivables	(6,235)	(5,510)
Trade and other payables	(28,142)	21,907
Balances with related parties (trade)	2,909	(1,450)
Cash generated from/(used in) operations	<u>48,804</u>	<u>(11,070)</u>
Tax paid	(275)	(3,332)
Net cash generated from/(used in) operating activities	<u>48,529</u>	<u>(14,402)</u>
 Cash flows from investing activities		
Interest received	1,538	484
Investment in a joint venture	-	(2,299)
Loan repayment from a joint ventures	19,998	-
Loan to a joint ventures	(600)	-
Other investment	229	57
Payment for capital expenditure on intangible assets	(737)	-
Proceeds from disposal of:		
- property, plant and equipment	1,453	244
- Investment property	-	943
- Intangible assets	15	-
Purchase of:		
- subsidiaries, net of cash acquired	-	1,957
- property, plant and equipment [#]	(4,409)	(8,312)
- intangible assets	(825)	(146)
Net cash generated from/(used in) investing activities	<u>16,662</u>	<u>(7,072)</u>

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

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

	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Cash flows from financing activities		
Increase /(decrease) in deposits pledged	557	(18)
Decrease in restricted cash	-	165
Dividend paid to:		
- owner of the company	-	(1,104)
- non-controlling interest	-	(51)
Interest paid	(5,825)	(3,235)
Purchase of treasury shares	-	(33)
Payments of lease liabilities	(692)	(1,465)
Proceeds from loans and borrowings	91,908	49,422
Repayment of loans and borrowings	(87,674)	(28,214)
Net cash (used in)/generated from financing activities	(1,726)	15,467
Net increase /(decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of the year	47,075	55,746
Effect of exchange rate changes on balances held in foreign currencies	2,038	(2,664)
Cash and cash equivalents at end of the year*	112,578	47,075

Significant non-cash transactions

During the financial year, the Group purchased property, plant and equipment, amounting to \$4,409,000 (2022: \$8,312,000), of which \$Nil (2022: \$525,000) was acquired under lease arrangement.

* As at 31 December 2023, cash and bank balances in the consolidated statement of financial position was \$112,578,000 (2022: \$47,632,000), of which \$Nil (2022: \$557,000) was deposit pledged. The cash and cash equivalents in the consolidated statement of cash flows of \$112,578,000 (2022: \$47,075,000) excluded deposit pledged and restricted cash.

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 21 Fan Yoong Road, Singapore 629796.

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 and full year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“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 a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited annual financial statements for the year ended 31 December 2023.

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.

The accounting policies and method of computation used in the condensed interim financial statements 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.

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 in the financial year beginning on 1 January 2023. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2 Use of judgements and estimates

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 financial 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 2022 which 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 13 – Measurement of realisable amounts of development properties

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

- Note 11 – Measurement of recoverable amounts of property, plant and equipment
- Note 15 – 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 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 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 of 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 digital, 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
1 January 2023 to 31 December 2023							
External revenues	413,147	36,498	24,852	474,497	551	-	475,048
Inter-segment revenue	-	52,171	-	52,171	-	(52,171)	-
Interest income	1,281	1	374	1,656	298	(416)	1,538
Interest expenses	(4,713)	(1,170)	(347)	(6,230)	(11)	416	(5,825)
Gain on disposal of:							
- property, plant and equipment	188	88	4	280	-	-	280
Impairment on contract assets	-	(244)	-	(244)	-	-	(244)
Reversal of impairment on contract assets	-	455	-	455	-	-	455
Provision	(7,143)	(602)	(3,938)	(11,683)	-	-	(11,683)
Reversal of provision	1,485	-	-	1,485	-	-	1,485
Depreciation and amortisation	(6,940)	(4,362)	(43)	(11,345)	(50)	-	(11,395)
Reportable segment profit/(loss) before tax	879	(3,760)	(7,076)	(9,957)	(4,054)	-	(14,011)
Share of profit of joint ventures, net of tax							857
Loss before tax							(13,154)
Tax expenses							(445)
Loss for the year							(13,599)
Reportable segment assets	272,828	63,674	148,849	485,351	14,089	-	499,440
Investment in joint ventures	10,296	606	3,707	14,609	-	-	14,609
Total assets							514,049
Reportable segment liabilities	351,623	62,139	24,560	438,322	575	-	438,897
Capital expenditure	8,067	3,984	890	12,941	756	-	13,697

Information about reportable segments (cont'd)

	Construction \$'000	Engineering solutions \$'000	Property development \$'000	Segments total \$'000	Others \$'000	Elimination \$'000	Total \$'000
1 January 2022 to 31 December 2022							
External revenues	299,481	29,837	26,076	355,394	346	-	355,740
Inter-segment revenue	-	20,315	-	20,315	-	(20,315)	-
Interest income	824	2	423	1,249	393	(1,158)	484
Interest expenses	(2,294)	(974)	(352)	(3,620)	(773)	1,158	(3,235)
Gain on disposal of:							
- property, plant and equipment	158	-	-	158	-	-	158
- investment property	757	-	-	757	-	-	757
Impairment loss arising from property development business: allowance for diminution in value of development properties	-	-	(3,084)	(3,084)	-	-	(3,084)
Impairment on contract assets	-	(5,067)	-	(5,067)	-	-	(5,067)
Provision	(46,366)	(1,298)	(1,336)	(49,000)	-	-	(49,000)
Depreciation and amortisation	(8,824)	(5,017)	(30)	(13,871)	(45)	-	(13,916)
Reportable segment loss before tax	(58,838)	(21,835)	(6,855)	(87,528)	(3,068)	-	(90,596)
Share of profit of joint ventures, net of tax							4,853
Loss before tax							(85,743)
Tax credit							699
Loss for the year							(85,044)
Reportable segment assets	229,986	55,391	184,814	470,191	14,162	-	484,353
Investment in joint ventures	10,584	626	12,219	23,429	-	-	23,429
Total assets							507,782
Reportable segment liabilities	323,403	48,108	39,340	410,851	286	-	411,137
Capital expenditure	4,622	5,100	10	9,732	3	-	9,735

Information about reportable segments (cont'd)

	Construction	Engineering	Property	Segments	Others	Elimination	Total
	\$'000	solutions	development	total	\$'000	\$'000	\$'000
1 July 2023 to 31 December 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	287,106	22,576	4,388	314,070	340	-	314,410
Inter-segment revenue	-	29,212	-	29,212	-	(29,212)	-
Interest income	690	1	362	1,053	107	(227)	933
Interest expenses	(2,460)	(661)	(176)	(3,297)	15	227	(3,055)
Gain on disposal of:							
- property, plant and equipment	188	74	4	266	-	-	266
Impairment on contract assets	-	(244)	-	(244)	-	-	(244)
Provision	(7,143)	(602)	(3,345)	(11,090)	-	-	(11,090)
Reversal of provision	1,485	-	-	1,485	-	-	1,485
Depreciation and amortisation	(3,068)	(1,158)	(31)	(4,257)	(29)	-	(4,286)
Reportable segment profit/(loss) before tax	9,536	444	(5,566)	4,414	(2,208)	-	2,206
Share of loss of joint ventures, net of tax							(142)
Profit before tax							2,064
Tax expense							(30)
Profit for the period							2,034

Information about reportable segments (cont'd)

	Construction	Engineering	Property	Segments	Others	Elimination	Total
	\$'000	solutions	development	total	\$'000	\$'000	\$'000
1 July 2022 to 31 December 2022		\$'000	\$'000	\$'000			
External revenues	181,401	16,062	9,255	206,718	285	-	207,003
Inter-segment revenue	-	17,959	-	17,959	-	(17,959)	-
Interest income	239	-	226	465	137	(365)	237
Interest expenses	(1,620)	(555)	(178)	(2,353)	(201)	411	(2,143)
Gain on disposal of:							
- property, plant and equipment	34	-	-	34	-	-	34
- investment property	757	-	-	757	-	-	757
Impairment loss arising from property development business: allowance for diminution in value of development properties	-	-	(3,084)	(3,084)	-	-	(3,084)
Provision	(28,896)	(1,298)	(621)	(30,815)	-	-	(30,815)
Depreciation and amortisation	(4,566)	(2,635)	(11)	(7,212)	(21)	-	(7,233)
Reportable segment loss before tax	(34,807)	(3,407)	(8,144)	(46,358)	(1,317)	-	(47,675)
Share of profit of joint ventures, net of tax							4,315
Loss before tax							(43,360)
Tax expense							2,844
Loss for the period							(40,516)

4.2 Disaggregation of revenue

	Group						Total \$'000
	12 months ended 31 December 2023						
	Construction \$'000	Engineering solutions \$'000	Property development \$'000	Segments total \$'000	Others \$'000	Elimination \$'000	
Types of goods or services:							
Revenue from construction contracts and engineering solutions	413,147	88,669	-	501,816	-	(52,171)	449,645
Revenue from sales of development properties	-	-	24,852	24,852	-	-	24,852
Rental Income	-	-	-	-	551	-	551
Total revenue	413,147	88,669	24,852	526,668	551	(52,171)	475,048
Timing of revenue recognition:							
At a point in time	-	63,751	24,852	88,603	-	(33,987)	54,616
Over time	413,147	24,918	-	438,065	551	(18,184)	420,432
Total revenue	413,147	88,669	24,852	526,668	551	(52,171)	475,048
Geographical information:							
Singapore	413,147	88,669	-	501,816	426	(52,171)	450,071
PRC	-	-	24,852	24,852	-	-	24,852
Malaysia	-	-	-	-	121	-	121
PNG	-	-	-	-	4	-	4
Total revenue	413,147	88,669	24,852	526,668	551	(52,171)	475,048

Disaggregation of revenue (cont'd)

	Group						Total
	12 months ended 31 December 2022						
	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	299,481	50,152	-	349,633	-	(20,315)	329,318
Revenue from sales of development properties	-	-	26,076	26,076	-	-	26,076
Rental Income	-	-	-	-	346	-	346
Total revenue	299,481	50,152	26,076	375,709	346	(20,315)	355,740
Timing of revenue recognition:							
At a point in time	-	37,958	26,076	64,034	-	(16,127)	47,907
Over time	299,481	12,194	-	311,675	346	(4,188)	307,833
Total revenue	299,481	50,152	26,076	375,709	346	(20,315)	355,740
Geographical information:							
Singapore	299,481	50,152	-	349,633	346	(20,315)	329,664
PRC	-	-	26,076	26,076	-	-	26,076
Total revenue	299,481	50,152	26,076	375,709	346	(20,315)	355,740

Disaggregation of revenue (cont'd)

	Group						Total
	6 months ended 31 December 2023						
	Construction	Engineering	Property	Segments	Others	Elimination	\$'000
	\$'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	287,106	51,788	-	338,894	-	(29,212)	309,682
Revenue from sales of development properties	-	-	4,388	4,388	-	-	4,388
Rental Income	-	-	-	-	340	-	340
Total revenue	287,106	51,788	4,388	343,282	340	(29,212)	314,410
Timing of revenue recognition:							
At a point in time	-	37,928	4,388	42,316	-	(18,356)	23,960
Over time	287,106	13,860	-	300,966	340	(10,856)	290,450
Total revenue	287,106	51,788	4,388	343,282	340	(29,212)	314,410
Geographical information:							
Singapore	287,106	51,788	-	338,894	217	(29,212)	309,899
PRC	-	-	4,388	4,388	-	-	4,388
Malaysia	-	-	-	-	119	-	119
PNG	-	-	-	-	4	-	4
Total revenue	287,106	51,788	4,388	343,282	340	(29,212)	314,410

Disaggregation of revenue (cont'd)

	Group						
	6 months ended 31 December 2022						
	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	181,401	34,021	-	215,422	346	(17,959)	197,809
Revenue from sales of development properties	-	-	9,255	9,255	-	-	9,255
Total revenue	181,401	34,021	9,255	224,677	346	(17,959)	207,064
Timing of revenue recognition:							
At a point in time	-	25,876	9,255	35,131	-	(14,461)	20,670
Over time	181,401	8,145	-	189,546	346	(3,498)	186,394
Total revenue	181,401	34,021	9,255	224,677	346	(17,959)	207,064
Geographical information:							
Singapore	181,401	34,021	-	215,422	346	(17,959)	197,809
PRC	-	-	9,255	9,255	-	-	9,255
Total revenue	181,401	34,021	9,255	224,677	346	(17,959)	207,064

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 are involved, the carrying amount of the contract assets and retention sum receivables at the reporting date may invariably be affected by these outcomes.

4.3 Geographical segment

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The construction and property development segments are mainly domiciled in Singapore and the PRC respectively.

	<u>Revenue from external</u>		<u>Non-current assets*</u>	
	<u>customers</u>			
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Singapore	450,071	329,664	61,738	87,447
PRC	24,852	26,076	932	182
PNG	4	-	5	3
Europe	-	-	94	87
Malaysia	121	-	6,312	7,200
	<u>475,048</u>	<u>355,740</u>	<u>69,081</u>	<u>94,919</u>

* The non-current asset consists of property, plant and equipment, intangible assets, investment properties, investment in associates and joint ventures and right-of-use assets.

4.4 Major customers

During the financial period ended 31 December 2023 and 31 December 2022, revenue from major customers of the Group's construction segment amounted to approximately \$288,361,000 (2022: \$162,366,000). The details of these customers which individually contributed 10 percent or more of the Group's revenue during the finance year were as follows:

	31 December 2023		31 December 2022	
	\$'000	%	\$'000	%
Customer A	106,366	22	45,219	13
Customer B	72,811	15	41,531	12
Customer C	61,752	13	40,157	11
Customer D	47,432	10	35,459	10

5 Profit/(loss) before tax

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

	Group			Group		
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	Change %	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000	Change %
(a) Other incomes include						
Fees from project and property management	(111)	(39)	>100%	(197)	(153)	29%
Gain on disposal of:						
- investment property	-	(757)	(100%)	-	(757)	(100%)
- property, plant and equipment	(266)	(34)	>100%	(280)	(158)	75%
- scrap parts and materials	(100)	(927)	(89%)	(568)	(1,060)	(46%)
Government grants:						
- levy rebates	-	(251)	(100%)	-	(1,491)	(100%)
- others	(1,606)	(280)	>100%	(1,755)	(557)	>100%
Training and testing fee income	(69)	(387)	(82%)	(233)	(461)	(49%)
Management fees	(615)	(59)	>100%	(1,160)	(301)	>100%
Others	(544)	(466)	17%	(937)	(701)	34%

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	Group			Group		
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	Change %	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000	Change %
(b) Other expenses include						
Advertisement and commission expenses	460	900	(49%)	952	1,142	(17%)
Impairment arising from property development business:						
- allowance for diminution in value of development properties	-	3,084	(100%)	-	3,084	(100%)
Reversal of impairment on contract assets	-	-	-	(455)	-	100%
Net impairment loss on:						
- contract assets	244	29	>100%	244	5,067	(95%)
- joint venture	-	2,618	(100%)	-	2,618	(100%)
- trade receivable	-	130	(100%)	294	130	>100%
Written-off:						
- bad debts	-	395	(100%)	126	395	(68%)
- goodwill	756	221	>100%	756	221	>100%
- property, plant and equipment	-	6	(100%)	30	6	>100%
- inventory	317	-	100%	317	-	100%
Entertainment	179	219	(18%)	349	461	(24%)
Fine and penalty	17	1	>100%	17	1	>100%
Legal and Professional fees	2,468	2,933	(16%)	4,950	4,135	20%
Short term/low value lease expenses	151	(306)	N.M.	267	226	18%
Property management expenses	344	288	19%	416	417	-
Repair and maintenance	567	1,055	(46%)	1,520	2,432	(38%)
Travelling and transport	262	217	21%	440	378	16%
Other taxes	1,011	34	>100%	1,017	58	>100%
Property tax	376	378	-1%	761	754	1%
(c) Finance income and costs						
Interest income on:						
- cash and cash equivalents	(932)	(237)	>100%	(1,538)	(484)	>100%
Interest expenses on:						
- bank loans	2,573	2,000	29%	4,953	3,018	64%
- lease liabilities	482	143	>100%	872	217	>100%
Exchange loss (net)	25	42	(40%)	708	152	>100%

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	6 months ended	12 months ended	12 months ended
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Affiliated corporations				
Lease of storage space	185	721	859	1,445
Hiring charges	2,578	2,386	4,840	3,930
Consultancy fees	417	333	1,000	500
Joint venture				
Recharge of staff costs	-	-	-	66
Construction revenue	(3,152)	(3,933)	(5,876)	(10,152)

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	6 months	12 months	12 months
	ended 31	ended 31	ended 31	ended 31
	December	December	December	December
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Tax recognised in profit or loss				
Current tax				
Current period	(6)	249	411	1,044
Changes in estimate related to prior periods	(176)	(3,484)	(64)	(3,472)
	(182)	(3,235)	347	(2,428)
Deferred tax				
Changes in estimate related to prior periods	212	(247)	98	(247)
Land appreciation tax				
Current period	-	619	-	1,957
Changes in estimate related to prior periods	-	19	-	19
	-	638	-	1,976
Tax expense/(credit)	30	(2,844)	445	(699)

8 Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and Company.

	Group and Company	
	31 December 2023 \$'000	31 December 2022 \$'000
Paid by the Company to owners of the Company		
Nil (2022: 0.25 cent) per qualifying ordinary share	-	1,104
	Group	
	31 December 2023 \$'000	31 December 2022 \$'000
Paid by a subsidiary to non-controlling interest		
Nil per qualifying ordinary share	-	51

9 Net asset value

	Group		Company	
	31 December 2023 (cents)	31 December 2022 (cents)	31 December 2023 (cents)	31 December 2022 (cents)
Net asset value per ordinary share based on issued share capital at the end of:	16.57	20.89	4.28	8.49

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 31 December 2023 (31 December 2022: 441,076,649 shares).

10 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 - equity instruments \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group							
31 December 2023							
Financial assets measured at fair value							
Quoted equity investments – at FVOCI	22	-	-	22	-	-	22
Unquoted equity investments – at FVOCI	254	-	-	-	-	254	254
	276	-	-				
Financial assets not measured at fair value							
Trade and other receivables*	-	72,284	72,284				
Amount due from related parties	-	19,306	19,306				
Cash and bank balances	-	112,578	112,578				
	-	204,168	204,168				
Financial liabilities not measured at fair value							
Amount due to related parties	-	(6,720)	(6,720)				
Trade and other payables**	-	(151,898)	(151,898)				
Loans and borrowings	-	(97,974)	(97,974)	-	-	(92,937)	(92,937)
	-	(256,592)	(256,592)				

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

** Excluded GST payables and deferred income and provisions

Accounting classifications and fair values (cont'd)

	Carrying amount			Fair value			
	FVOCI - equity instruments \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group							
31 December 2022							
Financial assets measured at fair value							
Quoted equity investments – at FVOCI	22	-	22	22	-	-	22
Unquoted equity investments – at FVOCI	490	-	490	-	-	490	490
	<u>512</u>	<u>-</u>	<u>512</u>				
Financial assets not measured at fair value							
Trade and other receivables*	-	64,406	64,406				
Amount due from related parties	-	14,932	14,932				
Cash and cash equivalents	-	47,632	47,632				
	<u>-</u>	<u>126,970</u>	<u>126,970</u>				
Financial liabilities not measured at fair value							
Amount due to related parties	-	(10,697)	(10,697)				
Trade and other payables**	-	(127,643)	(127,643)				
Loans and borrowings	-	(107,544)	(107,544)	-	(102,014)	-	(102,014)
	<u>-</u>	<u>(245,884)</u>	<u>(245,884)</u>				

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

** Excluded GST payables and deferred income and provisions

Accounting classifications and fair values (cont'd)

	<u>Carrying amount</u>	
	<u>Amortised cost \$'000</u>	<u>Total \$'000</u>
Company		
31 December 2023		
Financial assets not measured at fair value		
Trade and other receivables	2,226	2,226
Amount due from related parties	31,310	31,310
Cash and cash equivalents	328	328
	<u>33,864</u>	<u>33,864</u>
Financial liabilities not measured at fair value		
Trade and other payables	(366)	(366)
Amount due to related parties	(68,593)	(68,593)
	<u>(68,959)</u>	<u>(68,959)</u>
31 December 2022		
Financial assets not measured at fair value		
Trade and other receivables	1,233	1,233
Amount due from related parties	47,317	47,317
Cash and cash equivalents	88	88
	<u>48,638</u>	<u>48,638</u>
Financial liabilities not measured at fair value		
Trade and other payables	(207)	(207)
Amount due to related parties	(64,964)	(64,964)
	<u>(65,171)</u>	<u>(65,171)</u>

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 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 2023 and 2022.

(iii) Level 3 fair value

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

	Group Unquoted equity investments – at FVOCI \$'000
As 1 January 2022 and 1 January 2023	490
Net change in fair value of FVOCI financial assets	(236)
As at 31 December 2023	<u>254</u>

Sensitivity analysis

There is no sensitivity analysis prepared as the Group's exposure to the effect on fair value changes for 2023 and 2022 are insignificant.

11 Property, plant and equipment

During the financial year, the Group acquired assets amounting to \$4,409,000 (31 December 2022: \$8,312,000) and disposed assets amounting to \$1,173,000 (31 December 2022: \$86,000).

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.

12 Contract assets and contract liabilities

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

	Group	
	31 December 2023 \$'000	31 December 2022 \$'000
Contract assets	56,724	75,646
Contract liabilities	<u>(114,986)</u>	<u>(74,300)</u>

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.

13 Development properties

	Group	
	31 December	31 December
	2023	2022
	\$'000	\$'000
(a) Properties under development, for which revenue is to be recognised at a point in time		
Land and land related costs	57,160	72,379
Development costs	23,133	65,586
	<u>80,293</u>	<u>137,965</u>
Allowance for diminution in value	(24,166)	(25,180)
Properties under development	<u>56,127</u>	<u>112,785</u>
(b) Completed development properties, at cost	80,010	45,371
Allowance for diminution in value	(7,735)	(8,639)
Completed development properties	<u>72,275</u>	<u>36,732</u>
Total development properties	<u>128,402</u>	<u>149,517</u>

Allowance for diminution in value

Movement in allowance for diminution in value was as follows:

	Group	
	31 December	31 December
	2023	2022
	\$'000	\$'000
At 1 January	33,819	34,442
Allowance for diminution in value made during the year	-	3,084
Utilisation during the year	(603)	(678)
Translation differences on consolidation	(1,315)	(3,029)
At 31 December	<u>31,901</u>	<u>33,819</u>

The Group's properties under development and completed development properties are stated at the lower of cost and net realisable value. Taking into consideration the expected selling prices for the project based on external independent professional valuations undertaken or recent selling prices for the development projects 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.

During the year, the Group engaged an independent professional valuer to value one of its development properties in PRC. The valuation was undertaken by the independent professional valuer who has appropriate recognised professional qualifications and recent experience in the location and category of the development properties being valued. The valuation was based on the comparable sales method, taking into consideration of the recent selling price per square meter for comparable properties and prevailing property market conditions. The key assumption used in the valuation is estimated selling price per square meter of the subject properties. Based on the valuation, the Group recognised an impairment loss of \$Nil (2022: \$3,084,000) during the year.

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 made 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.

During the year financial, completed development properties of \$26,496,000 (FY2022: \$20,507,000) were recognised as an expense and included in “Cost of sales of development properties”.

14 Assets held for sale

In December 2023, the Group has committed to sell one of its investment properties and certain properties classified 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 31 December 2023 were:

Description	Category
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	
	31 December 2023	31 December 2022
	\$'000	\$'000
SLF building	3,481	3,481
6 Tuas South Street 11	12,120	12,115
Pontian land	8,983	9,493
Fan Yoong building	16,800	-
	41,384	25,089

15 Provisions

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

	Provision for penalties	Provision for onerous contracts	Total
	\$'000	\$'000	\$'000
Group			
At 1 January 2022	5,334	41,396	46,730
Provision made during the year	1,336	47,664	49,000
Utilisation during the year	(2,108)	(13,800)	(15,908)
At 31 December 2022	4,562	75,260	79,822
At 1 January 2023	4,562	75,260	79,822
Provision made during the year	3,938	7,745	11,683
Reversal of provision during the year	-	(1,485)	(1,485)
Utilisation during the year	-	(54,517)	(54,517)
At 31 December 2023	8,500	27,003	35,503

The provisions for penalties and onerous contracts made during the period have been included in “Cost of sales of development properties”, “Other expenses” and “Cost of construction contracts and engineering solutions” respectively.

Provision for penalties was made for late completion of development and administrative fine in connection to one of the PRC development projects.

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.

16 Loans and borrowings

	Group	
	31 December 2023	31 December 2022
	\$'000	\$'000
Amount repayable within one year or on demand		
Secured bank loans	92,515	81,617
Lease liabilities	2,860	1,040
Liabilities directly associated with assets held for sale	14,554	10,125
	<u>109,929</u>	<u>92,782</u>
Amount repayable after one year		
Secured bank loans	5,459	15,802
Lease liabilities	6,672	3,229
	<u>12,131</u>	<u>19,031</u>
Total loans and borrowings	<u>122,060</u>	<u>111,813</u>

The secured bank loans are secured on the following assets:

	Group	
	31 December 2023	31 December 2022
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold land	3,853	3,961
Freehold land	3,613	3,641
Leasehold properties	18,640	36,102
Plant and machinery	783	1,352
Fixed deposits	-	557
Assets held for sale	41,384	25,089
Total	<u>68,273</u>	<u>70,702</u>

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

17 Share capital

	31 December 2023		31 December 2022	
	No of shares	\$'000	No of shares	\$'000
Issued and fully paid ordinary shares				
As at 1 January, including treasury shares	459,623,849	181,947	459,623,849	181,947
Less: Treasury shares	(18,547,200)	(4,906)	(18,547,200)	(4,906)
As at 31 December, excluding treasury shares	<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 (18,547,200 treasury share as at 31 December 2022) which represent 4.20% (4.20% as at 31 December 2022) 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.

18 Significant commitments

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

	Group	
	31 December 2023	31 December 2022
	\$'000	\$'000
Development costs contracted but not provided for:		
- subsidiaries	1,210	6,842
- joint ventures	-	8,893
	1,210	15,735
	1,210	15,735

19 Financial guarantee

	Company	
	31 December 2023	31 December 2022
	\$'000	\$'000
Significant issued financial guarantees to certain financial institutions in respect of banking facilities (inclusive of guaranteed performance bonds) for its subsidiaries	523,790	547,633
	523,790	547,633
	523,790	547,633

20 Subsequent event

On 8th February 2024, the Group has completed the disposal of a leasehold property, namely SLF Building for an aggregate consideration of S\$10 million. As a result, a gain of disposal (after deducting the related selling expenses) of approximately S\$6.5 million will be recognised in the financial year ending 31 December 2024.

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 31 December 2023.

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 2023.

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 The Group's Performance for 2H2023 vs 2H2022

Overview

	<u>Construction</u>	<u>Engineering</u>	<u>Property</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
		<u>Solution</u>	<u>Development</u>			
	6 Months Ended 31 December 2023					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	287,106	51,788	4,388	340	(29,212)	314,410
Costs	(267,241)	(48,374)	(7,993)	-	29,212	(294,396)
Gross profit/(loss)	19,865	3,414	(3,605)	340	-	20,014
Other income	627	2,613	(84)	245	(90)	3,311
Depreciation and amortisation	(1,621)	(167)	(27)	(20)	-	(1,835)
Selling expenses	-	-	(244)	-	-	(244)
Staff costs	(4,908)	(2,253)	(991)	(718)	-	(8,870)
Other expenses	(3,263)	(2,331)	(796)	(2,428)	90	(8,728)
Profit/(loss) from operating activities	10,700	1,276	(5,747)	(2,581)	-	3,648

	<u>Construction</u>	<u>Engineering</u>	<u>Property</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
		<u>Solution</u>	<u>Development</u>			
	6 Months Ended 31 December 2022					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	181,401	34,021	9,255	285	(17,959)	207,003
Costs	(203,731)	(33,789)	(8,094)	-	17,959	(227,655)
Gross (Loss)/Profit	(22,330)	232	1,161	285	-	(20,652)
Other income	2,373	800	24	93	(90)	3,200
Impairment arising from property development business	-	-	(3,084)	-	-	(3,084)
Depreciation and amortisation	(3,294)	(216)	(4)	(21)	-	(3,535)
Selling expenses	-	-	(784)	-	-	(784)
Staff costs	(5,820)	(2,236)	(721)	(962)	-	(9,739)
Other expenses	(2,519)	(1,464)	(3,996)	(1,401)	90	(9,290)
Loss from operating activities	(31,590)	(2,884)	(7,404)	(2,006)	-	(43,884)

The Group reported an operating profit of \$3.6 million in 2H2023, compared to an operating loss of \$43.9 million in 2H2022. The profit in 2H2023 was primarily attributed to profits generated from the construction and the engineering solutions segments and partially offset by an operating loss in the property development segment. The profit was mainly due to the resumption of construction activities following the recovery from the COVID-19 pandemic, higher margin projects recognised during the period as well as strong cost control measures undertaken by the Group.

Revenue from construction, engineering solutions and property development segments

The Group's revenue increased by approximately \$107.4 million from \$207.0 million in 2H2022 to \$314.4 million in 2H2023. The increase in revenue was mainly contributed by the construction and engineering solutions segments, following the resumption of construction activities and recovery from the COVID-19 pandemic, which was partially offset by the decrease in revenue from the property development segment.

Gross profit in construction segment

The gross profit margin was approximately 6.9% in 2H2023, compared to a gross loss of 12.3% in 2H2022. The improvement of gross profit in 2H2023 to S\$19.9 million from a gross loss of S\$22.3 million was mainly resulted from the significant reduction of onerous contract provisions made in 2H2023 for the pre-COVID projects as well as revenue recognition of higher margin projects during the financial period.

Gross profit in engineering solutions segment

The gross profit margin of 2H2023 increased to 6.6%, from a gross profit margin of 0.7% in 2H2022. The improvement was mainly due to higher production volume to cover the segment production overhead and mix of projects with higher profitability in the 2H2023 financial period.

Gross loss in property development segment

The gross loss was approximately 82.2% in 2H2023, compared to a gross profit margin of 12.5% in 2H2022. This was mainly attributable to a provision of penalties of \$3.9 million for the late completion of development and administrative fine in connection to one of the PRC development projects.

Impairment arising from property development business

There is no impairment arising from property development business in 2H2023 compared to 2H2022. In 2H2022, the Group recorded \$3.1 million impairment loss on property development, which was mainly due to national deleveraging policies for the property market in PRC. As a result, the valuation of the Group's property development business had been adversely impacted in FY2022.

Expenses

Depreciation and amortisation decreased by approximately \$1.7 million from \$3.5 million in 2H2022 to \$1.8 million in 2H2023, mainly due to the reclassification of investment property and leasehold properties to assets held-for-sale in 2022.

Selling expenses decreased by approximately \$0.6 million from \$0.8 million in 2H2022 to \$0.2 million in 2H2023, mainly due to decrease in sales advertisement expenses and sales commissions, which was in line with the decrease in the sales of development properties in 2H2023.

Staff costs decreased by approximately \$0.8 million from \$9.7 million in 2H2022 to \$8.9 million in 2H2023, mainly due to lower weightage of staffs with higher wages in 2H2023 as compared to 2H2022.

Other expenses decreased by approximately \$0.6 million from \$9.3 million in 2H2022 to \$8.7 million in 2H2023, mainly due to provision of impairment on joint venture of \$2.6 million in 2H2022, offset against higher other tax of \$1.0 million in 2H2023.

Net finance costs

The net finance costs decreased by approximately \$2.4 million from \$3.8 million in 2H2022 to \$1.4 million in 2H2023, mainly due to an increase in fixed deposits interest income, lease interest and the decrease of borrowing costs as a result of the repayments of certain loans and borrowings during 2H2023.

Share of loss/profit of joint ventures, net of tax

The Group registered a share of loss from joint ventures by approximately \$0.1 million in 2H2023, compared to a share of profit of approximately \$4.3 million in 2H2022. The loss in 2H2023 was mainly due to loss from certain construction projects in 2H2023 carried out by joint ventures.

Profit for the period

As a result of the foregoing, 2H2023 reported a profit after tax of approximately \$2.0 million as a result of the factors mentioned in the preceding paragraphs.

Review of The Group's Performance for FY2023 vs FY2022

Overview

	<u>Construction</u>	<u>Engineering</u>	<u>Property</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
		<u>Solution</u>	<u>Development</u>			
	12 Months Ended 31 December 2023					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	413,147	88,669	24,852	551	(52,171)	475,048
Costs	(390,546)	(87,334)	(26,496)	-	52,171	(452,205)
Gross profit/(loss)	22,601	1,335	(1,644)	551	-	22,843
Other income	946	3,964	23	377	(180)	5,130
Impairment arising from property development business	-	-	-	-	-	-
Depreciation and amortisation	(3,879)	(420)	(31)	(51)	-	(4,381)
Selling expenses	-	-	(918)	-	-	(918)
Staff costs	(10,613)	(4,525)	(1,631)	(1,123)	-	(17,892)
Other expenses	(5,453)	(2,912)	(2,250)	(3,760)	180	(14,195)
Profit/(loss) from operating activities	3,602	(2,558)	(6,451)	(4,006)	-	(9,413)

	<u>Construction</u>	<u>Engineering</u> <u>Solution</u>	<u>Property</u> <u>Development</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
	12 Months Ended 31 December 2022					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	299,481	50,152	26,076	346	(20,315)	355,740
Costs	(335,228)	(60,725)	(20,507)	-	20,315	(396,145)
Gross (loss)/profit	(35,747)	(10,573)	5,569	346	-	(40,405)
Other income	3,941	1,698	34	146	(180)	5,639
Impairment arising from property development business	-	-	(3,084)	-	-	(3,084)
Depreciation and amortisation	(6,259)	(395)	(8)	(47)	-	(6,709)
Selling expenses	-	-	(1,136)	-	-	(1,136)
Staff costs	(12,029)	(4,496)	(1,293)	(1,564)	-	(19,382)
Other expenses	(5,099)	(7,244)	(5,540)	(2,046)	180	(19,749)
Loss from operating activities	(55,193)	(21,010)	(5,458)	(3,165)	-	(84,826)

The Group narrowed its operating loss in FY2023 to \$9.4 million as compared to \$84.8 million in FY2022, primarily attributable to profits generated from the construction segment and a narrowed loss from the engineering solutions segment. These improvements were due to the resumption of the construction activities following the recovery from the COVID-19 pandemic, significant reduction of onerous contract provisions made, higher margin projects recognised as well as strong cost control measures undertaken by the Group.

Revenue from construction, engineering solutions and property development segments

The Group's revenue increased by approximately \$119.3 million from \$355.7 million in FY2022 to \$475.0 million in FY2023, mainly contributed by the construction and engineering solutions segments following the resumption of construction activities and recovery from the COVID-19 pandemic.

Revenue from the sales of development properties in FY2023 amounted to \$24.9 million contributed mainly from the revenue recognition from Equinox Project. In FY2022 revenue recognised amounted to \$26.1 million which was contributed mainly from the Tranquility Project and Equinox Project.

As at 31 December 2023, approximately \$9.7 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	564	438	9	117	Note 1	13,580
	Area ('000 sqm)	172	108	86	3	19	63	
Tranquility	Units	636	636	634	2	-	-	20,952
	Area ('000 sqm)	100	100	98	2	-	-	

Note 1: Products for subsequent phases to be finalized on accordance to market demand

[^] Average selling price

Gross profit in construction segment

The gross profit margin was approximately 5.5% in FY2023, compared to a gross loss of 11.9% in FY2022. This was largely the result of the significant reduction of onerous contract provisions made for pre-COVID projects compared to the prior year as well as higher margin projects recognised during FY2023.

Gross profit in engineering solutions

The gross profit margin was approximately 1.5% in FY2023, compared to a gross loss of 21.1% in FY2022. The improvement was mainly due to higher production volume to cover the segment production overhead and mix of projects with higher profitability in FY2023.

Gross loss in property development segment

A gross loss of \$1.6 million was recognised in the property development segment in FY2023, compared to a gross profit of \$5.6 million in FY2022. This was mainly attributable to a provision of penalties of \$3.9 million for the late completion of development and administrative fine in connection to one of the PRC development projects.

Other income

Other income decreased by approximately \$0.5 million from \$5.6 million in FY2022 to \$5.1 million in FY2023 mainly due to tapering of government support.

Impairment arising from property development business

There is no impairment arising from property development business in FY2023. In FY2022, the Group recorded \$3.1 million impairment loss on property development, which was mainly due to national deleveraging policies for the property market in PRC. As a result, the valuation of the Group's property development business had been adversely impacted in FY2022.

Expenses

Depreciation and amortisation decreased by approximately \$2.3 million from \$6.7 million in FY2022 to \$4.4 million in FY2023, mainly due to the reclassification of investment property and leasehold properties to assets held-for-sale in 2022.

Selling expenses decreased by approximately \$0.2 million from \$1.1 million in FY2022 to \$0.9 million in FY2023, mainly due to the decrease in sales advertisement expenses and commissions for the sale of development properties, which was in tandem with the decrease in revenue recognition in FY2023.

Staff costs decreased by approximately \$1.5 million from \$19.4 million in FY2022 to \$17.9 million in FY2023, mainly due to lower weightage of staff with higher wages in FY2023 as compared to FY2022.

Other expenses decreased by approximately \$5.5 million from \$19.7 million in FY2022 to \$14.2 million in FY2023, mainly due to provision of impairment on contract assets of \$5.0 million and provision of impairment on joint venture of \$2.6 million in FY2022, offset against higher other tax of \$1.0 million and professional fees of S\$1.0 million in FY2023.

Net finance costs

The net finance costs decreased by approximately \$1.2 million from \$5.8 million in FY2022 to \$4.6 million in FY2023 mainly due to the increase in fixed deposits interest income, lease interest and the decrease of borrowing costs following the repayment of certain loans and borrowings in FY2023.

Share of profit of joint ventures, net of tax

The Group registered a lower share of profit from joint ventures by approximately \$4.0 million from \$4.9 million in FY2022 to \$0.9 million in FY2023 due mainly to lower net contribution from joint venture projects.

Loss for the year

As a result of the foregoing, FY2023 reported a loss for the year of approximately \$13.6 million as a result of the factors mentioned in the preceding paragraphs.

Review of The Group's Financial Position

Non-current assets

Non-current assets decreased by approximately \$14.5 million from \$122.9 million as at 31 December 2022 to \$108.4 million as at 31 December 2023.

The decrease in non-current assets was mainly due to the reclassification of \$16.8 million from right-of-use assets and property, plant, and equipment to assets held for sale. Additionally, there was a decrease in joint ventures by \$8.8 million due to the reclassification of a loan to a joint venture from non-current to current, which is expected to be received within the next 12 months. This decrease was partially offset by the increase in investment property by \$0.8 million, an increase in intangible assets by approximately \$0.7 million, and an increase in non-current trade and other receivables by approximately \$11.4 million (rising from \$20.0 million to \$31.5 million) mainly due to the increase in retention sum receivables following the resumption of construction activities.

Current assets

Current assets increased by approximately \$20.8 million from \$384.8 million as at 31 December 2022 to \$405.6 million as at 31 December 2023. The increase in current assets was mainly due to:

- (i) Increase in inventories by \$0.6 million to \$4.3 million as at 31 December 2023;
- (ii) Increase in cash and bank balances by \$64.9 million to \$112.6 million as at 31 December 2023 mainly due to positive operating and investing cash flow generated;
- (iii) Reclassification of right-of-use assets and property, plant and equipment of approximately of \$16.8 million to assets held for sale.

The increase was partially offset by:

- (iv) Decrease in development properties by \$21.1 million to \$128.4 million as at 31 December 2023 due mainly to revenue recognition during the financial year.
- (v) Decrease in amount due from related parties by \$16.3 million as at 31 December 2023 due mainly to the repayment of approximately \$20.0 million from a joint venture partially offset by reclassification of a loan to a joint venture from non-current to current, which is due to be received within the next 12 months.
- (vi) Decrease in contract assets by approximately \$18.9 million to \$56.7 million as at 31 December 2023, which was mainly due to timing between revenue recognition and actual billing for mainly construction projects.

Non-current liabilities

Non-current liabilities increased by approximately \$2.9 million from \$31.9 million as at 31 December 2022 to \$34.8 million as at 31 December 2023.

The increase in non-current trade and other payables by approximately \$9.7 million to \$22.0 million as at 31 December 2023 was mainly due to an increase in retention sum payables arising from increased construction activities. The increase in non-current liabilities was partially offset by the reclassification of loans and borrowings by approximately \$6.9 million to current liabilities as at 31 December 2023.

Current liabilities

Current liabilities increased by approximately \$24.8 million from \$379.3 million as at 31 December 2022 to \$404.1 million as at 31 December 2023. The increase in current liabilities was mainly due to:

- (i) Increase in contract liabilities by approximately \$40.7 million to \$115.0 million as at 31 December 2023 mainly due to increase in the excess of progress billing over construction revenue of certain projects.
- (ii) Increase in loan and borrowings by approximately \$17.1 million to \$109.9 million as at 31 December 2023 was due to reclassification of loans and borrowings due 12 months from the financial year end from non-current liabilities to current liabilities.

The increase was partially offset by decrease in trade and other payables by approximately \$29.2 million to \$169.4 million as at 31 December 2023.

Net cash generated from operating activities

Net cash generated from operating activities was approximately \$48.5 million, which was primarily due to overall improvement in working capital movement.

Net cash generated from investing activities

Net cash generated from investing activities was approximately \$16.7 million in FY2023, which was primarily due to the repayment of loan from a joint venture of \$20.0 million, which was partially offset by purchase of property, plant and equipment of \$4.4 million.

Net cash used in financing activities

Net cash used in financing activities was approximately \$1.7 million in FY2023, which was primarily due to net receipts of borrowings of \$4.2 million, partially offset by interest paid of \$5.8 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 Outlook in Singapore

The Building and Construction Authority (BCA) estimates Singapore's 2024 construction demand to range between S\$32 billion and S\$38 billion, predominantly driven by the public sector, which will account for 55% of this demand through projects like the Cross Island Line and new hospital developments¹. The private sector is also anticipated to contribute significantly, with an estimated demand of S\$11 billion to S\$14 billion². The industry remains resilient despite rising costs due to shortages of labour and materials as well as elevated interest rates³.

We will capitalise on the increasing number of opportunities to secure new projects in the current year, particularly from the public works sector in the areas of healthcare and education. At the same time, our construction segment will continue collaborating with key stakeholders on projects that will leverage our expertise and enhance our reputation. Simultaneously, the engineering solutions segment will increasingly market its green solutions to third-party clients to boost our order book and profit margins.

The Group's order book as at 31 December 2023 stood at approximately \$0.65 billion, which is expected to extend till 2025.

Property Development Outlook in China and Singapore

China

China's real estate industry faces several challenges, such as developer debts, cooling measures by the government, and a general slowdown in demand. To counter these challenges, as well as to stabilise and stimulate the market, the government has launched a slew of supportive measures, including increased investment in infrastructure and urban renewal projects with significant funding allocated for megaprojects. However, it is yet to be seen whether these actions by the government will positively impact China's property sector, and we remain cautious with regard to our activities in China.

As at 31 December 2023, approximately \$9.7 million of gross development value, comprising 9 units (2,752 sqm) of The Equinox and 2 unit (660 sqm) of Tranquillity Residences, 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.

¹ [Steady Demand for the Construction Sector Projected for 2024](#)

² [Building and Construction Authority: Singapore's Construction Demand to remain strong in 2023](#)

³ [Contractors and developers to face skilled labour crunch and high costs in 2024](#)

As at 31 December 2023, approximately 77.7% 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.

Singapore

Given the intensifying competition in the residential market in the current year, our property development segment will shift its focus to the commercial space, which is more resilient, offers higher investment yields, advantageous cost frameworks, and can meet the diverse needs of various business occupants. The projected value of Singapore's commercial real estate market is expected to reach US\$0.51 trillion in 2024, underscoring its significant growth potential. This market segment is also forecast to continue expanding at a compound annual growth rate (CAGR) of 1.44% during 2024-2028, resulting in a market volume of US\$0.54 trillion by 2028⁴.

8. If a decision regarding dividend has been made:

(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 and the reason(s) for the decision.

No dividend has been declared or recommended for the financial year ended 31 December 2023. The Board of Directors of the Company deems it appropriate to conserve cash for the Group's working capital.

⁴ [Commercial Real Estate - Singapore](#)

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 31 December 2023.

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)	
		2H2023	FY2023	2H2023	FY2023
		\$'000	\$'000	\$'000	\$'000
<u>Hiring charges</u>					
Peck Tiong Choon Transport (Pte) Ltd	Subsidiary of Controlling Shareholder, Peck Tiong Choon (Private) Limited	-	-	2,577	4,835
Peck Tiong Choon Logistic (Pte) Ltd	Subsidiary of Controlling Shareholder, Peck Tiong Choon (Private) Limited	-	-	1	5
Total		-	-	2,578	4,840
<u>Lease of Storage Space</u>					
Peck Tiong Choon Logistic (Pte) Ltd	Subsidiary of Controlling Shareholder, Peck Tiong Choon (Private) Limited	185	859	-	-
Total		185	859	-	-
Total Transactions with associates of a Controlling Shareholder		185	859	2,578	4,840
<u>Consultancy fees</u>					
G&T Multitask (Private Limited) [#]	Associate of Director, Pek Zhi Kai	417	1,000	-	-
Total		417	1,000	-	-
Total Transactions with Associates of a Director		417	1,000	-	-

The Company appointed Mr Pek Lian Guan (“**Mr Pek**”), 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’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 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 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 to provide consultancy services to the Group. Mr Pay Sim Tee (who is a cousin of Mr Pek) and Mr Pek Zhi Kai (who is the son of Mr Pek) abstained from voting in the process of making this decision.

Mr Pek 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 and the mother of Executive Director Mr Pek Zhi Kai). Accordingly, the consultancy agreement constitutes an interested person transaction.

11. A breakdown of sales and profit before tax.

	FY2023	FY2022	Increase / (Decrease) %
	\$’000	\$’000	
Sales reported for first half year	160,638	148,676	8
Operating loss after tax before deducting non-controlling interests reported for first half year	(15,633)	(44,528)	(65)
Sales reported for second half year	314,410	207,003	52
Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	2,034	(40,516)	N.M.

12. Persons Occupying Managerial Positions Pursuant to Rule 704(13)

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Pay Sim Tee	74	Uncle of Pek Zhi Kai (Executive Director) Cousin of Pek Dien Kee (Head of Asset Management). Uncle of Ong Chun Tiong (General Manager for the Group’s subsidiaries in PRC), Pek Chik Lay (Managing Director of Robin Village International Pte Ltd’s Group and CobiAx Technologies (Asia) Pte	Executive Director and Chief Executive Officer (“CEO”) of Tiong Seng Holdings Ltd (the “Company”).	Not Applicable

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
		Ltd), Peh Geok Soon (Deputy General Manager of Suzhou Huisheng Construction Development Co., Ltd & Deputy General Manager of Suzhou Chang He Investment & Development Co. Ltd) and Pay Simin Jasmine (Contracts Manager of Tiong Seng Contractors (Private) Limited).		
Pek Zhi Kai	34	Nephew of Pay Sim Tee (Executive Director & CEO)	Executive Director of the Company since July 2021	Mr. Pek is now responsible for business and strategic development for the Group's three business arms (Construction, Engineering Solutions and Property Development)
Pek Dien Kee	71	Cousin of Pay Sim Tee (Executive Director and CEO). Uncle of Pek Zhi Kai (Executive Director)	Head of Asset Management since 2010	Not Applicable
Ong Chun Tiong	52	Nephew of Pay Sim Tee (Executive Director & CEO). Cousin of Pek Zhi Kai (Executive Director)	General Manager for the Group's subsidiaries in PRC since 2004	Not Applicable
Peh Geok Soon	70	Nephew of Pay Sim Tee (Executive Director & CEO). Cousin of Pek Zhi Kai (Executive Director)	Deputy General Manager of Suzhou Huisheng Construction Development Co., Ltd since 2003 & Deputy General Manager of Suzhou Chang He Investment & Development Co. Ltd since 2011	Not Applicable

13. 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 undertakings have been procured from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

BY ORDER OF THE BOARD

Pay Sim Tee
Executive Director and CEO
28 February 2024