



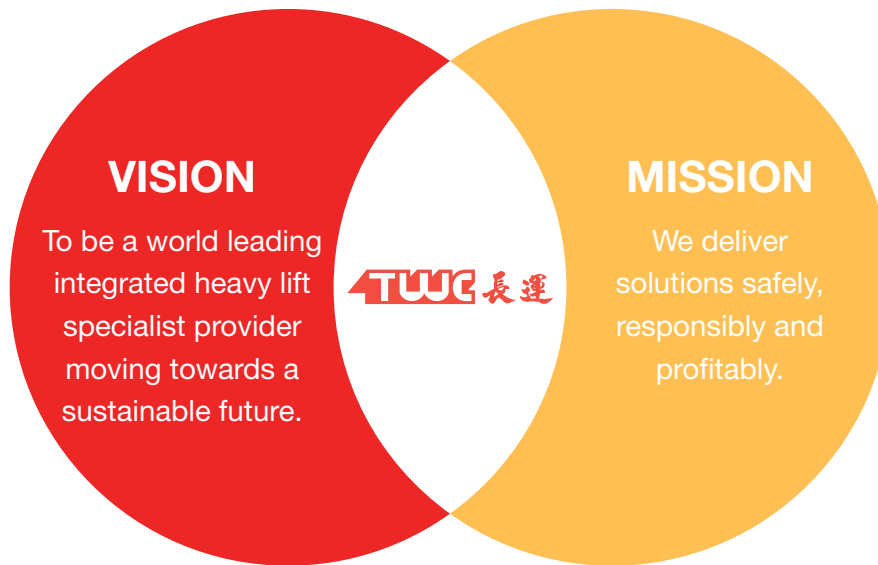
BUILDING A SOLID PLATFORM FOR GROWTH

Tiong Woon Group has created a solid foundation by building on the fundamentals of our core business to accelerate growth and deliver long-term value to stakeholders. We are continually improving our core capabilities and have set ourselves apart from the competition by attracting new customers, retaining current ones, and expanding our regional presence. We believe that we will continue to grow into the future, as our dedicated employees continue to work tirelessly everyday to keep us one step ahead of the competition.

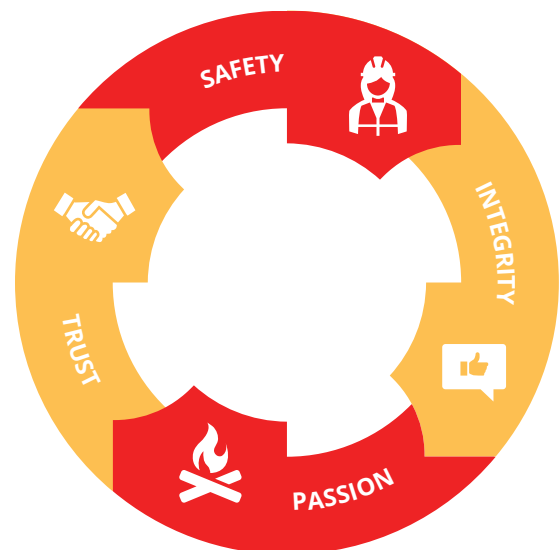
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OUR VISION AND MISSION



OUR CORE VALUES



**OVER
40 YEARS**
Of Proven Track Record

23RD
Largest Crane-Owning
Company Worldwide

CORPORATE PROFILE

Listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard since 1999, Tiong Woon is a leading one-stop integrated heavy lift specialist and service provider, supporting mainly the oil and gas, petrochemical, infrastructure and construction sectors, with proven track record of more than 40 years.

The Group manages turnkey projects for engineering, procurement and construction (EPC) contractors and project owners from planning and designing heavy lifting and haulage requirements to the execution stage. The heavy equipment is transported, lifted and installed at customers' facilities.

The Group also purchases and operates its own heavy lifting and haulage equipment, tug boats and barges.

This allows the Group to be flexible, nimble and efficient when providing integrated services to its customers.

Headquartered in Singapore, the Group has a strong regional presence with establishments in twelve other countries. It is ranked 23rd in IC100 2022 survey.

Under the strong leadership and far-sighted vision of the Group's management team, Tiong Woon is committed to providing timely, high quality and safe services to its customers anywhere in the world.

Scan here to view our Corporate Video!



TIONG WOON GROUP OF COMPANIES

Year ended 30 June 2022

1 SINGAPORE

Tiong Woon Corporation Holding Ltd
Tiong Woon Crane & Transport (Pte) Ltd
Tiong Woon Crane Pte. Ltd.
Tiong Woon Project & Contracting Pte. Ltd.
Tiong Woon Enterprise Pte Ltd
Tiong Woon International Pte. Ltd.
Tiong Woon Tower Crane Pte. Ltd.
Tiong Woon Marine Pte Ltd
Tiong Woon Offshore Pte. Ltd.
TW (Sabah) Pte. Ltd.
Tiong Woon Logistics Pte. Ltd.
Tiong Woon China Consortium Pte. Ltd.
Tower Cranes Services Pte. Ltd.
Tiong Woon Crane & Equipment Pte. Ltd.
Tiong Woon Teck Aik Enterprise Pte. Ltd.

2 MALAYSIA

Tiong Woon Crane & Transport (M) Sdn Bhd
Tiong Woon Crane Sdn Bhd
Tiong Woon Offshore Sdn Bhd

3 BRUNEI

Tiong Woon Services Sdn Bhd

4 INDIA

Tiong Woon Project & Contracting (India)
Private Limited

5 BANGLADESH

Tiong Woon Bangladesh Limited

6 INDONESIA

P.T. TWC Indonesia
P.T. Tiong Woon Indonesia

7 PHILIPPINES

Tiong Woon Philippines, Inc

8 CHINA

Tiong Woon (Huizhou) Industrial Services Co., Ltd

9 THAILAND

Tiong Woon Thai Co., Ltd.
Thai Contracting & Enterprises Co., Ltd.

10 VIETNAM

Tiong Woon Vietnam Company Limited

11 SAUDI ARABIA

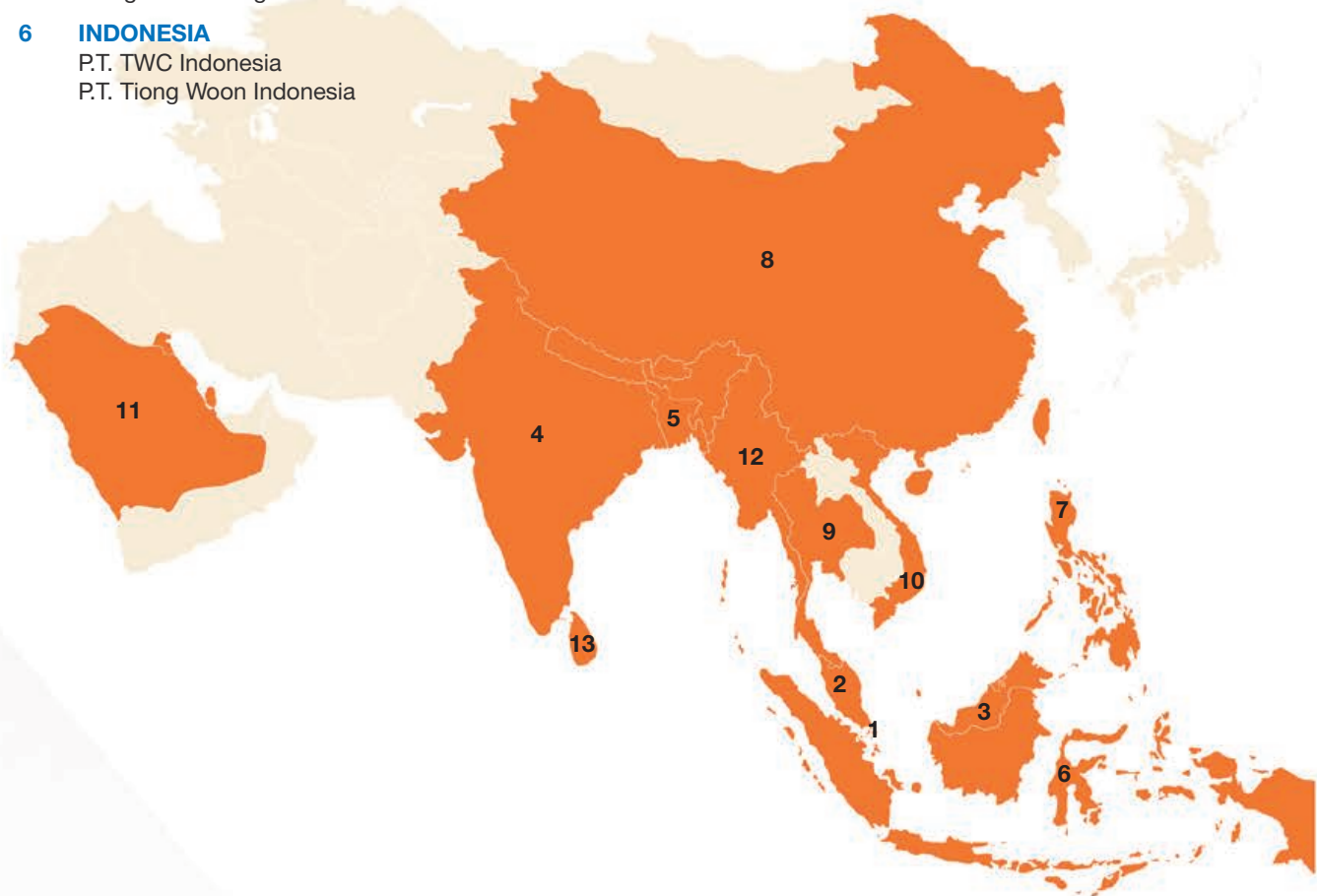
TWC Arabia Company Ltd

12 MYANMAR

Tiong Woon Myanmar Company Limited

13 SRI LANKA

Tiong Woon Crane & Transport Lanka (Pvt) Ltd



CHAIRMAN'S MESSAGE



Despite the challenges and uncertainties, we are delighted to share that the Group's performance improved in FY2022. The Group saw its revenue increase by 9% to \$122.6 million and posted a net profit of \$11.3 million for FY2022, 15% higher than the \$9.8 million in FY2021.



MR ANG KAH HONG
Executive Chairman

DEAR SHAREHOLDERS,

The Group's businesses continued to demonstrate resilience, following the progressive return to normalcy of the COVID-19 situation and recovery in economic activities, during the financial year ended 30 June 2022 ("FY2022"). Leveraging on its capabilities and solid track record, the Group experienced strong demand for its heavy lift and haulage services to the oil and gas, petrochemical, infrastructure and construction sectors, particularly in Singapore.

India was another bright spot for the Group in FY2022 as the Group benefitted from an increase in demand for its heavy lift and haulage services and executed more projects there. On the other hand, activities in Brunei were more muted and there was no new project secured in FY2022. The Group will continue to actively seek new opportunities in our markets.

For FY2022, the Group endeavoured to mitigate the effects of geopolitical uncertainties, inflationary pressures, supply chain disruptions and rising interest rates.

Despite the challenges and uncertainties, we are delighted to share that the Group's performance improved in FY2022. The Group saw its revenue increase by 9% to \$122.6 million and posted a net profit of \$11.3 million for FY2022, 15% higher than the \$9.8 million in FY2021.

PERFORMANCE REVIEW

The Group saw an overall increase in revenue for FY2022 owing to higher contributions from Heavy Lift and Haulage and Trading segments.

Heavy Lift and Haulage segment remained our largest revenue contributor, accounting for 95% of the Group's revenue. Geographically, Singapore remained the top revenue driver, accounting for 78% or \$95.7 million, followed by India which contributed 7% or \$8.8 million.

Gross profit was higher at \$49.3 million in FY2022, as compared to \$42.4 million in FY2021. Gross profit margin also increased from 37.6% in FY2021 to 40.2% in FY2022 mainly due to better performance achieved by the Heavy Lift and Haulage segment.

The Group recorded other income of \$2.6 million in FY2022, a decrease of \$1.9 million or 42% from \$4.5 million in FY2021, mainly due to lower government grant income arising from Jobs Support Scheme. Other losses - net was \$0.5 million in FY2022, a decrease of \$1.4 million or 75% from \$1.9 million in FY2021, mainly due to a decrease of \$2.0 million in operational exchange loss offset by a decrease of \$0.5 million in gain on disposal of property, plant and equipment.

Amid a challenging and uncertain credit environment, the Group made a net impairment loss on receivables of \$2.2 million in FY2022, an increase of \$0.6 million or 43% from \$1.6 million in FY2021. Other operating expenses were \$29.0 million in FY2022, an increase of \$3.2 million or 12% from \$25.8 million in FY2021, mainly due to higher staff costs and utility expenses.

Consequently, the Group recorded a net profit attributable to shareholders of \$11.4 million in FY2022, as compared to \$9.9 million in FY2021.

The Group's shareholder funds as at 30 June 2022 stood at \$280.9 million, translating to net asset value per share of \$1.21. Earnings per share for FY2022 stood at 4.90 Singapore cents, up 15% from 4.25 Singapore cents a year ago. With careful management of our working capital needs, the Group's cash and cash equivalents stood at \$56.0 million as at 30 June 2022.

BUILDING A SOLID PLATFORM FOR GROWTH

The Group has consolidated its resources by focusing on its core businesses and key markets, and has scaled back operations in some of the under-performing overseas subsidiaries.

The Group has continually upgraded its fleet's capacity to meet the customers' heavy lifting and job requirements, controlled its operating costs and managed the business risks to stay competitive.

As India is attracting investments in the chemical and petrochemical industries, we are pleased to share that we have secured a number of new heavy lift projects in these sectors. This is a significant step towards raising our heavy lift profile in the country.

We will continue to intensify our digital transformation, by going paperless and using digital technology to reduce our carbon footprint. As part of our long-term vision towards a sustainable future, renewable solar energy will be utilised in one of our yards locally.

CHAIRMAN'S MESSAGE

The pandemic has transformed the world and how we run our businesses. The Group will continue to embark on various programs to build capabilities such as human talent retention and succession plans, enhance and digitalise its operations, optimise its fleet of equipment and to achieve more sustainable solutions for its businesses. These programs will enable the Group to better adapt and respond to challenges and opportunities amid this ever-changing environment.

DIVIDEND

Notwithstanding the uncertain operating environment, the Board of Directors has proposed a final tax-exempt dividend of 0.35 Singapore cent per share, as well as a special dividend of 0.15 Singapore cent per share for FY2022 to reward our shareholders for their commitment, trust and support. The proposed dividend is subject to approval by shareholders at the Annual General Meeting on 27 October 2022.

WORDS OF APPRECIATION

On behalf of the Board of Directors, we would like to express our gratitude to shareholders, employees, management, customers, business associates and bankers for their steadfast support and confidence in the Group. We endeavour to rise above these rapidly evolving challenges and create sustainable value for all stakeholders in the coming years.

Thank you.

YOURS SINCERELY,

MR ANG KAH HONG

Executive Chairman



The Group's revenue increased by 9% year-on-year to \$122.6 million in FY2022, driven by the pick-up in business activities. With improved crane rental rates, the Group's gross profit increased 16% year-on-year to \$49.3 million in FY2022. However, the operating environment continues to be challenging and uncertain amid the rising interest rates and inflationary pressures. Notwithstanding a higher impairment loss on trade receivables, the Group ended the year with a stronger net profit attributable to shareholders of \$11.4 million, an increase of 15% compared with a year ago.

The Group will continue to focus on its core competencies and leverage on its strong track record and capabilities as a one-stop integrated services provider in project management for heavy lift and haulage as well as marine transportation.

We will remain committed to focus on our core competencies to deliver high quality, reliable services and solutions to our customers.

HEAVY LIFT AND HAULAGE

The Group provides one-stop solutions in the oil and gas, petrochemical, infrastructure and construction sectors. Specialising in heavy lift and haulage as well as inland transportation, it offers a wide range of services ranging from the planning and design of heavy lifting and haulage requirements to supporting the execution stage for engineering, procurement and construction contractors as well as project owners.

Having established itself as a reliable heavy lift and haulage provider supporting the oil and gas, petrochemical, infrastructure and construction sectors, the Heavy Lift and Haulage segment continues to be the largest contributor to the Group's revenue.

In FY2022, the Heavy Lift and Haulage segment accounted for 95% of Group's revenue. Revenue from this segment increased 6% year-on-year to \$115.9 million due to higher revenue derived from Singapore and India, offset by lower revenue derived from Brunei.

The Group continues to manage its fleet to achieve optimal performance. In terms of lifting assets, the Group owned 531 cranes and tower cranes with a capacity of up to 2,000 tonnes as at 30 June 2022. It had 280 units of haulage assets, comprising prime movers, low beds, trailers and tow trucks as at 30 June 2022. The average utilisation rate for its heavy lift assets was stable at 48% in FY2022 (49% in FY2021).

MARINE TRANSPORTATION

The Group provides its tug and barge services for a wide variety of sea transportation projects. Our fleet of tug boats and barges is available for external charters and to support the Group's projects in other business segments.



Revenue from the Marine Transportation segment remained stable at \$3.6 million for both FY2022 and FY2021.

As at 30 June 2022, the Group had a fleet of 7 tug boats with a working capacity of 500-3,200 bhp and 8 barges ranging in length from 140 to 282 feet. The average utilisation rate for its marine fleet was 35% in FY2022 (31% in FY2021).

TRADING

The Group is a distributor for KATO crawler cranes in ASEAN countries (except Indonesia), the exclusive distributor for Zoomlion tower cranes in Singapore as well as the authorised dealer for all XCMG products in Southeast Asia. It also extends its services to parts distribution and after-sales services of the equipment.

Revenue from the Trading segment increased 681% year-on-year to \$3.1 million as the Group sold more equipment in FY2022.

BUSINESS OUTLOOK

The operating environment continues to be challenging and uncertain, as rising interest rates, inflationary pressures and ongoing geopolitical tensions pose disruption risks to the nascent market recovery.

The Group's priority is to ensure that it has adequate liquidity to sustain its business, manage its cashflow, operating costs and business risks, amid the uncertainties posed by the business environment.



BUILD

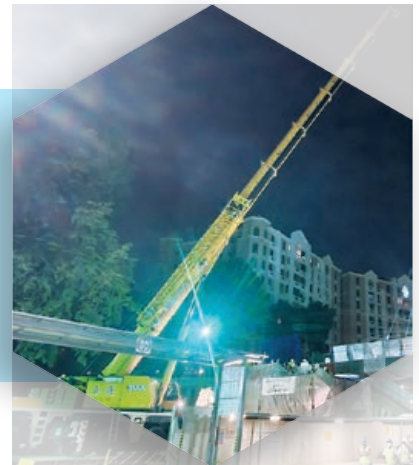
As a one-stop solutions provider, Tiong Woon steadily builds upon our capabilities to strengthen our fundamentals and track record.

Tiong Woon provides services to the oil and gas, petrochemical, infrastructure, and construction sectors, among others. The following pages display some of Tiong Woon's projects, a testament to the range of services provided and equipment utilised.



LOCATION: Flora Drive, Singapore
EQUIPMENT: 750 Tonnes Mobile Crane
SCOPE OF WORK: Dismantling of Tower Crane

LOCATION: Hillview Road, Singapore
EQUIPMENT: 250 Tonnes Mobile Crane
SCOPE OF WORK: Heavy Lifting of Pedestrian Overhead Bridge



LOCATION: Irwell Bank Road, Singapore
EQUIPMENT: 64 Tonnes Tower Crane
SCOPE OF WORK: Heavy Lifting Services

LOCATION: Loyang Drive, Singapore
EQUIPMENT: 700 Tonnes Mobile Crane
SCOPE OF WORK: Lifting of Uninterrupted Power Supply Modules



PROJECT GALLERY



LOCATION: Mandai Zoo, Singapore
EQUIPMENT: 100 Tonnes Mobile Crane
SCOPE OF WORK: Heavy Lifting Services

LOCATION: Marymount Road, Singapore
EQUIPMENT: 700 Tonnes Mobile Crane
500 Tonnes Mobile Crane
Prime Mover with Trailers
SCOPE OF WORK: Tandem Lifting of Pedestrian Overhead Bridge



LOCATION: Sengkang Central, Singapore
EQUIPMENT: 64 Tonnes Tower Crane
SCOPE OF WORK: Heavy Lifting Services

LOCATION: Tuas Road to Jurong Island, Singapore
EQUIPMENT: Heavy Duty Prime Mover with Modular Trailer
SCOPE OF WORK: Transportation Services





LOCATION: Woodlands Street 41, Singapore
EQUIPMENT: 20 Tonnes Tower Crane
SCOPE OF WORK: Heavy Lifting Services

LOCATION: Zhongshan, China
EQUIPMENT: 500 Tonnes Crawler Crane
SCOPE OF WORK: Heavy Lifting Services



LOCATION: Barmer, India
EQUIPMENT: 1,250 Tonnes Crawler Crane
550 Tonnes Crawler Crane
SCOPE OF WORK: Heavy Lifting Services

LOCATION: Vadinar, India
EQUIPMENT: 1,600 Tonnes Crawler Crane
600 Tonnes Crawler Crane
SCOPE OF WORK: Heavy Lifting Services



PROJECT GALLERY



LOCATION: Batam, Indonesia
EQUIPMENT: 2 x 600 Tonnes Crawler Crane
SCOPE OF WORK: Heavy Lifting Services

LOCATION: Tabuk Province, Saudi Arabia
EQUIPMENT: 200 Tonnes Crawler Crane
SCOPE OF WORK: Heavy Lifting Services



LOCATION: Ang Thong, Thailand
EQUIPMENT: 300 Tonnes Crawler Crane
SCOPE OF WORK: Heavy Lifting Services

LOCATION: Quang Tri, Vietnam
EQUIPMENT: 600 Tonnes Crawler Crane
SCOPE OF WORK: Heavy Lifting Services



ENABLE

As the 23rd largest crane owning company in the world, we remain focused on tapping on growth opportunities in the petrochemical, oil & gas, construction and PPVC segments to enable the sustainability of the Group.



BOARD DIRECTORS



MR ANG KAH HONG

Executive Chairman

Mr Ang Kah Hong is the Executive Chairman of Tiong Woon Corporation Holding Ltd. He joined the Board of Directors on 21 August 1997. Since its inception in 1980, Mr Ang has been a Director of the Group's subsidiary, Tiong Woon Crane & Transport (Pte) Ltd. He has more than 40 years of experience in the management of heavy lift and haulage operations.

Mr Ang is mainly responsible for driving the Group's strategy towards becoming a regional integrated heavy lift, heavy haulage and marine transportation service provider. His key responsibilities include identifying, formulating, developing and implementing corporate objectives and business strategies for the Group. Mr Ang is also actively involved in the corporate development activities. His leadership has proven to be instrumental and invaluable to the growth of the Group's businesses.



MR ANG GUAN HWA

*Executive Director and
Chief Executive Officer*

Mr Ang Guan Hwa is an Executive Director and Chief Executive Officer. He was appointed to the Board of Directors on 22 March 2013 and was promoted to Chief Executive Officer on 1 September 2020.

Mr Ang is responsible for identifying, developing and formulating our Group's business strategies and corporate objectives and management of overall business and corporate development. Having been a senior management staff of Tiong Woon Group for over ten years, Mr Ang has accumulated considerable management skills and business know-how. He holds a Bachelor of Science in Computing with Management from University of Bradford (UK). Mr Ang is the son of Mr Ang Kah Hong (Executive Chairman), nephew of Mr Ang Kha King (Executive Director) and cousin of Mr Ang Boon Chang (Executive Director).

BOARD DIRECTORS



MR ANG KHA KING
Executive Director

Mr Ang Kha King is an Executive Director and joined the Board of Directors on 21 August 1997. He is one of the founding members and a Director of the Group's subsidiary, Tiong Woon Crane & Transport (Pte) Ltd, since its inception in 1980. Mr Ang's key responsibilities include reviewing the internal decision-making processes of the Group's existing businesses and overseeing its external operations. He actively supervises its key Operations and Maintenance Division to ensure that there are adequate machines and equipment available for its heavy lift and haulage assignments.



MR ANG BOON CHANG
Executive Director

Mr Ang Boon Chang is an Executive Director and joined the Board of Directors on 1 January 2021. He joined the Group since September 2003 and was promoted to the position of General Manager of Tiong Woon International Pte. Ltd. in 2010. Mr Ang was appointed as the Director of Tiong Woon International Pte. Ltd. and Tiong Woon Logistics Pte. Ltd. on 5 September 2011 and 1 June 2015 respectively. Mr Ang is responsible for the Group's freight forwarding and logistics business segment. He is also Vice Chairman and member of the Enterprise Risk Management Committee. Mr Ang holds a Diploma in Logistics Management from Australia Logistics Academy. He is the son of Mr Ang Kha King (Executive Director), nephew of Mr Ang Kah Hong (Executive Chairman) and cousin of Mr Ang Guan Hwa (Executive Director and CEO).



MR WONG KING KHENG
Independent Director

Mr Wong King Kheng was appointed as an Independent Director of the Company on 23 August 1999. He is the Chairman of the Audit Committee and member of the Nominating and Remuneration Committees. In accordance with the Company's Code of Corporate Governance 2012, Mr Wong has been appointed as the Lead Independent Director on 27 August 2013. He is presently the Managing Director of K K Wong and Associates, a public accounting firm in Singapore which he founded in 2000. He is also the Managing Director and a substantial shareholder of Soh & Wong Management Consultants Pte Ltd, which he founded in 1988.

From 1989 to 2000, Mr Wong was the Founder and Managing Partner of Soh, Wong & Partners, a public accounting firm. Prior to that, he was an Audit Manager in Deloitte Haskins & Sells, Singapore, an international accounting firm. Mr Wong is a Member of the Malaysian Institute of Accountants, a Fellow Member of the Institute of Certified Public Accountants Australia and a Member of the Institute of Singapore Chartered Accountants. He also sits on the boards of a number of other listed companies as an Independent Director.

BOARD DIRECTORS



**MDM LUK KA LAI CARRIE
(MRS CARRIE CHEONG)**
Independent Director

Mrs Carrie Cheong was appointed as an Independent Director of the Company on 1 July 2009. She is the Chairperson of both the Nominating and Remuneration Committees and a member of the Audit Committee.

Mrs Cheong is a Director and Chief Executive Officer of Carrie Cheong & Ethel Low Consulting Pte Ltd, a company which provides business advisory services, financial management and corporate services. She has extensive experience relating to corporate planning and financial exercises including corporate restructuring, initial public offerings, and mergers and acquisitions. Mrs Cheong is a Fellow of the Association of Chartered Certified Accountants and a Member of the Institute of Singapore Chartered Accountants. She holds a Master Degree of Business Administration from the University of Brunel, United Kingdom and a Bachelor Degree of Laws (Honours) from the University of London, United Kingdom. She is also a Practising Chartered Secretary and an Associate of Chartered Secretaries Institute of Singapore, and an Associate of the Chartered Governance Institute, United Kingdom (formerly known as the Institute of Chartered Secretaries and Administrators). Mrs Cheong also serves as an Independent Director and Chairperson of the Audit Committee on the board of another public-listed company in Singapore.



MR POON GUOKUN, NICHOLAS
Independent Director

Mr Poon Guokun, Nicholas was appointed as an Independent Director of the Company on 1 January 2021. He is a member of the Audit and Remuneration Committee. He is also the founder and director of Breakpoint LLC, a Singapore law firm specialising in dispute resolution.

Prior to founding Breakpoint LLC, Mr Poon practised litigation and arbitration in Drew & Napier LLC. He has also worked for the Judges of the Supreme Court as a Justices' Law Clerk, and an Assistant Registrar hearing cases in the Supreme Court. Mr Poon has sat on a number of law reform committees and is also an active member of several legal professional bodies.

WILLIAM TAN KWANG HWEE

*Group Chief Financial Officer
Corporate Shared Services*

Mr Tan joined the Group as Group Chief Financial Officer in February 2021. He is responsible for financial matters of the Group. Beginning his career in SGX-listed Liang Huat Aluminium (SGX: 1C5), his previous roles include CFO of EnGro Corporation (SGX: S44), Assistant Vice President, Finance – Casino Accounting & Credit of Resorts World Sentosa (SGX: G13), CFO of Ley Choon Group Holdings (SGX: QOX), CFO of Metal Component Engineering (SGX: 5DX) and auditor with KPMG. Mr Tan graduated with Honours with a Bachelor of Engineering (Mechanical) from National University of Singapore, holds a Bachelor of Science in Applied Accounting (First Class Honours) from Oxford Brookes University, UK and obtained his MBA from Manchester Business School, UK. A Member of the Institute of Singapore Chartered Accountants and Fellow of the Association of Chartered Certified Accountants (ACCA), UK, he was also an ACCA Prize Winner and Top 30 Affiliate. Mr Tan was named Executive of the Year – Construction & Materials at the Singapore Business Review Management Excellence Awards 2016.

ANG SIEW CHIEN

*Group Chief People Officer
Corporate Shared Services*

Ms Ang was promoted as the Group Chief People Officer in November 2021. She joined the Group as the Group HR Manager in March 2016 and was re-appointed as the Group HR & Administration Manager in July 2016. She is responsible for the human capital, administration and estate management functions of the Group. She has over 20 years of experience in managing human resources and organisation development in the transportation, logistics and engineering industries for both local and multi-national corporations. Ms Ang graduated with a Degree of Bachelor of Business (Business Administration) with Distinction from RMIT University and obtained her MBA from Murdoch University. She is a certified IHRP- Senior Professional (IHRP-SP) by the Institute for Human Resource Professionals. Ms Ang is the daughter of Mr Ang Kah Hong (Executive Chairman), sister of Mr Ang Guan Hwa (Executive Director and CEO), niece of Mr Ang Kha King (Executive Director) and cousin of Mr Ang Boon Chang (Executive Director).

QUEK CHANG YEOW

*Managing Director
Tower Cranes Services Pte. Ltd.*

Mr Quek joined Tower Cranes Services Pte. Ltd. as the Managing Director since April 2015. He is responsible for the overall business and operations for the tower crane division. Mr Quek has more than 30 years of experience in the construction equipment industry. Prior to joining Tiong Woon, he worked in various companies including Manta Holdings Company Ltd, a public listed company in Hong Kong Stock Exchange.

LEE KUM MUN

*Managing Director
Tiong Woon Project & Contracting Pte. Ltd.*

Mr Lee joined Tiong Woon Project & Contracting Pte. Ltd. since January 2015 and was promoted as the Managing Director in June 2021. He is responsible for the overall business and operations for the heavy lift and project engineering division, both locally and overseas. Mr Lee has over 30 years of experience in the heavy lift and engineering industry. He holds a Bachelor of Engineering degree from National University of Singapore and MBA from State University of New York at Buffalo. Mr Lee is the son-in-law of Mr Ang Kah Hong (Executive Chairman), brother-in-law of Mr Ang Guan Hwa (Executive Director and CEO) and husband of Ms Ang Siew Chien (Group Chief People Officer).

LEE KIM SONG

*General Manager
Tiong Woon Marine Pte Ltd*

Mr Lee joined Tiong Woon Marine Pte Ltd as General Manager in March 2021 and is responsible for the overall business and operations of the marine division. He has more than 15 years of experience in marine, oil and gas industries. Prior to joining Tiong Woon, he was the Commercial Manager in ASL Marine Holdings Ltd, a public listed company in Singapore Stock Exchange, and worked as the Head of Operations in Toll Offshore Petroleum Services Pte Ltd. Mr Lee holds a Bachelor Degree in Business Administration with Distinction from Royal Melbourne Institute of Technology.

LOW TIEN POW

*Regional General Manager
Tiong Woon Crane & Transport (Pte) Ltd*

Mr Low joined Tiong Woon Crane & Transport (Pte) Ltd as the Regional General Manager in January 2022 and is responsible for managing the regional business units of the Group. He has more than 17 years of experience in the crane and transportation industry. Prior to joining Tiong Woon, he was the General Manager of Moh Seng Cranes Pte Ltd. Mr. Low holds a Bachelor of Engineering Degree with First Class Honours from University of Surrey, England. He was awarded outstanding undergraduate work in Civil Engineering Prize by the Institution of Civil Engineers.

ACCELERATE

Beyond Singapore, the Group has also been seeking to strengthen its crane fleet in its various growth markets. With our strong regional presence across 12 other countries, we are well-positioned to accelerate growth and deliver long-term value to stakeholders.



FINANCIAL HIGHLIGHTS

PROFIT AND LOSS (\$'MILLION)

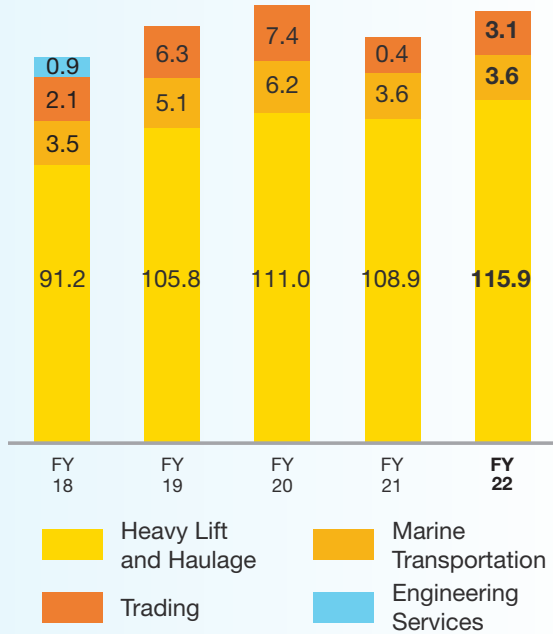
Financial Year Ended 30 June	2018	2019	2020	2021	2022
Revenue	97.7	117.2	124.7	112.9	122.6
Gross Profit	25.4	35.2	43.0	42.4	49.3
GP Margin	26.0%	30.0%	34.5%	37.6%	40.2%
Profit Before Tax (PBT)	1.4	5.8	12.2	13.8	16.4
Profit After Tax (PAT)	0.9	2.9	7.5	9.8	11.3
Profit Attributable to Equity holders of the Company	1.2	2.9	7.6	9.9	11.4

BALANCE SHEET (\$'MILLION)

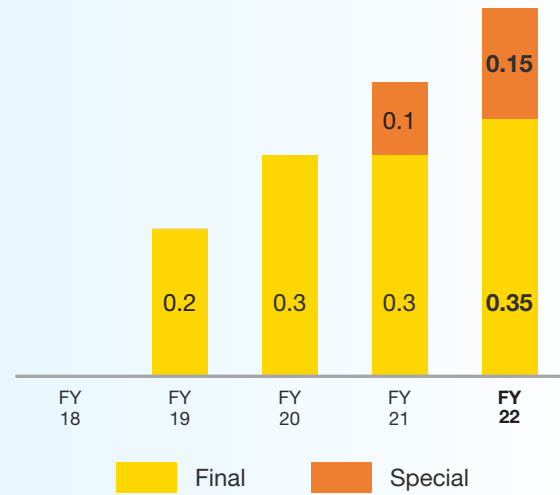
As At 30 June	2018	2019	2020	2021	2022
Current Assets	54.5	72.6	82.8	96.6	111.9
Non-Current Assets	358.6	376.3	378.6	362.7	364.4
Total Assets	413.1	448.9	461.4	459.3	476.3
Current Liabilities	51.6	69.4	60.0	57.4	66.6
Non-Current Liabilities	111.8	127.0	142.1	131.0	128.8
Total Liabilities	163.4	196.4	202.1	188.4	195.4
Net Assets	249.7	252.5	259.3	270.9	280.9
Net Assets Attributable to Equity Holders of the Company	249.5	252.3	259.2	270.9	280.9

FINANCIAL HIGHLIGHTS

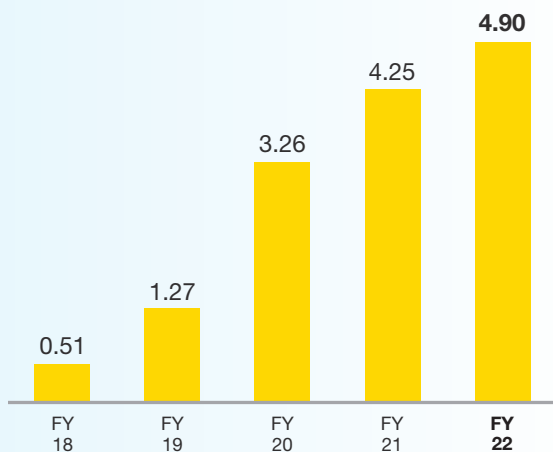
REVENUE BY SEGMENT (\$'Million)



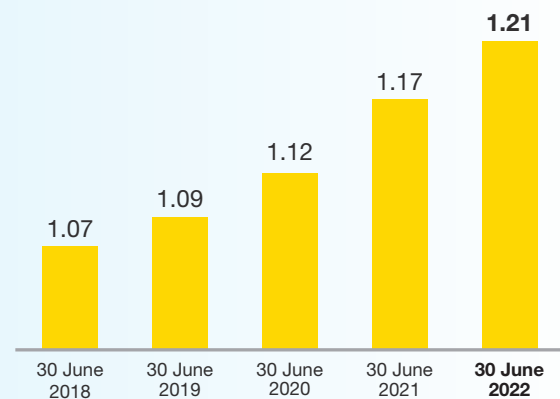
DIVIDEND PER SHARE (Cent)



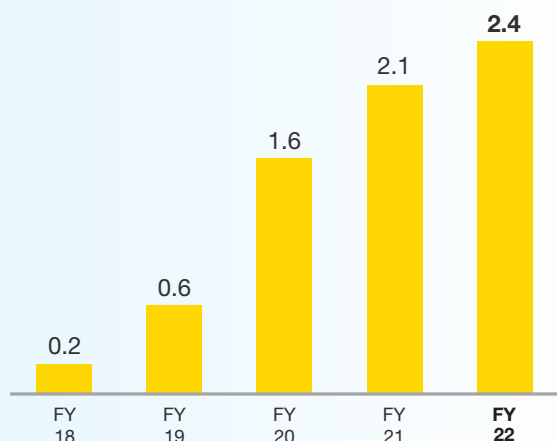
EARNINGS PER SHARE (Cents)



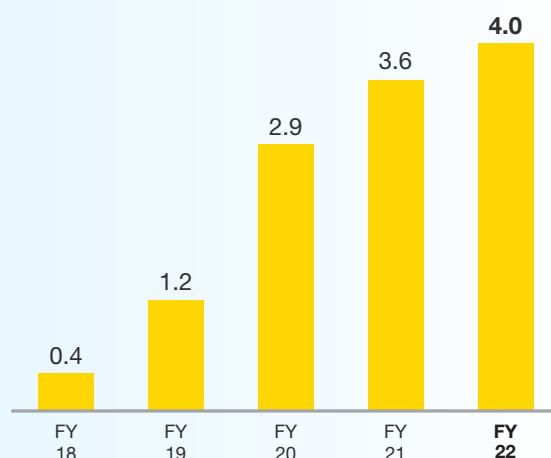
NET ASSET VALUE PER SHARE (\$)



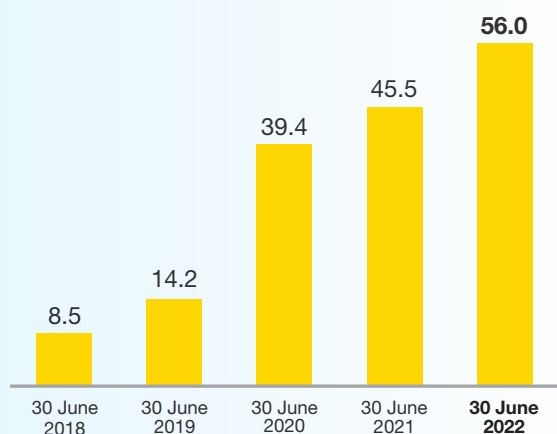
RETURN ON ASSETS (%)



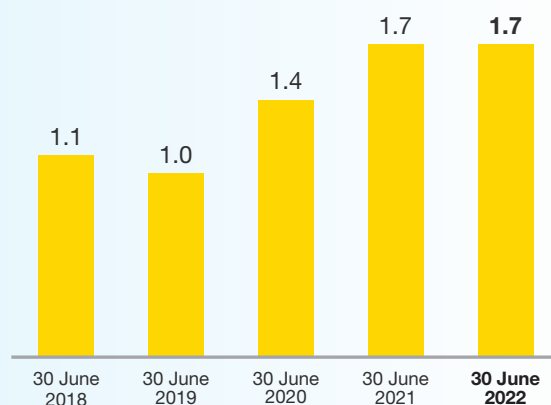
RETURN ON EQUITY (%)



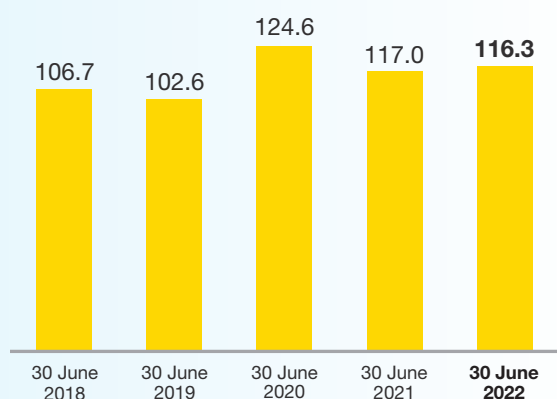
CASH AND CASH EQUIVALENTS (\$'Million)



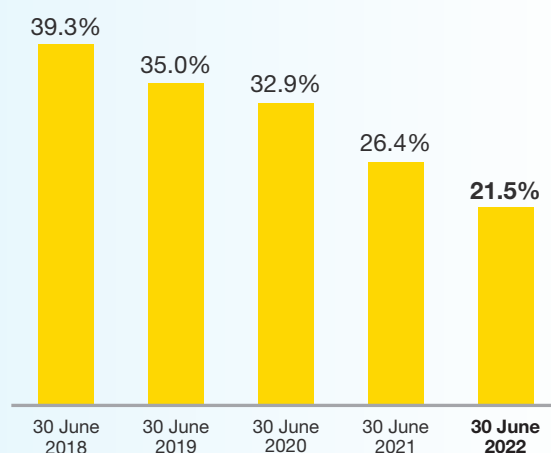
CURRENT RATIO (Times)



BORROWINGS (\$'Million)



NET DEBT TO EQUITY (%)



Notes:

1. Return on Assets = Profit after tax divided by total assets
2. Return on Equity = Profit after tax divided by total equity
3. Net Debt to Equity = Current and non-current borrowings less cash and cash equivalents divided by total equity

CORPORATE RESPONSIBILITY

Tiong Woon is committed to conducting its business with integrity, and to grow our businesses in a sustainable manner, by anticipating and responding strategically to the changing economic, environmental, social and governance conditions.

We are committed to:

- Minimise the negative environmental footprint of our operations;
- Care for the community;
- Deliver safe and high quality products and services to our customers; and
- Provide a conducive and safe working environment for our employees and all other stakeholders.

COMMUNITY



Tiong Woon has consistently contributed to the community, by practicing corporate social responsibility in extending support to the less privileged in society over the years. In December 2021, we raised funds and distributed food bundle packs for needy households, while observing safe distancing measures. In addition, we prepared goodie bags for the less-privileged children as it was the festive season of giving. With the relaxation of COVID-19 measures, we will continue to play our part, to work with local communities on various welfare programs to care for the less fortunate.

Tiong Woon believes that, through our actions, we can raise the overall awareness of social responsibility and good corporate citizenship. Community engagement is an important ethos for the Group as it reinforces a sense of pride, promotes camaraderie and develops a culture of care and contribution among our workforce.

ENVIRONMENTAL SUSTAINABILITY, GREEN OPERATIONS & FINANCE



Corporate social responsibility should not be limited to extending support to the less privileged in society. In our bid to make Singapore an endearing home and sustainable city for all, Tiong Woon organised a beach clean-up at East Coast Park in May 2022 to advocate environmental cleanliness and recycling. We managed to collect a total of 78.9kg of non-recyclable and recyclable material in this event through our concerted team effort.

Managing the environmental footprint of our operations is essential for the long term sustainability of Tiong Woon's business. While creating value in the business, we aim to reduce negative environmental impact by using energy efficiently.

Tiong Woon adopts the Operational Control Approach, as outlined in the energy efficiency and greenhouse gas (GHG) Protocol Corporate Standard, to determine organisational boundaries. This attributes accountability of the GHG emissions from operations over which our organisation has control. Appropriate control measures are taken to minimise or prevent air pollution from our operations.

Apart from being watchful of our energy consumption levels, we have also progressively introduced energy-saving technologies relevant to our business and advocate all our employees to adhere to the guidelines for energy conservation. We had completed the replacement of halogen light bulbs with LED light bulbs for our office areas within the 15 Pandan Crescent premises (HQ Building) by end of 2021, which is in line with our goal for sustainable development. Moving forward, we are exploring the

feasibility of installing solar panels on the building rooftops of our facilities, as part of ongoing efforts to tap on renewable energy sources. During the year, we also made a strategic, conscious switch to a renewable energy provider, to meet electricity needs for our HQ Building.

2022 also saw Tiong Woon make our maiden foray into green finance, by way of investing in sustainability-linked structured deposits.

PEOPLE DEVELOPMENT AND WORKPLACE SAFETY MANAGEMENT

In Tiong Woon, we believe that talent is crucial in driving our businesses forward and therefore, we place emphasis on continuous learning and development for all our employees. We identify learning programmes based on multiple skill sets and knowledge requirements in order to equip our employees to not only handle increasingly complex challenges at work but to also boost their individual confidence, personal development, and overall competency and performance.

Operational level training of employees ranges from certification courses to mentorship programme and on-the-job-training. Effective internal communication and cohesion activities also play vital roles in our overall corporate learning and development programme. A positive work environment with a cooperative and communicative corporate culture is conducive to attract talents, increase productivity, efficiency, job satisfaction, motivation and enhance staff retention rates.

In addition to learning and development, we actively identify and groom potential talents amongst our employees and put these selected individuals through our talent development programmes whereby opportunities are granted for them to grow and develop their potential, and we aim to groom them to be future business leaders for the organisation.

Fostering a positive and conducive environment that supports employees' overall health and well-being is important to us. As such, we have set up an internal recreation committee that focuses on improving our employee's well-being and work-life balance.

Our recreation committee frequently organises lunch-time talks on health and wellness, in addition to sports and recreational activities. In midst of the pandemic, we have partnered with various councils and associations in offering certain virtual events, such as mental health support and stress management webinars to all employees. Our recreation committee has also launched the "care and wellness" initiative during the pandemic with monthly issues of e-newsletters, to update our employees on mental health issues, online quizzes, etc.

To encourage our workforce to stay active, fit and healthy, we have the TWC fitness and wellness club, whereby our workplace is equipped with gym facilities and studio to hold group classes, where staff can exercise regularly at their convenience. In addition, an executive recreation lounge with karaoke system is made available for staff to enjoy, relax and promote team bonding during breaks or after working hours.

Our main operating subsidiaries in Singapore i.e. Tiong Woon Crane & Transport (Pte) Ltd, Tiong Woon Crane Pte. Ltd., Tiong Woon Enterprise Pte Ltd and Tiong Woon International Pte. Ltd., which are involved in the provision of rental, assembly, installation and maintenance of crane, transportation equipment and related services are certified under ISO 9001:2015 (Quality Management Systems) and ISO 45001:2018 (Occupational Health and Safety Management Systems); and attained BizSAFE Level Star.

Tiong Woon Project & Contracting Pte. Ltd., which is involved in the project management and provision of engineering services in mechanical and erection works including heavy lifting, heavy haulage, heavy transportation and equipment installation is certified under ISO 9001:2015 (Quality Management Systems), ISO 45001:2018 (Occupational Health and Safety Management Systems), ISO 14001:2015 (Environmental Management Systems) and attained BizSAFE Level Star.

CORPORATE RESPONSIBILITY

Tower Cranes Services Pte. Ltd. is certified under ISO 45001:2018 and attained BizSAFE Level Star. Tiong Woon Logistics Pte. Ltd. is also certified under ISO 9001:2015 and attained BizSAFE Level 3. Our Thailand subsidiary is certified under ISO 9001:2015 (Quality Management Systems) and ISO 45001:2018 (Occupational Health and Safety Management Systems), whereas our Vietnam and India subsidiaries are certified under ISO 9001:2015 (Quality Management Systems). This stringent framework allows us to identify and control health and safety factors, and reduce risk of accidents at our work sites. Some of the initiatives that have been put in place to create a safe work environment and ensure compliance with government safety regulations include:

- Making sure employees have adequate training and are well-equipped to carry out their tasks safely;
- Methodical identification and assessment of risks before the commencement of any job;

- Having clearly defined roles and responsibilities in relation to safety;
- Conducting drills for better preparedness in the event of an emergency;
- Regular periodic review on the Group's safety targets and discussion on all safety issues, as well as remedial actions and preventive measures for near-miss incidents; and
- Clear and timely communication on safety issues and precautionary measures between staff to create awareness.

These help to reduce loss of man-hours, increase productivity at our work sites and most importantly, ensure that our employees are able to work well with peace of mind.

Name of Subsidiary	ISO 9001:2015	ISO 45001:2018	ISO 14001:2015	Other Certifications
Tiong Woon Crane & Transport (Pte) Ltd	√	√		BizSAFE Level Star
Tiong Woon Crane Pte. Ltd.	√	√		BizSAFE Level Star
Tiong Woon Project & Contracting Pte. Ltd.	√	√	√	BizSAFE Level Star
Tiong Woon International Pte. Ltd.	√	√		BizSAFE Level Star
Tiong Woon Enterprise Pte Ltd	√	√		BizSAFE Level Star
Tiong Woon Logistics Pte. Ltd.	√			BizSAFE Level 3
Tower Cranes Services Pte. Ltd.		√		BizSAFE Level Star
Tiong Woon Thai Co. Ltd	√	√		
Tiong Woon Vietnam Company Limited	√			
Tiong Woon Project & Contracting (India) Private Limited	√			

The Company's FY2021 sustainability report can be found in SGXNet and its corporate website at www.tiongwoon.com.

RISK FACTORS AND RISK MANAGEMENT



Risk management is an integral part of the management of our Group's business. The Group's risk management framework is designed to provide reasonable assurance that its business objectives are achieved and support the Management by providing early warnings of any material changes to the Group's risk profile. The risk management framework comprises the policies, guidelines, and tools to provide the information and guidance materials needed to integrate risk management into the Group's operations and systems, as well as individual decision making processes. Management is responsible for the identification of critical business risks and the development and implementation of appropriate risk management procedures to address these risks. The risk management and control procedures are reviewed and updated regularly to reflect changes in market conditions and the activities of the Group.

The following set out an overview of the key risks faced by the Group, the nature and the extent of the Group's exposure to these risks and the mitigating actions in place that could help in managing these risks.

MARKET AND POLITICAL RISK

In addition to extensive operations in Singapore, the Group also has operating subsidiaries in countries such as Bangladesh, Brunei, China, India, Indonesia, Malaysia, Myanmar, Middle East, Philippines, Sri Lanka, Thailand and Vietnam. The nature of our business involves the movement of heavy equipment in these countries. The subsidiaries in these countries are exposed to changes in government regulations and unfavorable political developments, which may limit the realisation of business opportunities and investments in those countries. The Group's business operations are exposed to economic uncertainties that continue to affect the global economy and international capital markets. Although these circumstances may

be beyond its control, the Board and the Management consistently keep themselves up-to-date on the changes in political, economic and industrial developments so as to be able to anticipate or respond to any adverse changes in market conditions in a timely manner.

BUSINESS RISK

Our operations are highly competitive. The Group faces stiff competition and is susceptible to price-cutting pressures from our competitors. Further, our competitors may possess greater financial resources and better equipment, while others may have lower costs of operations. The Group may possibly lose its competitive edge due to new market entrants or with the growth of existing competitors.

The Group strives to maintain its competitiveness through its services and leveraging on its brand name while consistently monitoring and responding to market dynamics. The barriers to entry for new players are high. High capital investment in a sizeable fleet of heavy cranes, transportation equipment and tug boats and barges is necessary for companies involved in the provision of heavy lift, heavy haulage and marine transportation services.

The Group prides itself as a one-stop service centre, capable of providing integrated turnkey solutions which encompass heavy lift, heavy haulage and marine transportation. Customers can have access to the Group's large fleet of cranes and transportation equipment. As for its marine transportation services, the Group is able to provide marine transport services for cargoes weighing up to 3,600 tons to various parts of Asia. The ability of the Group to plan and provide integrated logistics support for transportation, and to install heavy equipment and structures on-site, allows the Group to offer cost savings and convenience to its customers.

RISK FACTORS AND RISK MANAGEMENT

BUSINESS CONTINUITY RISK

An organisation may encounter unforeseen circumstances that prevent the continuation of its business operations such as during crises or disasters. The Group recognises its exposure to internal and external threats and seeks to increase the resilience of the Group to potential business interruptions, so as to minimise any disruptions to its critical business activities, people and assets. Over the years, the Group has focused on refining its business continuity management, to ensure that it can continue to maintain its competitive advantage and to maximise value for its stakeholders.

The Group strives to minimise unexpected losses and manage risks through a series of quality and people management programs, as well as through business continuity planning. In addition, certain entities of the Group have been awarded ISO 9001:2015 and ISO 45001:2018 certifications for its local and overseas businesses. Although no individual is indispensable, the loss of specialised skills and the leadership of the Executive Chairman, Mr Ang Kah Hong and the other founding members, including the key management, could result in business interruptions and a loss in shareholders' confidence. To dispel the worries, the Group has since put in place a structured succession planning program to identify and develop a team of talented employees based on their merits, who can take the Group to the next lap of growth. The Group believes that training a team of next-generation leaders is critical to the continuity of the business which should last beyond this generation.

OPERATIONAL RISK

The Group experiences risks which are common and inherent to the industry which the Group operates in. The following are some of the operational risks which have been identified and mitigation measures implemented to reduce the impact of these risks:

- **BREAKDOWN OF MACHINERY OR VESSELS RISK**

Our operations are subject to risks including the breakdown, failure or sub-standard performance of machinery or of our vessels, which may result in operational disruptions and downtime. While our Group minimises breakdown of our machinery by having a comprehensive and regular maintenance programme, the repair of certain equipment may take extended periods. In such an event, we may be unable to meet our contractual obligations with our customers and the opportunity cost in terms of income foregone may be substantial. The Group's policy is to constantly renew its fleet of cranes and transportation equipment to keep them in good working condition. This policy, coupled with a stringent equipment quality control policy, augurs well for the Group's customers in terms of equipment reliability.

- **HUMAN CAPITAL RISK**

The industry which the Group operates in requires specialised professionals and skilled labour, for example, in operating cranes and other heavy lift and haulage equipment. It relies heavily on its engineers, crane operators, riggers and support team comprising technicians, electricians and mechanics for maintenance and repair services. To retain key employees, the Group continuously reviews their remuneration packages to provide market-competitive benefits. The Group places great emphasis on supporting the professional and personal growth of our employees to develop the necessary skills, competencies and behaviours to handle increasingly complex challenges. The Group regularly trains and upgrades the skill and knowledge of its employees through quality and people management programs.

- **CONTRACT RISK**

The Group estimates the total costs when it enters into fixed price contracts. The actual costs incurred and the profits the Group can realise on a fixed price contract may vary due to factors such as unanticipated variations in labour and equipment productivity over the term of a contract, unanticipated increases in labour, raw material, subcontracting and overhead costs, unexpected expenses as a result of bad weather, and delivery delays and/or corrective measures for poor workmanship. Depending on the size of the project, variations from estimated contract performance could reduce the Group's earnings. The Group has implemented a cost monitoring and control regime to mitigate the risks of costs overrun. The Group ensures that every stage of the project from on-site surveys, planning, scheduling, deployment of equipment, logistics to final execution are carefully planned, reviewed and monitored by experienced engineers, foremen and supervisors. The project management personnel, many of whom are engineers by training, coordinate the efforts of the various departments in the Group including logistics, operations and project departments. These projects are overseen by the Executive Directors and Key Management. This is to ensure that costs can be controlled and timely remedial response can be activated to control the impact of such overrun.

CREDIT RISK

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. Credit risk is managed through the application for credit approvals, performing credit evaluations, setting credit limits and monitoring procedures. It is the Group's policy to trade with creditworthy customers so as to reduce concentration of credit risk. To ensure minimal bad debts,

RISK FACTORS AND RISK MANAGEMENT

the Group carries out credit reviews and background checks on all new customers as part of the Group's formal credit control policy procedure. The payment histories of the Group's customers are monitored closely and appropriate measures are taken to ensure full payment. Cash terms or advance payments are required for customers with lower credit standing. As the Group faces the normal business risks associated with ageing collections, it has adopted an accounting policy of making provisions based on expected credit losses of trade debtors.

INTEREST RATE RISK

Interest rate risk is managed by the Group on an on-going basis with the objective of limiting the extent to which the Group's results could be affected by an adverse movement in interest rates. The Group's cash balances are placed with reputable banks and financial institutions. For financing obtained through bank borrowings and finance lease arrangements, the Group's policy is to obtain the most favorable interest rates available and to minimise its foreign currency exposure.

LIQUIDITY RISK

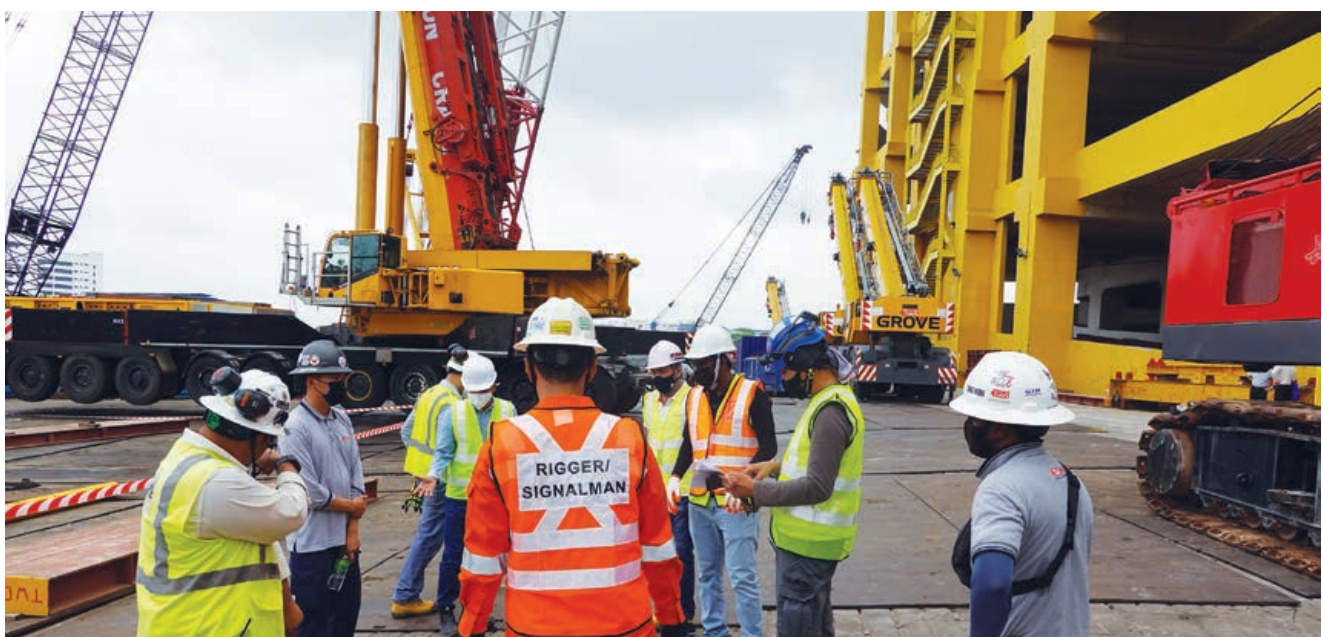
The objective of liquidity management is to ensure that the Group has sufficient funds to meet its contractual and financial obligations as and when they fall due. To manage liquidity risk, the Group monitors its net operating cash flow and maintains a level of cash and cash equivalents deemed adequate by management for working capital purposes so as to mitigate the effects of fluctuations in cash flows. Over the years, the Group has enhanced its ability to generate cash from operating activities.

FOREIGN EXCHANGE RISK

Our Group operates mainly in Asia and Middle East with dominant operations in Singapore. Entities in our Group regularly transact in currencies other than their respective functional currencies. The Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposures to the net assets of the Group's operations are managed by natural hedges of matching assets and liabilities. The Group does not have a formal hedging policy with respect to its foreign exchange exposure but it minimises such risks by actively monitoring its foreign currency exposure on an on-going basis and taking appropriate hedging measures, where practicable. Where appropriate, the Group hedges foreign currency purchases at contracted forward exchange rates.

CAPITAL STRUCTURE RISK

In managing capital, the Group's objectives are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to provide appropriate returns to shareholders and benefits for other stakeholders through pricing its services at levels commensurate with the level of risks it is exposed to. The capital structure of the Group consists of loans and borrowings, issued share capital and retained earnings. Regular review is performed to ensure optimal capital structure taking into consideration future capital requirements and capital efficiency, prevailing operating cash flow and profitability as well as projected capital expenditure. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new bank borrowings, sell assets to reduce external borrowings, pay or adjust the amount of dividend payment or return capital to shareholders. The Group also monitors its gearing and trends.



INVESTOR RELATIONS



The Group places great emphasis on the provision of timely, relevant, adequate and fair disclosure to shareholders. We believe that Investor Relations (“IR”) is a meaningful two-way communication between our Company and our shareholders. Therefore, maintaining open communication with our shareholders continues to be a crucial element of our structured IR approach. Communication with shareholders is managed by the Board.

The Board’s policy is to ensure that all shareholders should be equally and timely informed of all major developments impacting the Group. The Company keeps its website updated and maintains dedicated Investor Relations (“IR”) section for shareholders’ convenience. Announcements disclosed through SGXNet are also posted on the Company’s website.

Our IR objective is to achieve shareholders’ understanding and appreciation of the Group’s business strategies, operational realities and changing market conditions, via the following IR channels, activities and practices:

- Maintain an informative corporate website (www.tiongwoon.com) which includes a comprehensive IR section that is updated with the Group’s latest announcements, corporate information and IR contact points;

- Keep our shareholders and interested parties abreast of our latest announcements by utilising ShareInvestor.com’s email alerts service;
- Interact regularly with research analysts, fund managers and shareholders;
- Post timely result announcements that emphasise high financial reporting standards and responsible disclosures on significant business developments;
- Provide detailed information on business strategies, operational developments and financial results in our Annual Report; and
- Seek opportunities to profile the Group in the business and financial media, so as to achieve broader market understanding of our strategies, vision, capabilities and the depth and diversity of our portfolio.

Where necessary and appropriate, the Company may conduct briefings with media and analysts to update the investing community of the Group’s performance and developments. During such briefings and meetings, the Company solicits and understands the views of shareholders and the investment community.

Board Of Directors

Mr Ang Kah Hong
(Executive Chairman)

Mr Ang Guan Hwa
(Executive Director and Chief Executive Officer)

Mr Ang Kha King
(Executive Director)

Mr Ang Boon Chang
(Executive Director)

Mr Wong King Kheng
(Lead Independent Director)

Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong)
(Independent Director)

Mr Poon Guokun, Nicholas
(Independent Director)

Audit Committee

Mr Wong King Kheng
(Chairman)

Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong)

Mr Poon Guokun, Nicholas

Nominating Committee

Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong)
(Chairman)

Mr Wong King Kheng

Mr Ang Guan Hwa

Remuneration Committee

Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong)
(Chairman)

Mr Wong King Kheng

Mr Poon Guokun, Nicholas

Enterprise Risk Management Committee

Mr Ang Guan Hwa (Chairman)

Mr Ang Boon Chang (Vice Chairman)

Mr William Tan Kwang Hwee

Ms Ang Siew Chien

Mr Quek Chang Yeow

Mr Lee Kum Mun

Company Secretaries

Ms Joanna Lim Lan Sim, ACIS
Mr Lee Wei Hsiung, ACIS

Registered Office

No. 15 Pandan Crescent
Singapore 128470
Tel: (65) 62617888
Fax: (65) 67774544
Website: www.tiongwoon.com

Share Registrar

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898
Tel: (65) 62363333
Fax: (65) 62363405
Website: www.sg.tricorglobal.com

Auditor

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
7 Straits View Marina One East Tower Level 12
Singapore 018936
Partner-in-Charge: Mr Chua Chin San
(Appointed since Financial Year ended 30 June 2019)

Principal Bankers

United Overseas Bank Limited
Overseas Chinese Banking Corporation Limited

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CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or the “**Directors**”) of Tiong Woon Corporation Holding Ltd (the “**Company**”) and its subsidiaries (the “**Group**”) are firmly committed to ensuring a high standard of corporate governance which is essential to the long term sustainability of the Group’s business and performance.

This report describes the Group’s corporate governance structures and practices that were in place throughout the financial year ended 30 June 2022 (“**FY2022**”), with specific reference made to the principles and provisions of the revised Code of Corporate Governance (the “**2018 Code**”) and accompanying Practice Guidance issued in August 2018, which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Board is pleased to confirm that for FY2022, the Group has adhered, in all material respects, with the principles and provisions of the 2018 Code. Any deviation from the 2018 Code, the reason has been provided.

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board’s primary role is to provide leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Group to meet its objectives; establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the company’s assets; identify the key stakeholder groups and recognise that their perceptions affect the Group’s reputation; set the Group’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and consider sustainability issues, such as environmental and social factors, as part of its strategic formulation. The Board holds the management of the Company (the “**Management**”) accountable for performance.

All directors exercise due diligence and independent judgment, and are obliged to act in good faith and in the best interests of the Company. Any director who has conflict of interest which is likely to impact his independence or conflict with a subject under the discussion by the Board is required to immediately declare his interest to the Board, remove himself from the information flow and recuse from participating in any further discussion or decisions involving issues of conflict of interest.

New directors, upon appointment, will be briefed on the business and organisation structure of the Group to ensure that they are familiar with the Group’s structure, businesses and operations. The directors may participate in seminars and/or discussion groups to keep abreast of the latest developments which are relevant to the Group. Directors also have the opportunity to visit the Group’s operational facilities and meet with the Management to gain a better understanding of the Group’s business operations.

The Company has an on-going budget for all Directors to attend appropriate courses, conferences and seminars for them to stay abreast of relevant business developments and outlook. These include programmes run by the Singapore Institute of Directors or other training institutions.

The Board as a whole is updated regularly on changes in the policies of the Group, risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority (“**ACRA**”) which are relevant to the Directors are circulated to the Board.

Annually, the external auditors update the Board and Audit Committee on new or revised financial reporting standards, in particular standards that could have a material impact on the Group’s consolidated financial statements.

The Company has formulated guidelines setting forth matters reserved for the Board’s decision. The Management is also given clear directions on matters (including set thresholds for certain operational matters relating to subsidiaries) that require the Board’s approval.

CORPORATE GOVERNANCE REPORT

Certain material corporate actions that require the Board's approval include:

- Approval of interim and full year financial result announcements;
- Approval of the annual reports and financial statements;
- Recommendation of dividends and other returns to shareholders;
- Nomination of board directors and appointment of key personnel;
- Convening of shareholders' meetings;
- Authorisation of material acquisitions and disposal of assets;
- Authorisation of major transactions;
- Approval of corporate strategies; and
- Approval of Internal Audit Report.

The Board likewise reviews and approves all corporate actions for which shareholders' approval is required.

To facilitate effective management, certain functions have been delegated to various board committees, namely the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"), each of whose members are drawn from members of the Board (together "Board Committees" and each a "Board Committee"). Each of these Board Committees has its own written terms of reference and its actions are reported to and monitored by the Board. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group.

The day-to-day management of the affairs of the Group's businesses is delegated by the Board to the Management Committee ("MC") headed by the Executive Chairman, Mr Ang Kah Hong. As at the date of this report, the MC comprises four executive directors and six key senior management personnel of the Group. The MC is also responsible for implementing measures in line with the overall strategies set by the Board. The MC meets on a periodic basis and on such other times where necessary.

The schedule of all the Board and Board Committee meetings for the calendar year is usually given to all the directors well in advance. Besides the scheduled meetings, where circumstances require, ad-hoc meetings are held. All meetings are conducted in Singapore and attendance by the Directors has been regular.

The attendances of the Directors at meetings of the Board and Board Committees as well as the frequency of such meetings held during the financial year ended 30 June 2022 are set out below:

Name of Director	Board		Audit Committee		Remuneration Committee		Nominating Committee	
	Number of Meeting Held	Attended	Number of Meeting Held	Attended	Number of Meeting Held	Attended	Number of Meeting Held	Attended
Ang Kah Hong	4	3	NA	NA	NA	NA	NA	NA
Ang Guan Hwa	4	4	4 ⁽²⁾	4 ⁽²⁾	1 ⁽²⁾	1 ⁽²⁾	1	1
Ang Kha King	4	4	NA	NA	NA	NA	NA	NA
Ang Boon Chang	4	4	NA	NA	NA	NA	NA	NA
Teo Yew Boon ⁽¹⁾	4	4	4 ⁽³⁾	2 ⁽³⁾	NA	NA	NA	NA
Wong King Kheng	4	4	4	4	1	1	1	1
Luk Ka Lai Carrie (Mrs Carrie Cheong)	4	4	4	4	1	1	1	1
Poon Guokun, Nicholas	4	4	4	4	1	1	1 ⁽⁴⁾	1 ⁽⁴⁾

CORPORATE GOVERNANCE REPORT

Notes:

- (1) *Teo Yew Boon ceased as Group Chief Operating Officer of the Company with effect from 6 December 2021. He was re-designated as Non-Independent and Non-Executive Director of the Company with effect from 6 December 2021 until 30 June 2022. He ceased as Non-Independent and Non-Executive Director of the Company with effect from 1 July 2022.*
- (2) *Ang Guan Hwa is not a member of the AC and the RC but he was present at the AC and the RC meetings in his capacity as Chief Executive Officer (“CEO”).*
- (3) *Teo Yew Boon is not a member of the AC but he was present at the AC meetings in his capacity as Group Chief Operating Officer.*
- (4) *Poon Guokun, Nicholas is not a member of the NC but he was present at the NC meetings in his capacity as Independent Director.*

Please refer to page 38 for information regarding directors with multiple board representations.

The Company’s Constitution allows a Board meeting to be conducted by means of telephone and video conference or similar communications equipment.

Prior to Board meetings and on timely basis, Management provides the Board with meeting papers and relevant information which are necessary to enable the Board to fulfil their duties and responsibilities. The Company Secretary/ Management circulates copies of the minutes of the Board meetings to all members of the Board. The Board is informed of all material events and transactions as and when they occur. These include relevant information and explanatory notes on matters that are presented to the Board, such as budgets, forecasts and business models. In relation to budgets, any material variances between projections and actual results are disclosed and explained. Timely updates on developments in accounting matters, legislation, government policies and regulations affecting the Group’s business operations are provided to all directors.

The Board has separate and independent access to the Management of the Company and the Company Secretary at all times.

The Company Secretary prepares meeting agendas, attends and prepares minutes of Board and Board Committees meetings and is responsible for ensuring that Board procedures are followed and that the Articles and relevant rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary, with the support of the Management, ensures good information flows within the Board and the Board Committees and between the Management and Independent/Non-Executive Directors.

The appointment and replacement of the Company Secretary is a matter for the Board.

The Directors, in fulfilling its responsibilities, will, as a group or individually, when deemed fit, direct the Company to appoint professional advisers to render professional advice. The costs associated with such professional services will be borne by the Company.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board comprises seven directors, three of whom are independent directors. The Directors as at the date of this report are:

- Mr Ang Kah Hong (Executive Chairman)
- Mr Ang Guan Hwa (Executive Director and Chief Executive Officer)
- Mr Ang Kha King (Executive Director)
- Mr Ang Boon Chang (Executive Director)
- Mr Wong King Kheng (Independent Director)
- Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong) (Independent Director)
- Mr Poon Guokun, Nicholas (Independent Director)

CORPORATE GOVERNANCE REPORT

The NC, which reviews the independence of each director on an annual basis, adopts the 2018 Code's definition of what constitutes an independent director. The Independent Directors, Mr Wong King Kheng, Mrs Carrie Cheong and Mr Poon Guokun, Nicholas, have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company.

The Board has determined, taking into account the views of the NC, that Mr Wong King Kheng, Mrs Carrie Cheong and Mr Poon Guokun, Nicholas are independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to effect, the judgement of each of the aforesaid directors.

Mr Wong King Kheng and Mrs Carrie Cheong have served on the Board for more than nine years from the dates of their first appointments in 1999 and 2009 respectively.

Under the 2018 Code, any director serving more than nine years will not be independent unless his/her continued appointment as an independent director has been sought and approved in separate resolution by (a) all shareholders, and (b) all shareholders, excluding shareholders who also serve as directors or the CEO or their associates. However, as transition, Guideline 2.4 of the 2012 Code of Corporate Governance continues to apply till 31 December 2021 where the independence of any director who has served on the board beyond nine years from the date of his/her first appointment should be subject to a particularly rigorous review. In accordance with the guideline, the board will rigorously review the independence of that director and determine if he/she should continue to be regarded as an independent director.

In line with the 2018 Code and the SGX Listing Rule 210(5)(d)(iii) which took effect from 1 January 2022, the Company had implemented the mandatory two-tier voting system in its 2021 annual general meeting ("AGM") for Mrs Carrie Cheong and Mr Wong King Kheng who have served the Board for more than nine years. Both Mrs Carrie Cheong and Mr Wong King Kheng were re-elected to serve the Board as an independent director at last year's AGM until his/her next re-election.

The Board has conducted a rigorous review on the independence of Mr Wong King Kheng and Mrs Carrie Cheong and confirmed that they should still be considered independent despite having been on the Board for more than nine years, as there are no circumstances which might affect their judgment. The Board wishes to retain them for their strength of character, objectivity and wealth of useful and relevant experience which would enable them to continue being effective independent directors and assets to the Group, their long tenure notwithstanding.

The Board also notes that Mr Wong King Kheng and Mrs Carrie Cheong did not have any interested party transactions with the Group or the substantial shareholders that might affect their independence. The Board has observed their performance at Board and Board Committee meetings and other occasions and has no reason to doubt their independence in the course of discharging their duties.

The Chairman of the Board is Mr Ang Kah Hong, and he is part of the Management team and is not an Independent Director. The 2018 Code provides that where the Chairman is not independent, independent directors should make up a majority of the Board. In this regard, while independent directors of the Company do not make up a majority of the Board, more than one-third of the Board is made up of independent directors which is in compliance with the 2018 Code as well as SGX Mainboard Listing rule 210 (5)(c). Additionally, the Board has appointed a Lead Independent Director in accordance with provision 3.3 of the 2018 Code. The Board is of the view that the independent directors have demonstrated high commitment in their role as directors and have ensured that there is a good balance of power and authority.

The Chairman provides leadership to the Board. Besides being responsible for board proceedings, the Chairman is also responsible for presenting the Board's views and decisions to the public.

Although less than a majority of the Board is made up of non-executive directors, there is a clear division of roles and responsibilities between the Chairman, CEO and the Executive Directors which ensures an appropriate balance of power between the Board, the Chairman, CEO and the Executive Directors, thereby enhancing accountability and greater independent decision making ability. The Board considers that its present size of seven (7) members is of the appropriate size and accordingly, no additional non-executive directors are proposed to be appointed in order for non-executive directors to make up a majority of the Board.

CORPORATE GOVERNANCE REPORT

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the nature and scope of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, believes that its existing Board and Board Committees is of appropriate size and with the right mix of skills, experience, gender and age diversity.

The Company recognises that a diverse Board is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline, gender, age, tenure of service and other distinguishing qualities of the directors.

The Group's Board Diversity Policy endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity in terms of skills, experience, gender, age, geographical exposures and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The NC performs an annual review of the directors' mix of skills and experiences that the Board requires to function competently and efficiently. The NC is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

Details of the Board composition are as follows:

S/N	Name	Diversity - Gender		Diversity - Expertise and Experience			Diversity - Independence		Diversity - Length of Service		Diversity - Age Group	
		Male	Female	Legal	Finance and Accounting	Business / Management	Yes	No	> 9 Years	< 9 Years	< 50	> 50
1	Ang Kah Hong	1				1		1				1
2	Ang Guan Hwa	1				1		1			1	
3	Ang Kha King	1				1		1				1
4	Ang Boon Chang	1				1			1	1		
5	Wong King Kheng	1			1	1	1		1			1
6	Luk Ka Lai Carrie (Mrs Carrie Cheong)		1	1	1	1	1		1			1
7	Poon Guokun, Nicholas	1		1				1		1	1	
		6	1	2	2	6	3	4	5	2	3	4
		86%	14%				43%	57%	71%	29%	43%	57%
		100%					100%		100%		100%	

In addition, the Board consists of directors with ages ranging from their thirties to more than seventy years old, who have served on the Board for different tenures. The Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

As a Group, the Directors bring with them a broad range of expertise and experience in areas such as accounting or finance, law, business and management, industry knowledge, strategic planning and customer-based experience and knowledge. The diversity of the Directors' experience allows for the useful exchange of ideas and views.

The Independent Directors aim to assist in the development of proposals on strategy by constructively challenging the Management. They also review the performance of the Management against the general business and financial performance of the Company and monitor the performance.

CORPORATE GOVERNANCE REPORT

The Independent Directors meet at least once a year or on a need-be basis without the presence of Management or the Executive Directors to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning, leadership development, the remuneration of the Executive Directors as well as to review any matters that must be raised privately.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Chairman of the Board and the CEO are separate to ensure clear distinction of responsibilities, appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The Chairman of the Board is Mr Ang Kah Hong, who is also an Executive Chairman. Being one of the founders of the Group, Mr Ang Kah Hong plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and strategic vision. Mr Ang Kah Hong is assisted by the CEO, Mr Ang Guan Hwa, who is also an Executive Director of the Company. Mr Ang Guan Hwa is the son of the Executive Chairman. The CEO leads the members of management team and is responsible for identifying, developing and formulation of the business strategies and corporate objectives for the Group and management of overall business and corporate development.

All major decisions made by the Executive Chairman are discussed and reviewed by the AC. His performance is reviewed periodically by the NC and his remuneration package is reviewed periodically by the RC. As the AC, NC and RC consist of a majority of the independent board members, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against an uneven concentration of power and authority in a single individual. The Board is of the view that Mr Ang Kah Hong's role as an Executive Chairman will continue to facilitate the Group's decision making and implementation process without diminishing the capacity of the Board for independent decision making.

In addition to managing the day-to-day business operations of the Group, the Executive Chairman, Mr Ang Kah Hong, ensures that each member of the Board and the Management works well together with integrity and competency. He sets guidelines on and ensures quality, quantity, accuracy and timeliness of information flow between the Board, Management and shareholders of the Company. He encourages constructive relations between the Board and Management and between the executive directors and the independent directors. He promotes an open environment for debate, and ensures that Independent Directors are able to speak freely and contribute effectively. He plays a pivotal role in fostering constructive dialogue between shareholders, the Board and the Management at AGMs and other shareholders meetings. He also takes a leading role in ensuring the Company's drive to achieve and maintain a high standard of corporate governance practices.

The Board has appointed Mr Wong King Kheng, an independent director, as the Lead Independent Director. Mr Wong King Kheng will be available to address shareholders' concerns when contact through the normal channels of the Executive Chairman, or the CEO or the Group Chief Financial Officer ("CFO") has failed to provide a satisfactory resolution or when such contact is inappropriate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC, regulated by a set of written terms of reference, comprises three members, majority of whom, including the Chairman, are independent and non-executive directors. The lead independent director is a member of the NC. The Board is of the view that the inclusion of an executive director in the NC would facilitate discussions at the NC meetings.

The members of the NC as at the date of this report are:

- Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong) (Chairman and Independent Director)
- Mr Wong King Kheng (Independent Director)
- Mr Ang Guan Hwa (Executive Director and Chief Executive Officer)

CORPORATE GOVERNANCE REPORT

The principal functions of the NC stipulated in its terms of reference are summarised as follows:

- Reviews and makes recommendations to the Board on relevant matters relating to: (i) all appointments and re-appointments of directors; (ii) succession plans for Board Chairman, Directors, CEO and other key management personnel; (iii) process and criteria for evaluation of performance of the Board, its Board Committees and Directors; and (iv) training and professional development programmes for the Board and its directors;
- Reviews the Board structure, size and composition and makes recommendations to the Board with regards to any adjustments that are deemed necessary;
- Determines the independence of the Board; and
- Assesses the effectiveness of the Board and the academic and professional qualifications of each individual director.

The NC is responsible for identifying and recommending new board members to the Board, after considering the relevant and desirable competencies of the candidates which include: (i) academic and professional qualifications; (ii) industry experience; (iii) number of other directorships; (iv) relevant experience as a director; and (v) ability and adequacy in carrying out required tasks. The NC leads the process for Board appointments/re-appointments and makes recommendations to the Board. The integrated process of appointment/re-appointment includes:

- (a) developing a framework on desired competencies and diversity on board;
- (b) assessing current competencies and diversity on board;
- (c) developing desired profiles of new directors;
- (d) initiating search for new directors including external search, if necessary;
- (e) shortlisting and interviewing potential candidates;
- (f) recommending appointments to and retirements from the Board; and
- (g) re-election at general meeting.

In accordance with the Company's Constitution, all Directors (except the Managing Director or an equivalent office) shall retire from office at least once every three years by rotation and all newly appointed directors will have to retire at the next AGM following their appointments. The retiring directors are eligible to offer themselves for re-election. In addition, all directors, including executive directors, must submit themselves for re-nomination and re-appointment at least once every three years in accordance with Rule 720(5) of the SGX-ST Listing Rules (Mainboard).

Mr Ang Kah Hong and Mr Wong King Kheng would be retiring by rotation pursuant to Rule 720(5) of the SGX-ST Listing Rules (Mainboard) and Article 104 of the Company's Constitution respectively at the forthcoming AGM and be eligible for re-election.

The NC has recommended the nomination of Mr Ang Kah Hong and Mr Wong King Kheng for re-election at the forthcoming AGM. In considering the nomination, the NC took into account the contributions of the directors with reference to their attendance and participation at Board meetings (and Board committee meetings where applicable) as well as proficiency with which they have discharged their responsibilities. A retiring director who is also a member of the NC abstained from nominating himself from re-election. The Board has accepted the NC's recommendation and accordingly, the above-mentioned directors will be offering themselves for re-election at the forthcoming AGM. Additional information on directors seeking re-election pursuant to Rule 720(6) of the SGX-ST Listing Rules (Mainboard) can be found on Pages 52 to 54 of the Annual Report.

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The NC determines the independence of each director annually, and as and when circumstances require, based on the definitions and guidelines of independence as set forth in provision 2.1 of the 2018 Code. The Board, after taking into consideration the views of the NC, is of the view that Mrs Carrie Cheong and Mr Wong King Kheng (who have also been serving on the Board as non-executive independent directors beyond nine years) are independent as they are independent in conduct, character and judgement and do not have any existing business or professional relationships with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interests of the Company.

Where a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his/her duties as a director of the Company. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations. The Board does not prescribe a maximum number of listed company board representations which any Director with multiple board representations may hold and, would review the matter on a case-by-case basis taking into account the ability and performance of each Director in his/her performance and discharge of duties and responsibilities.

The profile of all Board members is set out in the section entitled “Board of Directors” on pages 14 to 16 of the Annual Report. The details of the appointment of Directors, including date of the initial appointment, date of last re-election, listed company directorships for both current and preceding three years; and principal commitments are disclosed below:

Name of Director	Date of Initial Appointment	Date of last Re-Election	Present Directorships In Listed Companies	Past (preceding 3 years) Directorships In Listed Companies	Other Principal Appointments
Ang Kah Hong	21.08.1997	28.10.2020	Tiong Woon Corporation Holding Ltd	–	–
Ang Guan Hwa	22.03.2013	26.10.2021	Tiong Woon Corporation Holding Ltd	–	–
Ang Kha King	21.08.1997	28.10.2020	Tiong Woon Corporation Holding Ltd	–	–
Ang Boon Chang	01.01.2021	26.10.2021	Tiong Woon Corporation Holding Ltd	–	–
Wong King Kheng	23.08.1999	25.10.2019	(1) Tiong Woon Corporation Holding Ltd (2) Ossia International Limited (3) Hatten Land Limited (4) JCY International Berhad (listed on Bursa Malaysia)	–	KK Wong and Associates – Managing Director
Luk Ka Lai Carrie (Mrs Carrie Cheong)	01.07.2009	26.10.2021	(1) Tiong Woon Corporation Holding Ltd (2) BBR Holdings (S) Ltd	–	(1) Carrie Cheong & Ethel Low Consulting Pte Ltd – Director/CEO (2) Carrie Cheong & Associates – Sole Proprietor
Poon Guokun, Nicholas	01.01.2021	26.10.2021	Tiong Woon Corporation Holding Ltd	–	Breakpoint LLC – Director

Except as disclosed, there were no other directorships or chairmanship held by the Directors over the preceding three years in other listed companies.

CORPORATE GOVERNANCE REPORT

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors

The Board, through the NC, has used its best effort to ensure that Directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience, knowledge in the business, competencies in finance and management skills critical to the Group's business. It has also ensured that each Director, with his/her special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made. The Board is expected to act in good faith, with due diligence and care in the best interests of the Group to enhance long-term shareholder value.

The NC implemented an annual evaluation process to assess the effectiveness of the Board as a whole and its Board Committees, and the contribution of each individual Director. The Company did not engage an external consultant to facilitate the annual board evaluation process. The Company Secretary facilitated the annual board evaluation process. The NC is responsible for deciding how the Board's performance may be evaluated and proposes objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Company.

During FY2022, all Directors were requested to complete a Board Performance Evaluation Questionnaire designed to seek their view on the various aspects of the Board performance so as to assess the overall effectiveness of the Board. The performance criteria for the Board performance evaluation include evaluation of the Board's composition and conduct, Board processes and procedures, Board accountability, evaluation and succession planning. The completed evaluation forms were submitted to the NC Chairman for collation and the consolidated responses were presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness.

The contribution of each individual Director to the effectiveness of the Board is assessed individually and reviewed by the NC. The assessment criteria include, inter alia, Director's attendance, commitment of time, participation, knowledge and abilities, teamwork and overall effectiveness. The performance of each Director will be taken into account in his/her re-election or re-appointment.

The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole has been satisfactory. Although some of the Directors have other Board representations, the NC is satisfied that these Directors are able to and have effectively carried out their duties as Directors of the Company. The Board has experienced minimal competing time commitments among its members as Board meetings are planned and scheduled well in advance. The NC has noted that its members have contributed significantly in terms of time, effort and commitments during FY2022.

Taking into account the results of the assessment of the effectiveness of the Board and of the individual Directors and the respective Directors' conduct on the Board, the NC is satisfied that all the Directors have adequately carried out their duties as Directors. Nonetheless, replacement of a director, when it happens, does not necessarily reflect the director's performance or contributions to the Board, but may be driven by the need to align the Board with the medium or long term needs of the Group.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC, regulated by a set of written terms of reference, comprises three members, all of whom, including the Chairman, are independent. As at the date of this report, the Remuneration Committee members are:

- Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong) (Chairman and Independent Director)

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- Mr Wong King Kheng (Independent Director)
- Mr Poon Guokun, Nicholas (Independent Director)

RC is responsible for ensuring a formal and transparent procedure for developing policy on director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No director is involved in deciding his own remuneration.

The duties and responsibilities of the RC include, among others:

- review and recommend to the Board a framework of remuneration for the Board and key management personnel;
- review the specific remuneration packages of each Director, CEO (or executive of equivalent rank if the CEO is not a Director) and key management personnel. Remuneration includes, but not limited to director fees, salaries, allowances, bonus, options, share based incentives and benefits-in-kind;
- review all aspects of remuneration, including the termination clause of the service contracts of the Directors, CEO and key management personnel to ensure that it is fair and reasonable and not overly generous; and
- review and recommend salary adjustments and bonuses of the CEO and key management personnel at each year end.

All remuneration matters, except directors' fees, relating to the Directors and key management personnel require approval of the Board.

The RC's considerations and recommendation for the fee framework of independent directors had been made in consultation with the Chairman of the Board and had been endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. No member of the RC or the Board participated in the deliberation of his own remuneration.

The RC considers all aspects of remuneration, namely, director's fees, salaries, allowances, bonuses, share-based incentives and awards, other benefits-in-kind and termination terms, to ensure that they are fair. The remuneration packages of the Executive Directors and certain key management personnel are based on their respective service agreements/contracts of service. The service agreements/contracts of service cover the terms of employment, specifically salary, performance-based incentive/bonus and other benefits. The service agreements of the Executive Directors and the contracts of service of key management personnel include terms for termination with a notice period of six months and three months respectively.

The RC reviews the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC will ensure that the remuneration package of employees who are immediate family members of a director or the Executive Chairman are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

The RC has explicit authority within its terms of reference to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary. During the financial year, the RC did not engage an external remuneration consultant. In its deliberation, the RC takes into consideration industry practices and norms in compensation, in addition to the Company's relative performance in the industry.

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Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The annual review of the remuneration are carried out by the RC to ensure that the remuneration of the Executive Directors and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. In structuring the remuneration framework, the RC also takes into account the risk policies of the Group, the need for the remuneration to be symmetric with the risk outcomes and the time horizon of risks.

The Company has a staff remuneration policy which comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary which takes into consideration the remuneration and employment conditions within the same industry and in comparable companies and variable bonus that is linked to the performance of the Group as a whole and their individual performance.

The remuneration of the Company's Executive Directors and key management personnel has been formulated to attract, retain and motivate individuals the Group relies on to achieve its business strategy and create long-term value for its shareholders. This is designed to align remuneration with the interests of shareholders and other stakeholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group. The RC believes that fair performance-related pay should motivate good performance and that rewards should be closely linked to and commensurate with it.

Mr Ang Kah Hong, the Executive Chairman, is consulted by the RC on matters relating to the other executive directors and key management personnel who report to him on matters relating to the performance of the Company. He duly abstained from participation in discussions and decisions on his own remuneration.

The RC reviews periodically the Service Agreements of the Company's Executive Directors and where appropriate, the Service Contracts of key management personnel, including the compensation commitments and notice period for termination to ensure that they are not excessively long. The Company has entered into separate Service Agreements with the Executive Directors, Mr Ang Kah Hong, Mr Ang Kha King, Mr Ang Guan Hwa and Mr Ang Boon Chang.

The Company does not have any share-based compensation scheme or any long-term incentives scheme involving the offer of shares or option in place, for the Executive Directors or key management personnel at the moment.

The Independent Directors do not have any service contracts. The Independent Directors are each paid a Directors' fee which is determined by the Board and RC based on the effort and time spent as well as their responsibilities as members of the AC, NC and RC. The Group recognises the need to pay competitive fees to attract, retain and motivate the Directors without being excessive to the extent that their independence might be compromised. Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company. Except as disclosed, the Independent Directors do not receive any remuneration from the Company.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Board has deliberated with regards to the 2018 Code's recommendation to fully disclose the amounts and breakdown of remuneration of each individual Director and the CEO. The Board is of the opinion that, in view of the confidentiality nature, sensitivity and competitive reasons, the amounts and breakdown of remuneration of each individual Director are not disclosed. The Board has opted to disclose the remuneration of each individual Director in percentage terms and in incremental bands of \$250,000.

CORPORATE GOVERNANCE REPORT

Remuneration bands and components in percentage terms of the Directors' remuneration for the financial year ended 30 June 2022 are set out below:

Name of Directors	Remuneration Band	Benefits- Directors'				Total
		Salary	Bonus	in-Kind	Fees	
		%	%	%	%	%
Executive Directors						
Ang Kah Hong	Above \$1,000,000 and below \$1,250,000	32	67	1	–	100
Ang Guan Hwa	Above \$500,000 and below \$750,000	35	65	–	–	100
Ang Kha King	Above \$500,000 and below \$750,000	33	63	4	–	100
Ang Boon Chang	Above \$250,000 and below \$500,000	43	57	–	–	100
Teo Yew Boon ⁽¹⁾	Below \$250,000	89	–	–	11	100
Independent Directors						
Wong King Kheng	Below \$250,000	–	–	–	100	100
Luk Ka Lai Carrie (Mrs Carrie Cheong)	Below \$250,000	–	–	–	100	100
Poon Guokun, Nicholas	Below \$250,000	–	–	–	100	100

Note:

(1) Teo Yew Boon ceased as Group Chief Operating Officer of the Company with effect from 6 December 2021. He was re-designated as Non-Independent and Non-Executive Director of the Company with effect from 6 December 2021 until 30 June 2022. He ceased as Non-Independent and Non-Executive Director of the Company with effect from 1 July 2022.

Except as disclosed above, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest.

Remuneration bands and components in percentage terms of the top five (5) key management personnel (who are not Directors or the CEO) for the financial year ended 30 June 2022 are set out below:

Name of Key Management Personnel	Benefits- Directors'				Total
	Salary	Bonus	in-Kind	Fees	
	%	%	%	%	%
Above \$250,000 and below \$500,000					
Quek Chang Yeow	48	51	1	–	100
William Tan Kwang Hwee	68	32	–	–	100
Ang Siew Chien	59	41	–	–	100
Below \$250,000					
Lee Kum Mun	84	16	–	–	100
Christine Pressilya Agustiany ^(#)	84	16	–	–	100

Note:

(#) Christine Pressilya Agustiany holds the position of Group IT Manager.

The annual aggregate remuneration paid to the top five (5) key executives (who are not Directors or the CEO) for the financial year ended 30 June 2022 is approximately \$1,604,000.

Besides Ms Ang Siew Chien⁽ⁱ⁾ and Mr Lee Kum Mun⁽ⁱⁱ⁾, there are two employees who are immediate family members of the Directors, the CEO, the Executive Chairman, or a substantial shareholder of the Company and whose remuneration exceeds \$100,000 during the financial year ended 30 June 2022:

- Ms Ang Li Fern, the daughter of Mr Ang Kha King (Executive Director), sister of Mr Ang Boon Chang (Executive Director), niece of Mr Ang Kah Hong (Executive Chairman) and cousin of Mr Ang Guan Hwa (Executive Director and CEO), who is employed as Logistics Manager and promoted to Senior Logistics Manager in November 2021. She received remuneration comprising salary and bonus in the \$100,000 and \$200,000 band during the financial year.

CORPORATE GOVERNANCE REPORT

2. Ms Ang Hwee Chien, the daughter of Mr Ang Kah Hong (Executive Chairman), sister of Mr Ang Guan Hwa (Executive Director and CEO), niece of Mr Ang Kha King (Executive Director) and cousin of Mr Ang Boon Chang (Executive Director) and sister of Ms Ang Siew Chien (CPO), who is employed as Finance Manager. She received remuneration comprising salary and bonus in the \$100,000 and \$200,000 band during the financial year.

Notes:

- (i) *Ang Siew Chien is the daughter of Mr Ang Kah Hong (Executive Chairman), sister of Mr Ang Guan Hwa (Executive Director and CEO), niece of Mr Ang Kha King (Executive Director) and cousin of Mr Ang Boon Chang (Executive Director), who is employed as Group HR and Admin Manager and promoted to Group Chief People Officer (“CPO”) in November 2021.*
- (ii) *Lee Kum Mun is the son-in-law of Mr Ang Kah Hong (Executive Chairman), brother-in-law of Mr Ang Guan Hwa (Executive Director and CEO), nephew-in-law of Mr Ang Kha King (Executive Director) and husband of Ms Ang Siew Chien (CPO), who is employed as Managing Director of Tiong Woon Project & Contracting Pte. Ltd..*

The Group has not implemented any share-based compensation scheme or any long-term scheme involving the offer of shares or option in place after considered the costs and benefits of such schemes.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is responsible for the governance of risks and ensures that Management designs, implements, maintains and monitors a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

During the year, the AC, on behalf of the Board and through the assistance of internal and external auditors, had reviewed the effectiveness of the Group’s material internal control systems including financial, operational, compliance and information technology controls, and risk management systems. The process used by the AC to monitor and review the effectiveness of the system of internal controls and risk management includes:

- (a) discussions with management on risks identified by management;
- (b) the audit processes;
- (c) the review of internal and external audit plans; and
- (d) the review of significant issues arising from internal and external audits.

The Company has designed a risk management framework to allow it to achieve its business objectives whilst assisting Management and ideally, providing early warnings of any material change to the Company’s risk profile. The risk management framework comprises the policies, guidelines, and tools to provide the information and guidance material needed to integrate risk management into the Group’s operation and systems, and individual decision making process.

The Board has established an Enterprise Risk Management Committee (“**ERMC**”) which is a sub-committee of the AC and overseen by the AC. As of the date of this report, the ERMC comprises: Mr Ang Guan Hwa (Executive Director and CEO), Mr Ang Boon Chang (Executive Director), Mr William Tan Kwang Hwee (CFO), Ms Ang Siew Chien (CPO), Mr Lee Kum Mun (Managing Director, Tiong Woon Project & Contracting Pte. Ltd.) and Mr Quek Chang Yeow (Managing Director, Tower Cranes Services Pte. Ltd.). Mr Ang Guan Hwa and Mr Ang Boon Chang are the Chairman and Vice Chairman of the ERMC respectively.

CORPORATE GOVERNANCE REPORT

The principal functions of the ERM are:

- To review, formulate and make recommendations to the Management on risk matters and risk management; and
- To oversee the risk management function and the risk management framework.

The ERM works closely with the AC to oversee the Group's risk management framework and policies. All identified risks are assessed by the ERM and recorded in the Company's Risk Register. Risks which are recorded in the Risk Register are periodically reviewed by the ERM in accordance with a timetable established by the Committee, with the assistance of the relevant risk owners. Mitigated risks are recorded in the Risk Register with appropriate precautions from reoccurrence communicated across the Group.

Complementing the risk management framework is a Group-wide system of internal controls, which includes the Code of Business Conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes. To ensure that internal controls and risk management processes are adequate and effective, during the financial year, the AC is assisted by the external auditors who provide assurance over the risk of material misstatements in the Group's financial statements and the internal auditor who provides assurance that controls over the key risks of the Group is adequate and effective.

For the financial year under review, the Board has received assurance from Mr Ang Guan Hwa (Executive Director and CEO) and Mr William Tan Kwang Hwee (CFO) that to the best of their knowledge, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. The Board has also received assurance from Mr Ang Guan Hwa and other key management personnel that the risk management and internal control systems are adequate and effective, based on the established risk management and internal control systems.

Based on (i) the Group's framework of management control, (ii) the internal control policies and procedures established and maintained by the Group as well as (iii) the regular audits, monitoring and reviews performed by the internal and external auditors, the Board, with the concurrence of the AC, is of the opinion that the systems of internal controls and risk management within the Group are adequate and effective, including the financial, operational, compliance and information technology controls and risk management that has been maintained by the Group's management and that was in place throughout the financial year.

Any material non-compliance and internal control weaknesses noted during the internal audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC, regulated by a set of written terms of reference, comprises three directors, all of whom, including the Chairman, are independent. At the date of this report, the AC comprises the following members:

- Mr Wong King Kheng (Chairman and Independent Director)
- Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong) (Independent Director)
- Mr Poon Guokun, Nicholas (Independent Director)

There are corporate governance practices in place where a director will not recommend or participate in decisions of the Board or the Board Committee he/she sits on if he/she is interested or deemed to be interested in the decision. The Independent Directors have performed and will continue to perform their duties independent of the management.

More than half of the members of the Audit Committee have recent and relevant experience in the financial or accounting field. The Company believes in taking a holistic approach towards the constitution of its various Board committees and as such does not restrict membership only to directors who have financial and/or accounting experience.

CORPORATE GOVERNANCE REPORT

None of the AC members were previous partners or directors of the Company's existing auditing firm, PricewaterhouseCoopers LLP, or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation and none of the AC members hold any financial interest in the auditing firm or auditing corporation.

The duties and responsibilities of the AC include those described in the Companies Act 1967 and the 2018 Code. The main responsibilities include:

- (a) reviews the annual and interim financial statements of the Company and the Group before submission to the Board for adoption (including the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any announcements relating to the Company's financial performance);
- (b) reviews with the internal and external auditors, their audit plans and audit reports;
- (c) reviews the cooperation given by the Company's officers to the external auditors;
- (d) reviews the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- (e) reviews at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- (f) reviews the assurance from the CEO and the CFO on the financial records and financial statements;
- (g) reviews interested person transactions and transactions falling within the scope of Chapter 10 of the Listing Manual;
- (h) nominates and reviews the appointment or re-appointment of external auditors;
- (i) make recommendations to the Board on the remuneration and terms of engagement of external auditors;
- (j) reviews the independence of the external auditors annually;
- (k) reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- (l) undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (m) undertakes such other functions and duties as may be required by statute or the Listing Manual and by such amendments made thereto from time to time.

Apart from the above functions, the AC will commission and review the findings of internal investigations into matters where there is suspicion of fraud or irregularity, or failure of internal controls or infringement of any Singapore law or regulation or rules of the SGX-ST or any other regulatory authority in Singapore which has or is likely to have a material impact on the operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular resolution.

The AC has explicit authority to investigate any matter within its term of reference, full access to and the co-operation of management and has full discretion to invite any director or executive officer to attend its meetings, and has been given adequate resources to enable it to discharge its functions. The CEO and CFO were invited to attend meetings of the AC to report and brief the AC on the financial and operational performance of the Group and answer queries raised by the AC.

The AC reviews annually the non-audit services provided by external auditors and determines whether the provision of such services affects their independence. During the year under review, the fees paid to the external auditors for audit and non-audit services amounted to \$278,000 and \$76,000 respectively.

CORPORATE GOVERNANCE REPORT

The AC has undertaken a review of all non-audit services provided by the external auditors for the financial year ended 30 June 2022 and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC will constantly bear in mind the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value-for-money considerations. The external auditors have unrestricted access to the AC.

The AC had recommended to the Board the nomination of PricewaterhouseCoopers LLP, for re-appointment as external auditors of the Company at the forthcoming AGM. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to accept re-appointment.

In recommending the re-appointment of the external auditors, the Audit Committee considered and reviewed various factors including the adequacy of resources, experience of supervisory and professional staff to be assigned to the audit, the size and complexity of the Group and its businesses and operations.

There is a Whistle-Blowing Policy for the Group in place, reviewed and endorsed by the AC, where employees of the Group can raise concerns about improprieties. The Policy serves to encourage and provide a channel to employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to the Chairman of the AC, CPO or CFO. The objective for such arrangement is to ensure independent investigation of such matters raised and for appropriate follow-up action to be taken. Details of the whistle-blowing policies and arrangements have been made available to all employees and provides assurance that employees will be protected from reprisal within the limits of the law.

The AC reports quarterly to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

The AC and the Board have considered the Listing Rule 718 and where appropriate the revenue contribution by the subsidiaries; and have concluded that certain foreign incorporated subsidiaries are not significant to the Group. In addition, the AC and the Board have reviewed the appointment of different auditors for its foreign-incorporated subsidiaries and/or significant associated companies and were satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company.

The AC is satisfied that the Company has complied with the Listing Rules 712 and 715 of the SGX-ST Listing Rules (Mainboard).

The AC has reviewed the management's assessment and discussed with the external auditors about the identified key audit matters (refer to pages 58 to 60 of the Annual Report); and how those key audit matters have been addressed by the external auditors. Having considered the management's assessment; and the approach taken by the external auditors and their findings, the AC is satisfied with the basis and estimates adopted by the Group.

The Company has outsourced its internal audit function to Ernst & Young Advisory Pte Ltd. The objective of the internal audit function is to determine whether the Group's risk management, control and governance processes, as designed, is adequate and functioning in the required manner.

The AC approves the appointment, termination, evaluation and compensation of the internal auditors. The internal auditor has unfettered access to the Group's documents, records, properties and personnel, including access to the AC. The internal auditor plans its internal audit work and schedules in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work.

The internal auditor conducted an annual review of the effectiveness of the internal audit function and control systems of the Group, including financial, operational and compliance risks, and reported its findings to the AC. There was no significant risk or material weakness in internal controls reported by the internal auditor to the AC for the financial year.

The AC is satisfied that the internal auditor is adequately qualified (given, inter alia, its adherence to standards set by nationally or internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.

The AC meets with the external and internal auditors without the presence of the Management, at least once a year.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Directors and management are committed to provide shareholders with information on all major developments. To facilitate shareholders' rights, the Company places great emphasis on investor relations and strives to maintain a high standard of transparency, ensure that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet and to promote better investor communications. It aims to provide investors with clear, balanced and useful information, on a timely basis, about the Group's performance, financial position and prospects. The Company does not practice selective disclosure. Price sensitive information is first publicly released before the Company meets with investors or analysts.

The Company supports the 2018 Code's Principle to encourage shareholder participation. Shareholders are encouraged to attend general meetings to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notice of general meetings is despatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 days or 21 days, as the case may be, before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at general meetings. Questions, comments received from shareholders and responses from the Board and Management were recorded in the minutes of general meetings.

Shareholders have the opportunity to participate effectively and to vote in the AGM either in person or by proxy. Shareholders are also informed of the rules, including the voting procedures that govern general meetings.

To have greater transparency in the voting process, the Company has conducted the voting of all resolutions by poll at all its general meetings. Detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNet.

Resolutions to be passed at general meetings are always separate and distinct in terms of issue and are consistent with the 2018 Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

The Chairmen of the Board Committees are present at the AGM and other general meetings of shareholders, to assist the Board in addressing shareholders' questions. The external auditors are also present at AGM to assist the Board with enquiries relating to the conduct of the audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the Annual Report.

Whilst there is no limit imposed on the number of proxy votes for nominee companies, the Articles allow each shareholder to appoint up to two proxies to attend AGMs and any other general meeting.

The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other issues are satisfactorily resolved. This is also subject to legislative amendment to recognise electronic voting.

In FY2021, due to the COVID-19 pandemic crisis and in line with the initiatives implemented by the regulatory bodies (i.e. the Joint Guidance issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the SGX-ST), the Company conducted a virtual annual general meeting ("2021 AGM"). The virtual 2021 AGM was conducted on 26 October 2021 in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debentures Holders) Order 2020 issued by the Ministry of Law (the "Meeting Order"). A "live" webcast of the virtual 2021 AGM was made available to participating shareholders who had registered and were assigned a unique link to access the live audiovisual webcast or live audio-only stream. The 2021 AGM results of the poll votes on each resolution tabled at the AGM (including the total number of votes cast for or against each resolution) were announced at the virtual AGM and via SGXNet thereafter.

All Directors were present at the virtual 2021 AGM. All key executives (or executives of equivalent rank) and the External Auditor attended the 2021 AGM remotely.

CORPORATE GOVERNANCE REPORT

In line with the Meeting Order, the minutes of the 2021 AGM were announced via SGXNet and posted on the Company's corporate website within the prescribed timeframe, i.e. within one month from the date of AGM.

In general, the Company does not publish minutes of general meetings of shareholders on its corporate website as contemplated by Provision 11.5. There may be potential adverse implications for the Company if the minutes of general meetings are published to the public at large (outside the confines of a shareholders' meeting), including risk of litigation that may arise from, among other things, disclosure of sensitive information to the Group's competitors. The Company is of the view that its position is consistent with the intent of Principle 11 as shareholders have a right to attend general meetings either in person or by proxy, where they may exercise their right to speak and vote and have the opportunity to communicate their views on various matters affecting the Company. Further, shareholders, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with Section 189 of the Companies Act 1967. In this regard, the minutes of general meetings are available to shareholders upon their request. The Company is therefore of the view that, consistent with the intent of Principle 11, as between themselves, shareholders are treated fairly and equitably by the Company.

The Company's dividend policy seeks to balance dividend return to shareholders with the need for long-term sustainable growth whilst aiming for an efficient capital structure. The form, frequency and amount of dividends declared each year will take into consideration the Group's financial performance, cash position, cash flow generated from operations, projected capital requirements for business growth, general economic conditions and other factors as the Board may deem appropriate. The Board has declared a final dividend of 0.35 Singapore cent per ordinary share and a special dividend of 0.15 Singapore cent per ordinary share for the financial year ended 30 June 2022 (30 June 2021: final dividend of 0.3 Singapore cent per ordinary share and a special dividend of 0.1 Singapore cent per ordinary share).

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company is committed to regular and timely communication with shareholders as part of the organisation's development to build systems and procedures that will enable the Group to compete internationally. The Company places great emphasis on investor relations and strives to maintain a high standard of transparency and to promote better investor communications. It aims to provide investors with clear, balanced and useful information, on a timely basis, about the Group's performance, financial position and prospects.

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the directors or the Management questions regarding the Company and its operations.

It is the Board's policy to ensure that all shareholders should be equally and timely informed of all major developments impacting the Group. The Company does not practice selective disclosure. The Company keeps its website updated and maintains dedicated investor relations ("IR") section for shareholders' convenience. Announcements disclosed through SGXNet are also posted on the Company's website.

The Company conducts its investor relations on the following principles:

- Information deemed to be price-sensitive is disseminated without delay via announcement on SGXNet;
- Endeavour to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decision; and
- Operate an open policy with regard to investors' enquiries.

CORPORATE GOVERNANCE REPORT

Information is disseminated to shareholders through:

- SGXNet announcements and news releases;
- Press releases on major developments;
- Annual Report prepared and issued to all shareholders; and
- Company's website at www.tiongwoon.com where shareholders can access information on the Group.

Where necessary and appropriate, the Company conducts briefings with media and analysts to update the investing community of the Group's performance and developments. During such briefings and meetings, the Company solicits and understands the views of shareholders and the investment community. Shareholders with questions may contact the Company's corporate media team.

In the financial year under review, the Company reported financial results on a semi-annual basis, within the prescribed forty-five / sixty days from the end of each financial period. Through the release of its financial results, the Board aims to present shareholders with a balanced and comprehensible assessment of the Group's performance, position and prospects which extends to interim and other price sensitive public reports, and reports to regulators (if required). Pursuant to the amendments to Rule 705(2) of the SGX-ST Listing Rules (Mainboard) which took effect on 7 February 2020, the Company is not required to perform quarterly reporting. Notwithstanding the adoption of this new reporting framework, the Company remains committed in announcing material business development on a timely manner to keep shareholders updated as and when appropriate.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interest of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has regularly engaged its stakeholders through various mediums and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and standards and to sustain business operations for long term growth.

The stakeholders have been identified as those who have been impacted by or who are able to impact the Group's business and operations. They are namely, suppliers, customers, employees, community, investors and regulators.

The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues from the materiality matrix upon which targets, performance and progress are reviewed by the Board annually. Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships. More information is available in FY2021 Sustainability Report, which is posted on SGXNet and the Company's website at www.tiongwoon.com.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION

CODE OF BUSINESS CONDUCT

The Company's Code of Business Conduct also sets the standards and ethical conduct expected of employees of the Group. Directors, officers and employees are required to observe and maintain high standards of integrity and comply with the law and the regulations and company policies.

DEALING IN COMPANY'S SECURITIES (SGX-ST LISTING RULE 1207(19))

The Company has an internal policy in place on dealings in the Company's securities transactions by the directors, officers and employees.

During the financial year, the Company issued notifications to all directors, officers and employees of the Company informing them that they are prohibited from dealing in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year financial statements.

The directors, officers and employees are also prohibited from dealing in the Company's shares on short-term considerations under the policy.

In addition, the Company regularly reminds the directors, officers and employees that, under the provisions of the Securities and Futures Act 2001, it is an offence to deal in the Company's securities while they are in possession of unpublished, price-sensitive information.

RISK MANAGEMENT POLICIES AND PROCESSES (SGX-ST LISTING RULE 1207(4)(B)(IV))

The Group's overall risk management policy aims to minimise potential adverse effects on the financial performance of the Group. The Group has adopted risk management policies and processes that seek to mitigate these risks in a cost-effective manner.

Information on risk management, policies and processes are disclosed in the financial statements, and the Risk Factors and Risk Management are on pages 25 to 27 of the Annual Report.

MATERIAL CONTRACTS (LISTING MANUAL RULE 1207(8))

Save for the Service Agreements entered into with the Executive Directors, which are subsisting as at the end of FY2022, there were no material contracts involving the interests of the Executive Chairman, CEO, the Directors or controlling shareholders entered into by the Group which are subsisting as at the end of the financial year or entered into during the financial year.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS (SGX-ST LISTING RULE 907)

The Company has established procedures whereby transactions with interested persons are reported in a timely manner to the AC so as to ensure compliance with the rules and regulations under Chapter 9 of the Singapore Exchange's Listing Manual.

The following interested person transactions took place between the Group and interested persons during the financial year at terms agreed by the parties concerned:

Name of Interested Person	Nature of Relationship	Aggregate Value of all Interested Person Transactions During The Financial Year 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)	
		FY2022	FY2021	FY2022	FY2021
		\$'000	\$'000	\$'000	\$'000
Sales					
Pollisum Engineering Pte Ltd	#	154	420	-	-
Xin Woon Transport Pte Ltd	#	180	56	-	-
Purchases					
Pollisum Engineering Pte Ltd	#	60	1	-	-
Pollisum Logistics Pte Ltd	#	2	-	-	-
Xin Woon Transport Pte Ltd	#	77	70	-	-

Notes:

An associate of sibling of Mr Ang Kah Hong (Executive Chairman) and Mr Ang Kha King (Executive Director).

SUSTAINABILITY REPORT (RULE 711A and RULE 711B of the SGX-ST LISTING RULES (MAINBOARD))

The Company will release its FY2022 Sustainability Report via SGXNet at a later date. A copy will also be made available on the Company's website at www.tiongwoon.com.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Information for the Directors who are retiring and being eligible offer themselves for re-election at the forth coming AGM pursuant to Rule 720(6) of the SGX-ST Listing Rule (Mainboard):

Details	Name of Retiring Directors	
	Ang Kah Hong	Wong King Kheng
Date of Appointment	21 August 1997	23 August 1999
Date of last re-appointment (if applicable)	28 October 2020	25 October 2019
Age	71	69
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for the appointment of Directors, and the re-nomination and re-election of Directors to the Board, is set out in pages 33 to 39 of the Annual Report	
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	Lead Independent Director, Chairman of Audit Committee, Member of Nominating Committee and Remuneration Committee
Professional qualifications	Please refer to the detailed descriptions of the Directors' qualifications set out in pages 14 to 16 of the Annual Report	
Working experience and occupation(s) during the past 10 years	1997- Present Tiong Woon Corporation Holding Ltd	2000 - Present K K Wong and Associates, Managing Director
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 2,246,250 Deemed interest: 90,517,131	Direct interest: 32,000
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Brother of Mr Ang Kha King (Executive Director) Father of Mr Ang Guan Hwa (Executive Director and CEO) Uncle of Mr Ang Boon Chang (Executive Director)	None
Conflict of Interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships (for the last 5 years) Present	Principal Commitments Please refer to Note 1 Listed Directorship Tiong Woon Corporation Holding Ltd	Principal Commitments KK Wong and Associates, Managing Director Listed Directorship - Tiong Woon Corporation Holding Ltd - Ossia International Limited - Hatten Land Limited - JCY International Berhad (listed on Bursa Malaysia)

Note 1: Tiong Woon Corporation Holding Ltd; Tiong Woon Crane & Transport (Pte) Ltd; Tiong Woon Crane Pte. Ltd.; Tiong Woon Crane & Equipment Pte. Ltd.; Tiong Woon Project & Contracting Pte. Ltd.; Tiong Woon Tower Crane Pte. Ltd.; Tower Cranes Services Pte. Ltd.; Tiong Woon Logistics Pte. Ltd.; Tiong Woon International Pte. Ltd.; Tiong Woon Enterprise Pte Ltd; Tiong Woon China Consortium Pte. Ltd.; Tiong Woon Offshore Pte. Ltd.; Tiong Woon Marine Pte Ltd; TW (Sabah) Pte. Ltd.; Tiong Woon Teck Aik Enterprise Pte. Ltd.; Ang Choo Kim & Sons (Pte.) Limited; Tiong Woon Crane & Transport (M) Sdn Bhd; Tiong Woon Crane Sdn Bhd; Tiong Woon Offshore Sdn Bhd; Tiong Woon Philippines, Inc; Tiong Woon Thai Co. Ltd; Thai Contracting & Enterprises Co., Ltd; P.T. TWC Indonesia; Tiong Woon Crane & Transport Lanka (Pvt) Ltd; Tiong Woon (Huizhou) Industrial Services Co., Ltd; Tiong Woon Myanmar Company Limited; Tiong Woon Services Sdn Bhd; Tiong Woon Bangladesh Limited; Asian Supply Base Maritime Resources Sdn Bhd; ASB Maritime Resources (L) Ltd & PDT Ascend Sdn. Bhd.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details		Name of Retiring Directors	
		Ang Kah Hong	Wong King Kheng
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.			
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details		Name of Retiring Directors	
		Ang Kah Hong	Wong King Kheng
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	No	No
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	(iii) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange?		Not applicable. This is a re-election of Directors.	
If yes, please provide details of prior experience.			
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.			
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).			

DIRECTORS' STATEMENT

The Financial Year Ended 30 June 2022

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2022 and the balance sheet of the Company as at 30 June 2022.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 63 to 123 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Ang Kah Hong
Ang Kha King
Ang Guan Hwa
Ang Boon Chang
Wong King Kheng
Luk Ka Lai, Carrie (Carrie Cheong)
Poon Guokun, Nicholas

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 30.6.2022	At 1.7.2021	At 30.6.2022	At 1.7.2021
Tiong Woon Corporation Holding Ltd				
(No. of ordinary shares)				
Ang Kah Hong	2,246,250	2,246,250	90,517,131	90,517,131
Ang Kha King	1,842,500	1,842,500	90,659,631	90,659,631
Wong King Kheng	32,000	32,000	–	–

At the balance sheet date, Ang Kah Hong and Ang Kha King held 5,990,298 and 2,995,149 ordinary shares, respectively, in a substantial shareholder of the Company, Ang Choo Kim & Sons (Pte) Limited. Their deemed interests in the Company through Ang Choo Kim & Sons (Pte) Limited are shown above.

DIRECTORS' STATEMENT

The Financial Year Ended 30 June 2022

- (b) Ang Kah Hong and Ang Kha King, who by virtue of each of their interests individually of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's wholly-owned subsidiary and in the shares held by the Company in the following subsidiary that are not wholly-owned by the Group:

	At 30.6.2022	At 1.7.2021
Tiong Woon Crane & Transport Lanka (Pvt) Ltd		
- No. of ordinary shares	1,056,000	1,056,000

- (c) The directors' interests in the ordinary shares of the Company at 21 July 2022 were the same at 30 June 2022.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares in the Company or its subsidiaries under option at the end of the financial year.

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Mr Wong King Kheng (Chairman)
Mdm Luk Ka Lai, Carrie (Mrs Carrie Cheong)
Mr Poon Guokun, Nicholas

All members of the Audit Committee were independent directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2022 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

The Financial Year Ended 30 June 2022

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

ANG KAH HONG
Director

27 September 2022

ANG GUAN HWA
Director

INDEPENDENT AUDITOR'S REPORT

To The Members Of Tiong Woon Corporation Holding Ltd

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Tiong Woon Corporation Holding Ltd ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 30 June 2022;
- the balance sheets of the Group and the Company as at 30 June 2022;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 30 June 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Tiong Woon Corporation Holding Ltd

Our Audit Approach (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the matter
<p>1) Recoverability of trade receivables</p> <p>As at 30 June 2022, the Group's net trade receivables amounting to \$37.1 million, comprising gross trade receivables of \$65.9 million and a corresponding allowance for impairment of \$28.8 million, accounted for 7.8% of the Group's total assets.</p> <p>The Group applied the simplified approach in determining expected credit loss ("ECL") rates under SFRS(I) 9 <i>Financial Instruments</i>. In light of the ongoing Coronavirus ("COVID-19") outbreak, management reviewed and assessed whether there was any significant increase in credit risk of trade receivables.</p> <p>Management also considered specific allowances on specific receivables by making reference to evidence of settlement plans, cash receipts, repayment trends, financial health and outcome or status of any legal actions, if any.</p> <p>Significant judgement is required in determining whether an impairment loss should be recorded including the assessment of expected credit losses under SFRS(I) 9 <i>Financial Instruments</i>. Accordingly, we consider this to be a key audit matter.</p> <p>Please refer to Note 2.10 of the financial statements for disclosure of the related accounting policy, Note 3 for disclosure of the related critical accounting estimates and assumptions and Note 14 for the trade receivables disclosures.</p>	<p>We reviewed the Group's impairment assessment of trade receivables that were in default or overdue as at 30 June 2022.</p> <p>We obtained an understanding of significant credit exposures on the trade receivables which were either overdue, in default or had been specifically identified via collection reports and analysis of aged receivables produced by the credit department. We corroborated our understanding with external data where applicable.</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Examined proposed or existing settlement plans against evidence of cash receipts, where these had been received; • Examined repayment trends during the year, evidence of dispute and the financial health of selected counterparties; • Obtained confirmation for selected counterparties; • Considered legal opinion on the likelihood of recovery of selected balances for which the Group has commenced legal actions on; and • Reviewed management's ECL assessment on trade receivables including examining and validating the data used to determine historical loss rates adjusted with forward-looking information. <p>Based on the results of the above procedures, we found the results of our procedures to be consistent with the results of management's assessment.</p>

INDEPENDENT AUDITOR'S REPORT

To The Members Of Tiong Woon Corporation Holding Ltd

Our Audit Approach (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the matter
<p>2) Impairment assessment of property, plant and equipment ("PPE")</p> <p>As at 30 June 2022, the Group has PPE amounting to \$346.7 million and accounts for 72.8% of the Group's total assets.</p> <p>Certain subsidiaries of the Group with material PPE balances are in loss-making positions or hold equipment that are infrequently utilised. As such, there are indications that these assets might be impaired.</p> <p>Given the nature of these PPE, the assessment of impairment involves the application of significant judgement including the impact of the ongoing COVID-19 outbreak. Accordingly, we consider this to be a key audit matter.</p> <p>An impairment loss is recognised to the extent that the carrying amount is more than its recoverable amount. The recoverable amount is determined based on the fair value less costs of disposal.</p> <p>Please also refer to Notes 2.6 and 2.9 of the financial statements for disclosure of the related accounting policies, Note 3 for disclosure of the related critical accounting estimates, assumptions and judgements and Note 21 for the PPE disclosures.</p>	<p>We reviewed the Group's PPE to determine where impairment indicators exist. Based on existing market conditions, impairment indicators were identified mainly for the machinery category of assets.</p> <p>The approach to assessing impairment for these PPE included the following:</p> <ul style="list-style-type: none"> • Obtained understanding of historical PPE utilisation rate trends; • Examined the utilisation reports for these assets, to identify assets with low utilisation rates; • Obtained external valuation reports for such identified assets; • Evaluated the competence, capabilities and objectivity of the independent valuer engaged by management and assessed the reasonableness of the methodology adopted; and • Compared the carrying amount of the assets against the recoverable amount. <p>Based on our procedures, we found management's assessment in determining the carrying value of the property, plant and equipment to be reasonable.</p>

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Tiong Woon Corporation Holding Ltd

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities included overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Tiong Woon Corporation Holding Ltd

Auditor's Responsibility for the Audit of the Financial Statements (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Chin San.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 27 September 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2022

	Note	Group	
		2022 \$'000	2021 \$'000
Revenue	4	122,588	112,949
Cost of sales	5	(73,247)	(70,510)
Gross profit		49,341	42,439
Other income	7	2,610	4,470
Impairment loss on financial assets - net		(2,223)	(1,557)
Other losses - net	8	(459)	(1,872)
Expenses			
- Administrative	5	(1,129)	(1,049)
- Other operating	5	(28,969)	(25,761)
- Finance	9	(2,766)	(2,973)
Share of (loss)/profit of associated companies		(13)	100
Share of profit of a joint venture		-	30
Profit before income tax		16,392	13,827
Income tax expense	10	(5,064)	(4,015)
Total profit		11,328	9,812
Other comprehensive (loss)/income:			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences arising from consolidation			
- (Losses)/gains		(448)	1,179
Total comprehensive income		10,880	10,991
Profit/(Loss) attributable to:			
Equity holders of the Company		11,391	9,873
Non-controlling interest		(63)	(61)
		11,328	9,812
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		10,935	11,059
Non-controlling interest		(55)	(68)
		10,880	10,991
Earnings per share attributable to equity holders of the Company			
- Basic and diluted	11	4.90 cents	4.25 cents

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

BALANCE SHEETS

As At 30 June 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	55,974	45,512	366	800
Financial assets, at fair value through profit or loss	13	211	294	-	-
Trade and other receivables	14	51,470	47,081	-	-
Tax recoverable		42	121	-	-
Inventories	15	2,128	1,895	-	-
Other assets	16	2,032	1,752	9	9
		111,857	96,655	375	809
Non-current assets					
Other assets	16	1,196	-	-	-
Other receivables	17	-	535	43,239	43,131
Investments in associated companies	18	2,969	2,898	1,020	1,020
Investments in subsidiaries	20	-	-	44,884	44,884
Property, plant and equipment	21	346,654	346,867	-	-
Right-of-use assets	22	13,183	11,872	-	-
Deferred income tax assets	27	398	503	-	-
		364,400	362,675	89,143	89,035
Total assets		476,257	459,330	89,518	89,844
LIABILITIES					
Current liabilities					
Trade and other payables	24	40,597	35,378	259	277
Current income tax liabilities		4,817	2,998	-	-
Borrowings	25	21,191	19,053	-	-
		66,605	57,429	259	277
Non-current liabilities					
Trade and other payables	24	5,361	4,761	-	-
Borrowings	25	95,083	97,981	-	-
Deferred income tax liabilities	27	28,313	28,215	-	-
		128,757	130,957	-	-
Total liabilities		195,362	188,386	259	277
NET ASSETS		280,895	270,944	89,259	89,567
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	28	87,340	87,340	87,340	87,340
Other reserves	29	(882)	(426)	-	-
Retained earnings		194,466	184,004	1,919	2,227
		280,924	270,918	89,259	89,567
Non-controlling interest		(29)	26	-	-
Total equity		280,895	270,944	89,259	89,567

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2022

	Note	Attributable to equity holders of the Company					Non-controlling interest \$'000	Total equity \$'000
		Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000			
2022								
Beginning of financial year		87,340	(426)	184,004	270,918	26	270,944	
Profit/(Loss) for the year		–	–	11,391	11,391	(63)	11,328	
Other comprehensive (loss)/income for the year		–	(456)	–	(456)	8	(448)	
Total comprehensive (loss)/income for the financial year		–	(456)	11,391	10,935	(55)	10,880	
Dividend relating to 2021 paid	30	–	–	(929)	(929)	–	(929)	
End of financial year		87,340	(882)	194,466	280,924	(29)	280,895	
2021								
Beginning of financial year		87,340	(2,964)	174,828	259,204	94	259,298	
Profit/(Loss) for the year		–	–	9,873	9,873	(61)	9,812	
Other comprehensive income/(loss) for the year		–	1,186	–	1,186	(7)	1,179	
Total comprehensive income/(loss) for the financial year		–	1,186	9,873	11,059	(68)	10,991	
Asset acquisition	29(b)	–	1,352	–	1,352	–	1,352	
Dividend relating to 2020 paid	30	–	–	(697)	(697)	–	(697)	
End of financial year		87,340	(426)	184,004	270,918	26	270,944	

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Total profit		11,328	9,812
Adjustments for:			
- Income tax expense		5,064	4,015
- Depreciation of property, plant and equipment		30,650	30,831
- Depreciation of right-of-use assets		1,242	1,219
- Gain on disposal of property, plant and equipment		(290)	(786)
- Fair value loss on financial assets, at fair value through profit or loss		82	30
- Bad debt written off		-	7
- Impairment written back on other receivables		-	(21)
- Impairment loss on trade receivables - net		2,223	1,578
- Interest income		(379)	(220)
- Interest expense		2,766	2,975
- Loss on disposal of interest in an associated company		-	8
- Share of loss/(profit) of associated companies		13	(100)
- Share of profit of a joint venture		-	(30)
- Translation differences		1,036	1,312
Operating cash flow before working capital changes		53,735	50,630
Change in operating assets and liabilities			
- Inventories		(233)	246
- Trade and other receivables		(6,595)	(3,096)
- Other current assets		(280)	(599)
- Trade and other payables		(6,734)	(14,144)
Cash generated from operations		39,893	33,037
Income tax paid		(2,932)	(3,978)
Net cash provided by operating activities		36,961	29,059
Cash flows from investing activities			
Purchase of property, plant and equipment		(13,211)	(7,965)
Purchase of structured deposits		(1,196)	-
Interest received		379	220
Fixed deposits (pledged)/unpledged		(277)	200
Asset acquisition	35	-	627
Proceeds from disposal of shareholding in an associated company		-	3
Proceeds from disposal of property, plant and equipment		4,526	1,821
Net cash used in investing activities		(9,779)	(5,094)
Cash flows from financing activities			
Proceeds from bank borrowings		10,073	11,383
Principal repayment of bank borrowings		(8,523)	(5,294)
Repayment of other secured borrowings		(13,752)	(18,947)
Interest paid		(2,753)	(3,005)
Principal repayments of lease liabilities		(1,113)	(1,077)
Dividends paid to equity holders of the Company		(929)	(697)
Net cash used in financing activities		(16,997)	(17,637)
Net increase in cash and cash equivalents		10,185	6,328
Cash and cash equivalents at beginning of financial year		44,837	38,509
Cash and cash equivalents at end of financial year	12	55,022	44,837

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 30 June 2022

Reconciliation of liabilities arising from financing activities

	1 July 2021 \$'000	Principal and interest payments \$'000	Proceeds from borrowings \$'000	Non-cash changes				30 June 2022 \$'000
				Additions \$'000	Hire purchase of equipment \$'000	Interest expense \$'000	Others \$'000	
Bank borrowings	61,943	(9,569)	10,073	–	–	1,059	(13)	63,493
Other secured borrowings	42,907	(14,964)	–	–	10,002	1,212	–	39,157
Lease liabilities	12,184	(1,488)	–	2,553	–	375	–	13,624

	1 July 2020 \$'000	Principal and interest payments \$'000	Proceeds from borrowings \$'000	Non-cash changes				30 June 2021 \$'000
				Additions \$'000	Hire purchase of equipment \$'000	Interest expense \$'000	Others \$'000	
Bank borrowings	59,797	(6,381)	11,383	–	(3,943)	1,057	30	61,943
Other secured borrowings	52,321	(20,468)	–	–	9,533	1,521	–	42,907
Lease liabilities	12,483	(1,474)	–	778	–	397	–	12,184

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Tiong Woon Corporation Holding Ltd (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is No. 15 Pandan Crescent, Singapore 128470.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries are set out in Note 20.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Interpretations and amendments to published standards effective in 2022

On 1 July 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.3 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group’s activities. The Group recognises revenue from each of its activities as follows:

(a) Rental income

Rental income from operating leases of machinery with manpower integral to the leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(b) Rendering of services

Revenue from services is recognised as a performance obligation satisfied over time. Such services include mechanical, infrastructure and industrial plant engineering and structural works, management of marine and industrial projects. The measure of progress is determined based on the actual services provided as a proportion of the total services to be performed.

(c) Trading sales of equipment

The Group sells equipment in various markets and revenue is recognised when control of the products has transferred to its customer, being when a Group entity has delivered the products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the acceptance of the products and collectability of the related receivables is reasonably assured.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.3 Revenue recognition (continued)

(c) Trading sales of equipment (continued)

Revenue is recognised at a point in time when the equipment are delivered to the customer.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Interest income

Interest income is recognised using the effective interest method.

2.4 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.5 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

For an acquisition of an entity that does not meet the definition of a "Business" under SFRS(I) 3, the asset acquisition method is applied. The total cost of acquisition is allocated to qualifying assets on a relative fair value basis and any excess of the carrying value of the net assets of the entity and the total allocated cost is recognised under "other reserves".

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard. Amounts previously recognised in other reserves are reclassified directly into retained earnings.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint venture" (Note 2.8) for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

(c) Associated companies and joint venture

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investments in associated companies and joint venture are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint venture's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture.

If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Unrealised gains on transactions between the Group and its associated companies or joint venture are eliminated to the extent of the Group's interest in the associated companies or joint venture. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies or joint venture are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

When the Group purchases assets from a joint venture, it does not recognise its share of the profits of the joint venture arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

(c) Associated companies and joint venture (continued)

(iii) Disposals (continued)

Please refer to the paragraph “Investments in subsidiaries, associated companies and joint venture” (Note 2.8) for the accounting policy on investments in associated companies and joint venture in the separate financial statements of the Company.

2.6 Property, plant and equipment

(a) Measurement

All property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price, projected costs of dismantlement, removal or restoration, gains or losses on qualifying cash flow hedges and any other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Freehold land and asset under construction are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Buildings and leasehold land	Shorter of 30 years and the lease term
Machinery	
– Cranes	14 – 25 years from year of manufacture
– Other machinery	5 – 10 years
Tug boats and barges	5 – 10 years
Office equipment	5 – 10 years
Computer software	5 years
Furniture and fixtures	10 years
Office renovation	2 – 5 years
Motor vehicles	5 – 10 years
Right-of-use assets	2 – 24 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.6 Property, plant and equipment (continued)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other losses – net”.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

2.8 Investments in subsidiaries, associated companies and joint venture

Investments in subsidiaries, associated companies and joint venture are carried at cost less accumulated impairment losses in the Company’s balance sheet (Note 2.9).

On disposal of such investments, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

Property, plant and equipment, right-of-use assets and investments in subsidiaries, associated companies and joint venture are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating-unit (“CGU”) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed only if, there has been a change in estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.10 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following categories:

- Amortised cost; and
- Fair value through profit or loss (FVPL).

The classification depends on the Group’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

(a) Classification and measurement (continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents, and trade and other receivables.

Financial assets of the Group are subsequently measured as follows:

Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) *Equity instruments*

The Group subsequently measures all its equity instruments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in “other losses – net”. Dividends from equity investments are recognised in profit or loss as “other income”.

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and cash equivalents, other receivables, deposits and amounts due from related parties, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.11 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intragroup transactions are eliminated on consolidation.

Financial guarantees are initially recognised at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.14 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it's reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.14 Leases (continued)

(a) When the Group is the lessee: (continued)

- Lease liabilities (continued)

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

(b) When the Group is the lessor:

The Group leases equipment under finance leases and certain property, plant and equipment under operating leases to non-related parties.

- Lessor – Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in “trade and other receivables”. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

- Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint venture except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.17 Provisions

Provisions for asset dismantlement, removal or restoration and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets (Note 2.6). This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.17 Provisions (continued)

Provision for warranty is recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. The Group recognises the estimated costs of rectification and guarantee work, including expected warranty costs on its contract activity.

2.18 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.19 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate expenses to borrowings are presented in the income statement within “finance expenses”. All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “other losses – net”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

2. Significant accounting policies (continued)

2.19 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) Income and expenses are translated at average exchange rates (unless the average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Senior Management of the Group whose members are responsible for allocating resources and assessing performance of the operating segments.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.23 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment of property, plant and equipment – Machinery, tug boats and barges

The machinery, tug boats and barges are tested for impairment whenever there is an objective evidence or indication that they may be impaired. An impairment loss is recognised to the extent that the carrying amount is more than its recoverable amount. The recoverable amount is determined based on the fair value less costs of disposal. In assessing the fair value less costs of disposal, the Group engaged independent valuation specialists to determine the fair value as at 30 June 2022. The independent valuers used a valuation technique based on recent sales and other comparable market data.

As at 30 June 2022, the recoverable amounts have been determined based on fair value less costs of disposal.

(b) Impairment of trade receivables

Management reviews its trade receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

As at 30 June 2022, the Group's net trade receivables amounted to \$37.1 million (2021: \$39.1 million), arising from the Group's different revenue segments as disclosed in Note 34.

Based on the Group's historical credit loss experience, trade receivables exhibited different loss patterns depending on the type of trade receivables that are grouped based on shared credit risk characteristics. Accordingly, management has determined expected loss rates for each of the trade receivables.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

As at 30 June 2022, the impairment loss allowance for trade receivables was \$28.8 million (2021: \$26.3 million). The Group's trade receivables included one debtor, whose debt amounted to \$12.0 million (2021: \$11.6 million) which is aged more than 365 days. Allowance for impairment of \$12.0 million has been made for this debt (2021: \$11.6 million).

The Group's and the Company's credit risk exposure for the trade receivables and contract assets by different segment are set out in Note 32(b)(i).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

4. Revenue

(a) Disaggregation of revenue from contracts with customers

	Heavy Lift & Haulage \$'000	Marine Transportation \$'000	Trading \$'000	Total \$'000
2022				
Types of goods or service:				
Rendering of services	18,304	44	–	18,348
Trading sales of equipment and spare parts	200	–	3,076	3,276
Total revenue from contracts with customers	18,504	44	3,076	21,624
Rental income	97,432	3,532	–	100,964
Total revenue	115,936	3,576	3,076	122,588
Timing of revenue recognition:				
At a point in time	200	–	3,076	3,276
Over time	18,304	44	–	18,348
Total revenue from contracts with customers	18,504	44	3,076	21,624
Geographical information:				
Singapore	92,585	254	2,891	95,730
Middle East	2,383	–	–	2,383
India	8,044	538	175	8,757
Malaysia	1,626	28	–	1,654
Thailand	759	451	–	1,210
Indonesia	5,715	–	10	5,725
China	1,246	–	–	1,246
Other countries	3,578	2,305	–	5,883
Total revenue	115,936	3,576	3,076	122,588

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

4. Revenue (continued)

(a) Disaggregation of revenue from contracts with customers (continued)

	Heavy Lift & Haulage \$'000	Marine Transportation \$'000	Trading \$'000	Total \$'000
2021				
Types of goods or service:				
Rendering of services	18,614	293	–	18,907
Trading sales of equipment and spare parts	–	–	394	394
Total revenue from contracts with customers	18,614	293	394	19,301
Rental income	90,298	3,350	–	93,648
Total revenue	108,912	3,643	394	112,949
Timing of revenue recognition:				
At a point in time	–	–	394	394
Over time	18,614	293	–	18,907
Total revenue from contracts with customers	18,614	293	394	19,301
Geographical information:				
Singapore	87,604	445	394	88,443
Brunei	3,706	14	–	3,720
Middle East	1,891	–	–	1,891
India	3,922	–	–	3,922
Malaysia	1,694	1,098	–	2,792
Thailand	1,244	365	–	1,609
Indonesia	4,721	288	–	5,009
China	1,913	–	–	1,913
Other countries	2,217	1,433	–	3,650
Total revenue	108,912	3,643	394	112,949

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

4. Revenue (continued)

(b) Contract assets and liabilities

	30 June		1 July
	2022	2021	2020
	\$'000	\$'000	\$'000
<i>Contract assets</i>			
– Accrued income from non-related parties	1,784	1,003	1,106
– Contract revenue			
– Retentions	–	–	19
Total contract assets	1,784	1,003	1,125
<i>Contract liabilities</i>			
– Deferred revenue	96	172	300
– Deposits and advances received	752	614	651
Total contract liabilities	848	786	951

(i) Revenue recognised in relation to contract liabilities

	2022	2021
	\$'000	\$'000
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period	172	300

(ii) Unsatisfied performance obligation

As permitted under SFRS(I) 15, the remaining unsatisfied performance obligations are not disclosed as they are part of a contract that has expected duration of one year or less.

(c) Trade receivables from contracts with customers

	30 June		1 July
	2022	2021	2020
	\$'000	\$'000	\$'000
<i>Current assets</i>			
Trade receivables from contracts with customers	5,293	5,429	7,488
Loss allowance	(469)	(623)	(575)
	4,824	4,806	6,913

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

5. Expenses by nature

	Group	
	2022	2021
	\$'000	\$'000
Audit fees to:		
Auditors of the Company	278	304
Other auditors	71	52
Non-audit fees to:		
Auditors of the Company	76	128
Other auditors	75	38
Bad debt written off	–	7
Cost of trading equipment and spare parts	2,830	293
Cross-hire charges	1,312	2,733
Depreciation of property, plant and equipment (Note 21)	30,650	30,831
Depreciation of right-of-use assets (Note 22)	1,242	1,219
Employee compensation (Note 6)	41,665	37,392
Freight and handling	712	936
Hire of equipment	798	741
Insurance	2,351	2,314
Professional fees	283	252
Rental expense	445	474
Sub-contractor charges	1,231	1,046
Transportation expense	2,338	2,201
Upkeep of property, plant and equipment	3,565	4,069
Purchases of inventories	4,561	3,728
Changes in inventories	(232)	247
Other expenses	9,094	8,315
Total cost of sales, administrative expenses and other operating expenses	103,345	97,320

6. Employee compensation

	Group	
	2022	2021
	\$'000	\$'000
Wages and salaries	39,030	35,110
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	2,635	2,282
Amounts attributable to operations (Note 5)	41,665	37,392

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

7. Other income

	Group	
	2022	2021
	\$'000	\$'000
Interest income		
– Bank deposits	379	220
Insurance claims received	324	208
Government grants	1,762	3,963
Miscellaneous gains	145	79
	2,610	4,470

Government grant of \$271,000 (2021: \$2,248,000) was recognised during the financial year under the Jobs Support Scheme (the “JSS”). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprise retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

8. Other losses – net

	Group	
	2022	2021
	\$'000	\$'000
Fair value loss on financial assets at fair value through profit and loss	(82)	(30)
Gain on disposal of property, plant and equipment	290	786
Loss on disposal of interest in an associated company	–	(8)
Currency exchange loss – net	(667)	(2,620)
	(459)	(1,872)

9. Finance expenses

	Group	
	2022	2021
	\$'000	\$'000
Interest expense		
– Bank borrowings	1,059	1,057
– Other secured borrowings	1,212	1,521
– Lease liabilities	375	397
– Others	120	–
	2,766	2,975
Currency translation gain – net	–	(2)
	2,766	2,973

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

10. Income taxes

Income tax expense

	Group	
	2022	2021
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Current income tax		
– Singapore	3,884	2,466
– Foreign	1,005	648
	4,889	3,114
Deferred income tax (Note 27)	(21)	585
Tax charge for current financial year	4,868	3,699
(Over)/Under provision in previous financial years		
– current income tax	(40)	139
– deferred income tax (Note 27)	236	177
	5,064	4,015

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2022	2021
	\$'000	\$'000
Profit before income tax	16,392	13,827
Share of loss/(profit) of associated companies and joint venture, net of tax	13	(130)
Profit before tax and share of loss/(profit) of associated companies and joint venture	16,405	13,697
Tax calculated at a tax rate of 17% (2021: 17%)	2,789	2,328
– Statutory income exemptions	(162)	(126)
– Income not subject to tax	(254)	(471)
– Expenses not deductible for tax purposes	2,060	1,580
– Effect of different tax rates in other countries	(35)	(123)
– Deferred tax assets not recognised due to tax losses	654	710
– Utilisation of previously unrecognised tax losses	(184)	(199)
– Under provision in previous financial years	196	316
Tax charge	5,064	4,015

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

11. Earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022	2021
Net profit attributable to equity holders of the Company (\$'000)	11,391	9,873
Weighted average number of ordinary shares on issue for basic and diluted earnings per share ('000)	232,235	232,235
Basic and diluted earnings per share (cents per share)	4.90	4.25

12. Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	23,352	28,525	366	800
Short-term bank deposits	32,622	16,987	-	-
	55,974	45,512	366	800

For the purpose of presenting the consolidated statement of cash flows, the cash and cash equivalents comprise the following:

	Group	
	2022	2021
	\$'000	\$'000
Cash and bank balances (as above)	55,974	45,512
Less: Bank deposits pledged	(952)	(675)
Cash and cash equivalents per consolidated statement of cash flows	55,022	44,837

Bank deposits are pledged as collateral for bank guarantees given by the Group's bankers to certain customers of the Group and to certain authorities.

13. Financial assets, at fair value through profit or loss

	Group	
	2022	2021
	\$'000	\$'000
Listed securities:		
- Equity securities - Singapore	211	288
- Equity securities - Sri Lanka	-	6
	211	294

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

14. Trade and other receivables

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables – third parties	65,852	65,446	-	-
Less: Allowance for impairment of trade receivables (Note 32(b))	(28,752)	(26,307)	-	-
Trade receivables – net	37,100	39,139	-	-
Other receivables – third parties	9,331	3,296	495	495
Less: Allowance for impairment of other receivables (Note 32(b))	(1,826)	(1,621)	(495)	(495)
Other receivables – net	7,505	1,675	-	-
Finance lease receivables (Note 23)	535	483	-	-
Contract assets (Note 4(b))	1,784	1,003	-	-
Withholding tax recoverable	960	1,092	-	-
Accrued income	3,586	3,689	-	-
	51,470	47,081	-	-

15. Inventories

	Group	
	2022 \$'000	2021 \$'000
Fuel and spare parts	2,128	1,895

The cost of inventories recognised as an expense and included in “cost of sales” amounted to \$4,329,000 (2021: \$3,975,000).

16. Other assets

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Current</u>				
Deposits	925	429	-	-
Prepayments	1,107	1,323	9	9
	2,032	1,752	9	9
<u>Non-Current</u>				
Structured deposits	1,196	-	-	-
	3,228	1,752	9	9

Structured deposits are interest-bearing deposits placed with a bank in the current financial year for a period of 4 years.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

17. Other receivables – non-current

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Finance lease receivables (Note 23)	-	535	-	-
Other receivables from subsidiaries (non-trade)				
- non-interest bearing (unsecured)	-	-	43,239	43,131
	-	535	43,239	43,131

The Company's non-interest bearing receivables have no fixed terms of repayment and are not expected to be repaid within the next 12 months. They are intended to be a long-term source of additional capital for the subsidiaries. Settlement of these receivables is neither planned nor likely to occur in the foreseeable future.

18. Investments in associated companies

	Company	
	2022 \$'000	2021 \$'000
<i>Equity investments at cost</i>		
Beginning and end of financial year	1,020	1,020

Equity investments at cost

Beginning and end of financial year

Set out below are the associated companies of the Group, which, in the opinion of the directors, are material to the Group. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

Name of entity	Place of business/ Country of incorporation	% of ownership interest	
		2022	2021
ASB Maritime Resources (L) Ltd	Malaysia	49	49
Asian Supply Base Maritime Resources Sdn Bhd	Malaysia	49	49
PDT Ascend Sdn. Bhd.	Malaysia	39	39

ASB Maritime Resources (L) Ltd provides fast crew boat leasing in Labuan, Malaysia.

Asian Supply Base Maritime Resources Sdn Bhd provides marine support services for offshore drilling activities in the oil and gas industry in Malaysia.

PDT Ascend Sdn. Bhd. provides operation and maintenance of heavy lifting and heavy transport services and other related business in Malaysia.

There are no contingent liabilities relating to the Group's interest in the associated companies.

Summarised financial information for associated companies

Set out below are the summarised financial information for ASB Maritime Resources (L) Ltd, Asian Supply Base Maritime Resources Sdn Bhd and PDT Ascend Sdn. Bhd..

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

18. Investments in associated companies (continued)

Summarised balance sheet

	ASB Maritime Resources (L) Ltd		Asian Supply Base Maritime Resources Sdn Bhd		PDT Ascend Sdn. Bhd.		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	3,722	2,331	3,922	3,286	97	197	7,741	5,814
Includes:								
– Cash and cash equivalents	72	68	185	34	16	53	273	155
Current liabilities	(500)	(245)	(3,506)	(2,506)	(70)	(18)	(4,076)	(2,769)
Non-current assets	2,337	2,836	51	67	15	2	2,403	2,905
Net assets	5,559	4,922	467	847	42	181	6,068	5,950

Summarised statement of comprehensive income/(loss)

	ASB Maritime Resources (L) Ltd		Asian Supply Base Maritime Resources Sdn Bhd		PDT Ascend Sdn. Bhd.		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	1,280	860	2,131	2,079	160	94	3,571	3,033
Expenses								
Includes:								
– Depreciation and amortisation	(582)	(575)	(9)	(7)	(1)	–	(592)	(582)
– Interest expense	–	–	–	(1)	–	–	–	(1)
Profit/(Loss) from continuing operations	457	113	(372)	111	(141)	(25)	(56)	199
Post-tax profit/(loss) from continuing operations and total comprehensive income/(loss)	457	113	(372)	111	(141)	(25)	(56)	199

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated companies.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

18. Investments in associated companies (continued)

Reconciliation of summarised financial information

	ASB Maritime Resources (L) Ltd		Asian Supply Base Maritime Resources Sdn Bhd		PDT Ascend Sdn. Bhd.		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net assets								
At 1 July	4,922	4,980	847	739	181	188	5,950	5,907
Profit/(Loss) for the year	457	113	(372)	111	(141)	(25)	(56)	199
Foreign exchange differences	180	(171)	(8)	(3)	2	18	174	(156)
At 30 June	5,559	4,922	467	847	42	181	6,068	5,950
Interest in associated companies	2,724	2,412	229	415	16	71	2,969	2,898
Carrying value	2,724	2,412	229	415	16	71	2,969	2,898

19. Investment in a joint venture

	Company	
	2022	2021
	\$'000	\$'000
<i>Equity investment at cost</i>		
Beginning of financial year	-	2,074
Acquisition of remaining shareholding during the financial year	-	(2,074)
End of financial year	-	-

In the prior financial year, the Company acquired the remaining shareholding in the joint venture. As a result, the joint venture has become a wholly owned subsidiary of the Company as at 30 June 2021 (Note 20) and accounted for as an asset acquisition to the Group (Note 35).

20. Investments in subsidiaries

	Company	
	2022	2021
	\$'000	\$'000
<i>Equity investments, at cost</i>		
Beginning of financial year	47,177	43,401
Additional investment in a subsidiary	-	3,776
	47,177	47,177
Less: Provision for impairment in investment	(2,293)	(2,293)
End of financial year	44,884	44,884

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

20. Investments in subsidiaries (continued)

The Group has the following subsidiaries as at 30 June 2022 and 2021:

Name of companies	Principal activities	Country of incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2022 %	2021 %	2022 %	2021 %	2022 %	2021 %
Subsidiaries held by the Company								
Tiong Woon Crane & Transport (Pte) Ltd ^(a)	Hiring out of cranes and transport and trading	Singapore	100	100	100	100	-	-
Tiong Woon Crane Pte. Ltd. ^(a)	Hiring out of cranes and transport	Singapore	100	100	100	100	-	-
Tiong Woon Project & Contracting Pte. Ltd. ^(a)	Mechanical and infrastructure engineering services and structural works	Singapore	100	100	100	100	-	-
Tiong Woon Enterprise Pte Ltd ^(a)	Trading of cranes	Singapore	100	100	100	100	-	-
Tiong Woon International Pte. Ltd. ^(a)	Investment holding, hiring out of cranes and transport and supply chain management	Singapore	100	100	100	100	-	-
Tiong Woon Tower Crane Pte. Ltd. ^(a)	Selling, servicing and leasing of equipment in the petroleum, construction, shipbuilding and related industries	Singapore	100	100	100	100	-	-
Tiong Woon Marine Pte Ltd ^(a)	Marine/transportation logistics related business	Singapore	100	100	100	100	-	-
Tiong Woon Offshore Pte. Ltd. ^(a)	Marine/transportation logistics related business	Singapore	100	100	100	100	-	-
TW (Sabah) Pte. Ltd. ^(a)	Marine/transportation logistics related business	Singapore	100	100	100	100	-	-
Tiong Woon China Consortium Pte. Ltd. ^(a)	Investment holding	Singapore	100	100	100	100	-	-
Tiong Woon Logistics Pte. Ltd. ^(a)	Freight forwarding services and logistics related business	Singapore	100	100	100	100	-	-
Tiong Woon Teck Aik Enterprise Pte. Ltd. ^(a)	Dormant	Singapore	100	100	100	100	-	-

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For The Financial Year Ended 30 June 2022

20. Investments in subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2022	2021	2022	2021	2022	2021
			%	%	%	%	%	%
Subsidiaries held by the Company (continued)								
Tiong Woon Crane & Transport (M) Sdn Bhd ^(b)	Hiring out of cranes and transport	Malaysia	100	100	100	100	-	-
Tiong Woon Offshore Sdn Bhd ^{(c)(a)}	Marine/transportation logistics related business	Malaysia	100	100	100	100	-	-
Tiong Woon Thai Co., Ltd. ^{(d)(a)}	Hiring out of cranes and transport	Thailand	100	100	100	100	-	-
Thai Contracting & Enterprises Co., Ltd. ^{(d)(a)}	Hiring out of cranes and transport	Thailand	100	100	100	100	-	-
P.T. TWC Indonesia ^(e)	Hiring out of cranes and transport	Indonesia	100	100	100	100	-	-
TWC Arabia Company Ltd ^(f)	Hiring out of cranes and transport	Saudi Arabia	100	100	100	100	-	-
Tiong Woon Vietnam Company Limited ^(g)	Hiring out of cranes and transport	Vietnam	100	100	100	100	-	-
Tiong Woon Myanmar Company Limited ^(h)	Hiring out of cranes and transport	Myanmar	100	100	100	100	-	-
5 Elephant Co., Ltd ^{(h)(a)}	Hiring out of cranes and transport	Myanmar	100	100	100	100	-	-
Tiong Woon Crane & Transport Lanka (Pvt) Ltd ⁽ⁱ⁾	Hiring out of cranes and transport	Sri Lanka	80	80	80	80	20	20
Tiong Woon Services Sdn Bhd ^{(i)(a)}	Heavy lifting, heavy transportation, mechanical installation, equipment leasing and marine transportation	Brunei Darussalam	100	100	100	100	-	-
Tiong Woon Bangladesh Limited ^{(k)(a)}	Hiring of heavy machinery and equipment, engineering and technical services, import, export and transportation	Bangladesh	100	100	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

20. Investments in subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2022	2021	2022	2021	2022	2021
			%	%	%	%	%	%
Subsidiary held by Tiong Woon Crane & Transport (Pte) Ltd								
Tiong Woon Crane & Equipment Pte. Ltd. ^(a)	Hiring out of cranes and transport	Singapore	-	-	100	100	-	-
Subsidiary held by Tiong Woon Project & Contracting Pte. Ltd.								
Tiong Woon Project & Contracting (India) Private Limited ^(b)	Mechanical and infrastructure engineering services and structural works	India	-	-	100	100	-	-
Subsidiaries held by Tiong Woon International Pte. Ltd.								
P.T. Tiong Woon Indonesia ^(m)	Dormant	Indonesia	-	-	100	100	-	-
Tiong Woon Philippines, Inc ⁽ⁿ⁾	Hiring out of cranes and transport	Philippines	-	-	100	100	-	-
Subsidiary held by Tiong Woon Tower Crane Pte. Ltd.								
Tower Cranes Services Pte. Ltd. ^(a)	Servicing, erection, jacking and dismantling of tower cranes	Singapore	-	-	100	100	-	-
Subsidiary held by Tiong Woon China Consortium Pte. Ltd.								
Tiong Woon (Huizhou) Industrial Services Co., Ltd ^(a)	Heavy lifting services in the oil, gas, petrochemicals and other related construction industries	People's Republic of China	-	-	100	100	-	-
Subsidiary held by Tiong Woon Crane & Transport (M) Sdn Bhd								
Tiong Woon Crane Sdn Bhd ^{(b)(c)}	Hiring out of cranes and transport	Malaysia	-	-	100	100	-	-
Subsidiary held by Tiong Woon Crane & Transport Lanka (Pvt) Ltd								
Golden Argo (Pvt) Ltd ^(p)	Investment holding	Sri Lanka	-	-	-	80	-	20

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

20. Investments in subsidiaries (continued)

- (a) Audited by PricewaterhouseCoopers LLP, Singapore
- (b) Audited by Baker Tilly HYT
- (c) Audited by Ng, Lee & Partners
- (d) Audited by FBLP Audit and Business Consulting Services Ltd
- (e) Audited by KAP Handoko & Suparmun
- (f) Audited by PricewaterhouseCoopers, Al-Khobar
- (g) Audited by DCPA Auditing and Consulting Company Limited
- (h) Audited by Ngwe Inzaly Audit Firm
- (i) Audited by E-TEC Associates
- (j) Audited by Deloitte & Touche.
- (k) Audited by Howladar Yunus & Co.
- (l) Audited by Sundaram & Narayanan Chartered Accountants
- (m) Not required to be audited under the laws of the country of incorporation
- (n) Audited by Cruz – Caymo, Partners & Associates
- (o) Audited by Huizhou Huizheng Certified Public Accountants
- (p) Not required to be audited under the laws of the country of incorporation (struck off during the financial year)
- (q) Includes shares held in trust by employees of the Group

Summarised financial information of subsidiaries with material non-controlling interests

There are no subsidiaries that has non-controlling interests that are material to the Group.

There were no transactions with non-controlling interests for the financial years ended 30 June 2022 and 2021.

Carrying value of non-controlling interests

	2022	2021
	\$'000	\$'000
Subsidiaries with immaterial non-controlling interests	(29)	26

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

21. Property, plant and equipment

Group 2022	Freehold land \$'000	Leasehold land \$'000	Leasehold buildings \$'000	Machinery \$'000	Tug boats and barges \$'000	Office equipment \$'000	Computer software \$'000	Furniture and fixtures \$'000	Office renovation \$'000	Motor vehicles \$'000	Asset under construction \$'000	Total \$'000
Cost												
Beginning of financial year	7,399	1,809	81,661	558,525	41,507	3,908	1,265	2,092	678	2,445	312	701,601
Additions	-	29	9,241	25,683	101	178	52	138	30	84	164	35,700
Disposals	-	-	-	(12,847)	(1,034)	(4)	-	(3)	-	(309)	-	(14,197)
Exchange differences	(215)	(9)	(17)	(1,734)	(161)	24	-	(1)	(27)	(27)	-	(2,167)
End of financial year	7,184	1,829	90,885	569,627	40,413	4,106	1,317	2,226	681	2,193	476	720,937
Accumulated depreciation												
Beginning of financial year	-	(545)	(17,063)	(290,277)	(37,865)	(3,837)	(1,233)	(1,463)	(632)	(1,819)	-	(354,734)
Depreciation charge	-	(31)	(3,092)	(25,810)	(1,155)	(154)	(21)	(136)	(33)	(218)	-	(30,650)
Disposals	-	-	-	8,846	886	3	-	2	-	278	-	10,015
Exchange differences	-	4	10	917	132	(25)	-	1	25	22	-	1,086
End of financial year	-	(572)	(20,145)	(306,324)	(38,002)	(4,013)	(1,254)	(1,596)	(640)	(1,737)	-	(374,283)
Net book value	7,184	1,257	70,740	263,303	2,411	93	63	630	41	456	476	346,654
End of financial year												

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

21. Property, plant and equipment (continued)

	Freehold land \$'000	Leasehold land \$'000	Leasehold buildings \$'000	Machinery \$'000	Tug boats and barges \$'000		Office equipment \$'000	Computer software \$'000	Furniture and fixtures \$'000	Office renovation \$'000	Motor vehicles \$'000	Asset under construction \$'000	Total \$'000
					Office equipment \$'000	Computer software \$'000							
Group 2021													
<i>Cost</i>													
Beginning of financial year	7,530	1,735	81,585	547,780	40,638	3,876	1,243	2,041	715	2,803	493	690,439	
Additions	-	-	-	20,564	900	87	22	57	-	33	21	21,684	
Disposals	-	-	-	(8,497)	-	(6)	-	(4)	-	(336)	-	(8,843)	
Reclassification	-	-	-	202	-	-	-	-	-	-	(202)	-	
Exchange differences	(131)	74	76	(1,524)	(31)	(49)	-	(2)	(37)	(55)	-	(1,679)	
End of financial year	7,399	1,809	81,661	558,525	41,507	3,908	1,265	2,092	678	2,445	312	701,601	
<i>Accumulated depreciation</i>													
Beginning of financial year	-	(498)	(14,045)	(270,046)	(36,366)	(3,640)	(1,205)	(1,301)	(605)	(1,948)	-	(329,654)	
Depreciation charge	-	(30)	(2,986)	(25,548)	(1,526)	(248)	(27)	(168)	(58)	(240)	-	(30,831)	
Disposals	-	-	-	4,487	-	5	-	4	-	321	-	4,817	
Exchange differences	-	(17)	(32)	830	27	46	(1)	2	31	48	-	934	
End of financial year	-	(545)	(17,063)	(290,277)	(37,865)	(3,837)	(1,233)	(1,463)	(632)	(1,819)	-	(354,734)	
Net book value													
End of financial year	7,399	1,264	64,598	268,248	3,642	71	32	629	46	626	312	346,867	

(a) Additions in the consolidated financial statements include \$10,002,000 (2021: \$406,000) acquired by means of other secured borrowings.

(b) The carrying amount of machinery and motor vehicles of the Group under other secured borrowings (Note 26) amounted to \$70,841,000 (2021: \$73,449,000).

(c) Bank borrowings are secured on property, plant and equipment of the Group with carrying amounts of \$79,907,000 (2021: \$73,315,000) [Note 25(a)].

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

22. Leases – The Group as a lessee

Nature of the Group's leasing activities

Leasehold land

The Group leases leasehold land which is used for its office, operations and dormitory.

- (a) Carrying amounts and depreciation charge during the year

Right-of-use assets

	Leasehold land \$'000
<u>Group</u>	
2022	
<i>Cost</i>	
Beginning of financial year	14,252
Additions	2,553
End of financial year	<u>16,805</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	(2,380)
Depreciation charge (Note 5)	(1,242)
End of financial year	<u>(3,622)</u>
Net book value	
End of financial year	<u>13,183</u>
2021	
<i>Cost</i>	
Beginning of financial year	13,474
Additions	778
End of financial year	<u>14,252</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	(1,161)
Depreciation charge (Note 5)	(1,219)
End of financial year	<u>(2,380)</u>
Net book value	
End of financial year	<u>11,872</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

22. Leases – The Group as a lessee (continued)

Nature of the Group's leasing activities (continued)

Leasehold land (continued)

	Group	
	2022	2021
	\$'000	\$'000
(b) Interest expense		
Interest expense on lease liabilities (Note 9)	375	397
(c) Lease expense not capitalised in lease liabilities		
Lease expense:		
– short-term leases	1,749	3,200
– low-value leases	8	8
	1,757	3,208
(d) Total cash outflow for all the leases in 2022 was \$3,246,000 (2021: \$4,682,000).		

23. Leases – The Group as a lessor

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out their property, plant and equipment to third parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	2022	2021
	\$'000	\$'000
Not later than one year	19,900	17,981
One to two years	6,929	5,111
Two to three years	53	547
Three to four years	–	24
Total undiscounted lease payments	26,882	23,663

The Group has leased out machinery to a third party for monthly lease payments with an option for the lessee to purchase at the end of the lease term. These leases are classified as finance leases as it is reasonably certain that the option will be exercised.

Finance income on the finance leases during the financial year is \$117,000 (2021: \$54,000).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

23. Leases – The Group as a lessor (continued)

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	2022 \$'000	2021 \$'000
Not later than one year	575	600
One to two years	–	575
Total undiscounted lease payments	575	1,175
Less: Unearned finance income	(40)	(157)
Finance lease receivable	535	1,018
Current (Note 14)	535	483
Non-current (Note 17)	–	535
Total	535	1,018

24. Trade and other payables

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<i>Current</i>				
Trade payables to third parties	21,749	14,014	–	–
Other payables to third parties	2,506	3,651	3	13
Contract liabilities (Note 4(b))	848	786	–	–
Deferred income	789	1,504	–	–
Deposits and advances received	5,097	6,667	–	–
Accrued operating expenses	9,608	8,756	256	264
	40,597	35,378	259	277
<i>Non-current</i>				
Trade payables to third parties	5,361	4,761	–	–
Total trade payables to third parties	45,958	40,139	259	277

Deferred income includes deferred government grant income (Note 7) of \$8,000 (2021: \$315,000).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

25. Borrowings

	Group	
	2022	2021
	\$'000	\$'000
<i>Current</i>		
Bank borrowings	6,874	5,555
Other secured borrowings (Note 26)	13,620	12,489
Lease liabilities	697	1,009
	21,191	19,053
<i>Non-current</i>		
Bank borrowings	56,619	56,388
Other secured borrowings (Note 26)	25,537	30,418
Lease liabilities	12,927	11,175
	95,083	97,981
Total borrowings	116,274	117,034

The exposure of the borrowings of the Group to interest rate changes amounts to \$57,549,000 (2021: \$54,943,000). These borrowings are contractually repriced between one to three months. The remaining borrowings are fixed rate borrowings and are not subject to interest rate changes.

(a) Security granted

Total borrowings include secured liabilities of \$102,650,000 (2021: \$104,850,000) of the Group.

Bank borrowings of the Group are secured by a first legal charge over certain of the Group's property, plant and equipment (Note 21).

Other secured borrowings of the Group are effectively secured over the leased machinery and motor vehicles (Note 21), as the legal titles are retained by the lessor and will be transferred to the Group upon full settlement of the Other secured borrowings.

(b) Fair value of non-current bank and other secured borrowings

	Carrying amounts		Fair values	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
Bank borrowings	56,619	56,388	56,470	56,237
Other secured borrowings	25,537	30,418	24,834	28,471

The fair values of the non-current borrowings, classified as a Level 2 financial liability, are determined from discounted cash flows analyses, using discount rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group	
	2022	2021
	%	%
Bank borrowings	2.14	1.69
Other secured borrowings	2.84	2.97

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

26. Other secured borrowings

The Group leases certain machinery and motor vehicles from non-related parties under other secured borrowings. The lease agreements do not have renewal clauses.

	Group	
	2022	2021
	\$'000	\$'000

Minimum lease payments due:

- not later than one year
- later than one year but not later than five years

14,533	13,570
26,345	31,670
40,878	45,240
(1,721)	(2,333)
39,157	42,907

Less: Future finance charges

Present value of other secured borrowings

The present value of other secured borrowings are analysed as follows:

- Not later than one year (Note 25)
- Later than one year but not later than five years
- Later than five years

13,620	12,489
25,537	30,353
–	65
39,157	42,907

The other secured borrowings are secured on the machinery and motor vehicles acquired (Note 21) as well as assignment of insurances.

27. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group	
	2022	2021
	\$'000	\$'000

Deferred income tax assets:

- to be recovered after one year

(398)	(503)
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Deferred income tax liabilities:

- to be settled within one year
- to be settled after one year

47	19
28,266	28,196
28,313	28,215

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

27. Deferred income taxes (continued)

The movement in the net deferred income tax account is as follows:

	Group	
	2022	2021
	\$'000	\$'000
Beginning of financial year	27,712	26,945
Charged to profit or loss (Note 10)	(21)	585
Under provision in prior financial years (Note 10)	236	177
Exchange differences	(12)	5
End of financial year	27,915	27,712

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits are probable. The Group has unrecognised tax losses of approximately \$30,509,000 (2021: \$31,646,000) at the balance sheet date, which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date except for an amount of \$10,838,000 (2021: \$12,727,000) which will expire between 2023 to 2030 (2021: 2022 to 2029).

Deferred income tax liabilities of \$856,000 (2021: \$947,000) have not been recognised for the withholding and other taxes that will be payable on the earnings of certain overseas subsidiaries when remitted to the holding company. These unremitted earnings are permanently reinvested and amounted to \$8,453,000 (2021: \$9,472,000) at the balance sheet date.

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation	Lease assets	Total
	\$'000	\$'000	\$'000
2022			
Beginning of financial year	28,359	2,018	30,377
(Credited)/Charged to profit or loss	(207)	223	16
Exchange differences	(22)	–	(22)
End of financial year	28,130	2,241	30,371
2021			
Beginning of financial year	27,522	2,093	29,615
Charged/(Credited) to profit or loss	844	(75)	769
Exchange differences	(7)	–	(7)
End of financial year	28,359	2,018	30,377

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

27. Deferred income taxes (continued)

Group (continued)

Deferred income tax assets

	Unabsorbed capital allowances and unutilised tax losses \$'000	Provisions \$'000	Lease liabilities \$'000	Total \$'000
2022				
Beginning of financial year	(503)	(144)	(2,018)	(2,665)
Charged/(Credited) to profit or loss	360	62	(223)	199
Exchange differences	10	–	–	10
End of financial year	(133)	(82)	(2,241)	(2,456)
2021				
Beginning of financial year	(515)	(62)	(2,093)	(2,670)
(Credited)/Charged to profit or loss	–	(82)	75	(7)
Exchange differences	12	–	–	12
End of financial year	(503)	(144)	(2,018)	(2,665)

28. Share capital

The Group's share capital comprises fully paid up 232,235,253 (2021: 232,235,253) ordinary shares with no par value, amounting to a total of \$87,340,000 (2021: \$87,340,000).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

29. Other reserves

	Group	
	2022 \$'000	2021 \$'000
(a) <u>Composition:</u>		
Foreign currency translation reserve (non-distributable)	(2,563)	(2,107)
Asset acquisition reserve	1,352	1,352
Capital reserve (non-distributable)	329	329
	(882)	(426)
(b) <u>Movements:</u>		
<i>Foreign currency translation reserve</i>		
Beginning of financial year	(2,107)	(3,293)
Net currency translation differences of financial statements of foreign subsidiaries	(446)	1,179
Less: Non-controlling interest	(10)	7
	(456)	1,186
End of financial year	(2,563)	(2,107)
<i>Asset acquisition reserve</i>		
Beginning of financial year	1,352	-
Asset acquisition (Note 35)	-	1,352
End of financial year	1,352	1,352
<i>Capital reserve</i>		
Beginning and end of financial year	329	329

Capital reserve represents amounts set aside in compliance with local laws in a country where the Group operates.

30. Dividends

	Group	
	2022 \$'000	2021 \$'000
<i>Ordinary dividends</i>		
Final dividend paid in respect of the previous financial year of 0.4 cent (2021: 0.3 cent) per share	929	697

At the Annual General Meeting to be held in October 2022, a final dividend of 0.35 cent and special dividend of 0.15 cent per share amounting to a total of \$1,161,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

31. Commitments

Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2022	2021
	\$'000	\$'000
Property and equipment	5,247	7,847

32. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks, including market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's policies for managing each of these risks are summarised below:

(a) Market risk

(i) *Currency risk*

The Group operates mainly in Asia with dominant operations in Singapore. Entities in the Group regularly transact in currencies other than their respective functional currencies such as the Singapore Dollar ("SGD"), United States Dollar ("USD"), Chinese Renminbi ("RMB"), Thai Baht ("THB"), Saudi Arabian Riyal ("SAR"), Indian Rupee ("INR") and Malaysian Ringgit ("MYR"). In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's operations in China, Thailand, Saudi Arabia, India and Malaysia are managed as far as possible by natural hedges of matching assets and liabilities.

The Group currently does not have a formal hedging policy with respect to its foreign exchange exposure. The Group will continue to monitor its foreign exchange exposure in the future and will consider hedging any material foreign exchange exposure should the need arise.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

32. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	RMB \$'000	THB \$'000	SAR \$'000	INR \$'000	MYR \$'000	Others \$'000	Total \$'000
At 30 June 2022									
Financial assets									
Cash and cash equivalents	32,537	9,360	3,391	351	127	5,383	685	4,140	55,974
Financial assets, at fair value through profit or loss	211	-	-	-	-	-	-	-	211
Trade and other receivables	33,022	4,522	934	448	1,679	3,617	940	3,328	48,490
Receivables from subsidiaries	196,343	2,939	-	1,022	29,943	21,428	4,171	13,805	269,651
Other assets	1,222	707	-	6	9	132	20	25	2,121
	263,335	17,528	4,325	1,827	31,758	30,560	5,816	21,298	376,447
Financial liabilities									
Borrowings	116,274	-	-	-	-	-	-	-	116,274
Payables to subsidiaries	196,343	2,939	-	1,022	29,943	21,428	4,171	13,805	269,651
Trade and other payables	14,754	14,091	5,855	618	1,908	725	324	1,588	39,863
	327,371	17,030	5,855	1,640	31,851	22,153	4,495	15,393	425,788
Net financial (liabilities)/ assets	(64,036)	498	(1,530)	187	(93)	8,407	1,321	5,905	(49,341)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	63,741	(619)	(3,415)	(188)	94	(7,105)	(1,323)	(5,928)	45,257
Currency exposure	(295)	(121)	(4,945)	(1)	1	1,302	(2)	(23)	(4,084)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

32. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:
(continued)

	SGD \$'000	USD \$'000	RMB \$'000	THB \$'000	SAR \$'000	INR \$'000	MYR \$'000	Others \$'000	Total \$'000
At 30 June 2021									
Financial assets									
Cash and cash equivalents	29,370	2,143	3,052	1,286	54	4,516	668	4,423	45,512
Financial assets, at fair value through profit or loss	288	-	-	-	-	-	-	6	294
Trade and other receivables	30,662	6,242	1,465	376	1,265	2,031	697	3,302	46,040
Receivables from subsidiaries	180,900	2,840	-	1,343	27,551	12,080	10,208	15,066	249,988
Deposits	243	11	-	6	9	99	22	39	429
	<u>241,463</u>	<u>11,236</u>	<u>4,517</u>	<u>3,011</u>	<u>28,879</u>	<u>18,726</u>	<u>11,595</u>	<u>22,836</u>	<u>342,263</u>
Financial liabilities									
Borrowings	117,034	-	-	-	-	-	-	-	117,034
Payables to subsidiaries	180,900	2,840	-	1,343	27,551	12,080	10,208	15,066	249,988
Trade and other payables	16,541	7,540	4,534	608	1,871	493	349	2,029	33,965
	<u>314,475</u>	<u>10,380</u>	<u>4,534</u>	<u>1,951</u>	<u>29,422</u>	<u>12,573</u>	<u>10,557</u>	<u>17,095</u>	<u>400,987</u>
Net financial (liabilities)/ assets	(73,012)	856	(17)	1,060	(543)	6,153	1,038	5,741	(58,724)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	72,787	(619)	(3,386)	(1,061)	543	(4,821)	(1,041)	(5,770)	56,632
Currency exposure	(225)	237	(3,403)	(1)	-	1,332	(3)	(29)	(2,092)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

32. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk (continued)*

If the USD, RMB and INR change against the SGD by 5% (2021: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	(Decrease)/Increase Profit after tax	
	2022	2021
	\$'000	\$'000
<u>Group</u>		
USD against SGD		
- strengthened	(5)	10
- weakened	5	(10)
RMB against SGD		
- strengthened	(205)	(141)
- weakened	205	141
INR against SGD		
- strengthened	54	55
- weakened	(54)	(55)

The Company is not exposed to any other significant foreign currency risk.

(ii) *Price risk*

The Group has insignificant exposure to equity price risk as it does not hold any significant equity financial assets.

(iii) *Cash flow and fair value interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities. The Group's borrowings include other secured borrowings, lease liabilities, term loans and bank loans.

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD. If the SGD interest rates increase/decrease by 0.50% (2021: 0.50%) with all other variables including tax rate being held constant, the effect on the profit after tax will be as follows:

	(Decrease)/Increase Profit after tax	
	2022	2021
	\$'000	\$'000
<u>Group</u>		
Interest rate		
- increased	(239)	(228)
- decreased	239	228

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

32. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade and other receivables, the Group adopts the policy of dealing only with customers with an appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For bank deposits, the Group adopts the policy of dealing with banks with good credit-rating assigned by international credit-rating agencies.

As at 30 June 2022, the Group has exposure to one debtor which individually represented 14.6% (2021: 15.5%) of total trade and other receivables. Allowance for impairment has been fully made for this debt. Apart from this, concentrations of credit risk with respect to other customers are limited as they are dispersed over the Asian region.

The movement in allowance for impairment of trade and other receivables are as follows:

	Trade receivables \$'000	Other receivables \$'000
<u>Group</u>		
Balance at 30 June 2021	26,307	1,621
Loss allowance recognised in profit or loss during the financial year on:		
- Reversal of unutilised amounts	(355)	-
- Receivables impaired	2,578	-
	2,223	-
Receivables written off as uncollectible	(92)	-
Reclassification	(205)	205
Currency translation difference	519	-
Balance at 30 June 2022	28,752	1,826
Balance at 1 July 2020	25,757	1,642
Loss allowance recognised in profit or loss during the financial year on:		
- Reversal of unutilised amounts	(392)	(21)
- Receivables impaired	1,970	-
	1,578	(21)
Receivables written off as uncollectible	(240)	-
Currency translation difference	(788)	-
Balance at 30 June 2021	26,307	1,621

The Group and the Company held cash and cash equivalents of \$55,974,000 (2021: \$45,512,000) and \$366,000 (2021: \$800,000) respectively with banks which have good credit-ratings and consider to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit losses.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

32. Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit losses for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each operating segment, and adjusts, where material, for forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a receivable for write off when a debtor fails to make contractual payment. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables and contract assets as at 30 June 2022 and 2021 are set out in the provision matrix as follows:

	← Past due →					Total \$'000
	Current \$'000	Within 30 days \$'000	30 to 60 days \$'000	60 to 90 days \$'000	More than 90 days \$'000	
2022						
Heavy Lift & Haulage						
Expected loss rate	-	-	-	0%	75%	
Contract assets	1,784	-	-	-	-	1,784
Trade receivables	12,195	9,030	4,791	2,669	32,425	61,110
Loss allowances	-	-	-	2	24,465	24,467
2021						
Heavy Lift & Haulage						
Expected loss rate	-	1%	-	-	76%	
Contract assets	1,003	-	-	-	-	1,003
Trade receivables	10,845	11,990	5,194	1,988	30,853	60,870
Loss allowances	-	100	-	-	23,524	23,624

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

32. Financial risk management (continued)

(b) Credit risk (continued)

(i) *Trade receivables and contract assets* (continued)

	Current \$'000	← Past due →				Total \$'000
		Within 30 days \$'000	30 to 60 days \$'000	60 to 90 days \$'000	More than 90 days \$'000	
2022						
Marine Transportation						
Expected loss rate	34%	40%	95%	69%	97%	
Trade receivables	370	134	57	78	4,078	4,717
Loss allowances	125	54	54	54	3,973	4,260
2021						
Marine Transportation						
Expected loss rate	-	-	-	-	64%	
Trade receivables	186	172	1	12	4,180	4,551
Loss allowances	-	-	-	-	2,658	2,658
2022						
Trading						
Expected loss rate	-	-	-	-	100%	
Trade receivables	-	-	-	-	25	25
Loss allowances	-	-	-	-	25	25
2021						
Trading						
Expected loss rate	-	-	-	-	100%	
Trade receivables	-	-	-	-	25	25
Loss allowances	-	-	-	-	25	25

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

32. Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities deemed necessary to finance the Group's operations.

The table below analyses the maturity profile of the non-derivative financial liabilities of the Group and the Company based on contractual undiscounted cash flows.

Group	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	More than 5 years \$'000	Total \$'000
2022					
Trade and other payables	(34,503)	(4,031)	(1,330)	–	(39,864)
Lease liabilities	(1,095)	(1,036)	(3,107)	(12,927)	(18,165)
Borrowings (excluding lease liabilities)	(22,640)	(21,787)	(32,329)	(35,857)	(112,613)
	(58,238)	(26,854)	(36,766)	(48,784)	(170,642)
2021					
Trade and other payables	(29,204)	(4,283)	(478)	–	(33,965)
Lease liabilities	(1,379)	(730)	(2,189)	(12,586)	(16,884)
Borrowings (excluding lease liabilities)	(19,834)	(18,409)	(35,530)	(38,352)	(112,125)
	(50,417)	(23,422)	(38,197)	(50,938)	(162,974)
Company					
				1 year or less \$'000	Total \$'000
2022					
Trade and other payables				(259)	(259)
2021					
Trade and other payables				(277)	(277)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management manages capital based on tangible net worth of the Group and a number of key ratios including gross debt-equity ratio and gross liabilities-equity ratio. The Group is required by the banks to maintain a certain amount of minimum tangible net worth and maximum gross debt-equity ratio and gross liabilities-equity ratio. Net tangible worth is calculated as total equity less intangible assets, if any. The gross debt-equity ratio is calculated as total borrowings divided by tangible net worth and the gross liabilities-equity ratio is calculated as total liabilities divided by tangible net worth.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

32. Financial risk management (continued)

(d) Capital risk (continued)

	2022	2021
	\$'000	\$'000
Group		
Total borrowings	116,274	117,034
Total equity	280,924	270,918
Gearing ratio	41%	43%

The Group is in compliance with all externally imposed capital requirements for the financial years ended 30 June 2022 and 2021.

(e) Fair value measurements

The fair values of current financial assets and liabilities, carried at amortised cost, approximate their carrying amounts.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

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

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Group				
2022				
<i>Asset</i>				
Financial assets, at fair value through profit or loss	211	–	–	211
2021				
<i>Asset</i>				
Financial assets, at fair value through profit or loss	294	–	–	294

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

32. Financial risk management (continued)

(f) Financial instruments by category

The carrying amounts of financial assets, at fair value through profit or loss are disclosed on the face of the balance sheet. The aggregate carrying amounts of the different categories of financial instruments are as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assets, at amortised cost	106,585	91,981	366	800
Financial liabilities, at amortised cost	156,137	150,999	259	277

(g) Offsetting of financial assets and financial liabilities

The Group has no financial assets and liabilities that are being offset and presented net on the face of the balance sheet.

33. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2022 \$'000	2021 \$'000
Sales to corporations in which certain directors or their close family members have control or significant influence over:		
- Sales and rental of equipment and rendering of services	334	476
Purchases from corporations in which certain directors or their close family members have control or significant influence over:		
- Rental of equipment	139	71

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2022 \$'000	2021 \$'000
Salaries and other short-term employee benefits	5,392	4,347
Employer's contribution to defined contribution plans, including Central Provident Fund	210	182
	5,602	4,529

Included in the above is total compensation to the directors of the Company of \$3,276,000 (2021: \$2,908,000), of which compensation to the executive directors amounted to \$3,131,000 (2021: \$2,778,000).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

34. Segment information

The Senior Management of the Group comprises the Executive Chairman, Executive Directors and key senior management personnel of the Group. Management has determined the operating segments based on the reports reviewed by the Senior Management of the Group that are used to make strategic decisions and assess performance.

Management considers the business from the business segment perspective. From a business segment perspective, management separately considers the sale, and business activities in these geographic areas. The main geographic areas are engaged in heavy lift and haulage activities.

The segment information provided to the Senior Management of the Group for the reportable segments is as follows:

(a) Reportable segments

	Heavy lift and haulage \$'000	Marine transportation \$'000	Trading \$'000	Total \$'000
Financial year ended				
30 June 2022				
Revenue:				
- external sales	115,936	3,576	3,076	122,588
- inter-segment sales	411	1,096	-	1,507
	116,347	4,672	3,076	124,095
Elimination				(1,507)
				122,588
Segment result	20,051	(1,062)	234	19,223
Depreciation - property, plant and equipment				(2,924)
Depreciation - ROU assets				(505)
Other income				2,610
Other losses - net				(459)
Finance costs				(1,540)
Share of (loss)/profit of associated companies	(55)	42	-	(13)
Profit before income tax				16,392
Income tax expense				(5,064)
Net profit				11,328
Other segment items				
Capital expenditure				
- property, plant and equipment	35,599	101	-	35,700
- ROU assets	2,553	-	-	2,553
Depreciation - property, plant and equipment	26,531	1,180	15	27,726
Depreciation - ROU assets	737	-	-	737
Segment assets	396,694	5,107	461	402,262
Investment in associated companies	16	2,953	-	2,969
Unallocated assets				71,026
Consolidated total assets				476,257
Segment liabilities	(102,294)	(613)	(168)	(103,075)
Unallocated liabilities				(92,287)
Consolidated total liabilities				(195,362)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

34. Segment information (continued)

(a) Reportable segments (continued)

	Heavy lift and haulage \$'000	Marine transportation \$'000	Trading \$'000	Total \$'000
Financial year ended				
30 June 2021				
Revenue:				
- external sales	108,912	3,643	394	112,949
- inter-segment sales	619	1,635	-	2,254
	109,531	5,278	394	115,203
Elimination				(2,254)
				<u>112,949</u>
Segment result	16,803	(962)	81	15,922
Depreciation - property, plant and equipment				(2,903)
Depreciation - ROU assets				(505)
Other income				4,470
Other losses - net				(1,872)
Finance costs				(1,415)
Share of (loss)/profit of associated companies	(10)	110	-	100
Share of profit of a joint venture	30	-	-	30
Profit before income tax				13,827
Income tax expense				(4,015)
Net profit				<u>9,812</u>
Other segment items				
Capital expenditure				
- property, plant and equipment	20,766	918	-	21,684
- ROU assets	778	-	-	778
Depreciation - property, plant and equipment	26,363	1,550	15	27,928
Depreciation - ROU assets	714	-	-	714
Segment assets	374,273	7,754	417	382,444
Investment in associated companies	71	2,827	-	2,898
Unallocated assets				73,988
Consolidated total assets				<u>459,330</u>
Segment liabilities	(82,689)	(977)	(23)	(83,689)
Unallocated liabilities				(104,697)
Consolidated total liabilities				<u>(188,386)</u>

Sales between segments are carried out at market terms. Inter-segment revenue is eliminated on consolidation. The revenue from non-related parties reported to the Senior Management of the Group is measured in a manner consistent with that in the consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

34. Segment information (continued)

(a) Reportable segments (continued)

The Senior Management of the Group assesses the performance of the operating segments based on a measure of earnings before a portion of depreciation expense, other income, other losses - net, a portion of finance costs, share of profit/(loss) in associated companies and a joint venture and income tax expense. A portion of depreciation expense, other income, other losses - net and a portion of finance costs are not allocated to segments as these are not considered to be part of the operating activities of the segments.

Capital expenditure comprises additions to property, plant and equipment and right-of-use assets.

Reportable segments' assets

The amounts provided to the Senior Management of the Group with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment. All assets are allocated to reportable segments other than deferred income tax assets and a portion of right-of-use asset and property, plant and equipment.

Segment assets are reconciled to total assets as follows:

	Group	
	2022	2021
	\$'000	\$'000
Segment assets for reportable segments	405,231	385,342
Unallocated:		
Deferred income tax assets	398	503
Property, plant and equipment	59,903	62,256
Right-of-use asset	10,725	11,229
	476,257	459,330

Reportable segments' liabilities

The amounts provided to the Senior Management of the Group with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than a portion of borrowings and current and deferred income tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	2022	2021
	\$'000	\$'000
Segment liabilities for reportable segments	103,075	83,689
Unallocated:		
Current income tax liabilities	4,818	2,998
Deferred income tax liabilities	28,312	28,215
Borrowings	59,157	73,484
	195,362	188,386

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

34. Segment information (continued)

(a) Reportable segments (continued)

Revenue from major business segments

At 30 June 2022, the Group is organised into three main reportable segments:

- Heavy lift and haulage - Hiring out of cranes and provision of transportation;
- Marine transportation - Provision of marine transportation and logistics services; and
- Trading - Trading of equipment and spare parts.

(b) Geographical information

The Group's three main reportable segments operate in eight main geographical areas:

- Singapore is the home country of the Group. The areas of operation are principally heavy lift and haulage, marine transportation, trading and other operations of the Group;
- Brunei - the main activity is heavy lift and haulage;
- Middle East - the main activity is heavy lift and haulage;
- India - the main activity is heavy lift and haulage;
- Malaysia - the main activity is heavy lift and haulage;
- Thailand - the main activity is heavy lift and haulage;
- Indonesia - the main activity is heavy lift and haulage; and
- China - the main activity is heavy lift and haulage.

Other countries - comprise Bangladesh, Myanmar, Philippines, Sri Lanka and Vietnam and the main activity is heavy lift and haulage.

	Sales		Non-current assets*	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore	95,730	88,443	316,657	310,752
Brunei	–	3,720	–	82
Middle East	2,383	1,891	571	33
India	8,757	3,922	8,520	2,217
Malaysia	1,654	2,792	18,998	26,549
Thailand	1,210	1,609	5,755	6,247
Indonesia	5,725	5,009	21	1,813
China	1,246	1,913	6,813	7,407
Other countries	5,883	3,650	6,667	7,072
	122,588	112,949	364,002	362,172

* Does not include deferred income tax assets.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

34. Segment information (continued)

(b) Geographical information (continued)

With the exception of Singapore, no other individual country or region contributed more than 10% of consolidated sales and non-current assets.

Sales are based on the country in which the revenue is derived. Non-current assets are shown by the geographical area where the assets originated.

Revenue of \$9,890,000 (2021: \$11,420,000) are derived from a single external customer. These revenues are attributable to the Singapore heavy lift and haulage and marine transportation segments.

35. Asset acquisition

In the prior financial year, the Group acquired the remaining 60% equity interest in Tiong Woon Teck Aik Pte. Ltd. ("TWTA"), a company incorporated in Singapore. The principal activity of TWTA is that of a dormant entity. The acquisition is accounted for under the asset acquisition method.

Under the Asset Acquisition method of accounting, the total cost allocated to assets acquired amounted to \$3,719,000. This comprises the carrying value of previously held 40% interest of \$2,017,000 and the purchase consideration of \$1,702,000 for 60% interest in TWTA. The total cost was allocated to TWTA's qualifying assets on a relative fair value basis.

The carrying value of net assets of TWTA amounted to \$5,071,000 on acquisition date. The difference between the carrying value and the total allocated cost amounting to \$1,352,000 was recognised under "other reserves".

The effects of the acquisition are as follows:

	2021 \$'000
(i) <i>Purchase consideration</i>	
Cash consideration	1,702
Total purchase consideration	<u>1,702</u>
(ii) <i>Effects on cash flows of the Group</i>	
Cash consideration (as above)	(1,702)
Less: Cash and cash equivalents acquired	627
Less: Net settlement of disposal of property, plant and equipment *	1,702
Cash flow on acquisition	<u>627</u>
(iii) <i>Identifiable assets acquired and liabilities assumed</i>	
<u>At cost allocated</u>	
Trade and other receivables	3,132
Cash and cash equivalents	627
Total assets	<u>3,759</u>
Trade and other payables	(40)
Total identifiable net assets	3,719
Less: Previously held interest – 40% equity interest	<u>(2,017)</u>
Purchase consideration	<u>1,702</u>

* The purchase consideration was settled on a net basis with the proceeds from the disposal of a crane from a subsidiary to a related party of the previous joint venture partner.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

36. Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 30 June 2022:

- i. The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- ii. In 2022, as the Group's significant operations in Singapore continued operating within the set of local regulations and guidelines under respective governments' movement control measures.
- iii. The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets and provisions for onerous contracts as at 30 June 2022. The significant estimates and judgement applied on impairment of trade receivables and property, plant and equipment are disclosed in Notes 3, 14 and 21 respectively.

As the COVID-19 pandemic continues to evolve as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 30 June 2023. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial periods.

37. Events occurring after balance sheet date

On the following dates after balance sheet date, the Company performed the respective share buyback and subsequently holds them as treasury shares. The number of shares repurchased and the respective consideration is set out below.

Date of Share buyback	No. of Shares	Total Consideration (S\$)
30 August 2022	60,000	28,855
31 August 2022	62,100	29,864
1 September 2022	37,900	18,243
5 September 2022	40,000	19,251
8 September 2022	32,500	15,324
9 September 2022	65,100	30,979
12 September 2022	102,400	49,226
	400,000	191,742

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2022

38. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2022 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

39. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Tiong Woon Corporation Holding Ltd on 27 September 2022.

SHAREHOLDERS' INFORMATION

As At 15 September 2022

Issued and fully paid-up share capital	: S\$ 87,340,000
Number of shares (excluding treasury shares)	: 231,835,253
Class of shares	: Ordinary Shares
Voting per share	: One vote per share
Treasury shares	: 400,000

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 15 SEPTEMBER 2022

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	35	0.98	1,232	0.00
100 – 1,000	756	21.19	449,190	0.19
1,001 – 10,000	1,696	47.53	9,061,975	3.91
10,001 – 1,000,000	1,061	29.74	50,589,413	21.82
1,000,001 and above	20	0.56	171,733,443	74.08
TOTAL	3,568	100.00	231,835,253	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 15 SEPTEMBER 2022

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	ANG CHOO KIM & SONS (PTE) LIMITED	90,517,131	39.04
2	PHILLIP SECURITIES PTE LTD	30,609,937	13.20
3	DBS NOMINEES PTE LTD	8,900,325	3.84
4	CITIBANK NOMINEES SINGAPORE PTE LTD	8,148,765	3.51
5	MAYBANK KIM ENG SECURITIES PTE. LTD	4,809,050	2.07
6	OCBC SECURITIES PRIVATE LTD	4,049,050	1.75
7	ABN AMRO CLEARING BANK N.V.	2,845,200	1.23
8	LO KAI LEONG @ LOH KAI LEONG	2,407,500	1.04
9	ANG KAH HONG	2,246,250	0.97
10	UOB KAY HIAN PTE LTD	2,221,425	0.96
11	ONG KIAN KOK	2,200,000	0.95
12	ANG KHA KING	1,842,500	0.79
13	RAFFLES NOMINEES (PTE) LIMITED	1,686,729	0.73
14	LOW CHOR CHUAN	1,600,050	0.69
15	KOH CHEW KWEE	1,513,800	0.65
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,373,400	0.59
17	OCBC NOMINEES SINGAPORE PTE LTD	1,310,950	0.57
18	LOW WOO SWEE @ LOH SWEE TECK	1,219,425	0.53
19	IFAST FINANCIAL PTE LTD	1,211,956	0.52
20	CHIAM HOCK POH	1,020,000	0.44
	TOTAL	171,733,443	74.07

Based on the information available, approximately 59.28% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of the SGX-ST is complied with.

SHAREHOLDERS' INFORMATION

As At 15 September 2022

SUBSTANTIAL SHAREHOLDERS AS AT 15 SEPTEMBER 2022

Substantial Shareholders	Number Of Shares	
	Direct Interest	Deemed Interest
Ang Choo Kim & Sons (Pte) Limited	90,517,131	–
Mr Ang Kah Hong	2,246,250	90,517,131 ⁽¹⁾
Mr Ang Kha King	1,842,500	90,659,631 ⁽²⁾

Notes:

- (1) This represents Mr Ang Kah Hong's deemed interest of 90,517,131 shares held in the name of Ang Choo Kim & Sons (Pte) Limited
- (2) This represents Mr Ang Kha King's deemed interest of 90,659,631 shares held in the name of the following:-
- (a) 142,500 shares held by his wife, Mdm Toh Koon Tee
- (b) 90,517,131 shares held by Ang Choo Kim & Sons (Pte) Limited

DIRECTORS' INTEREST IN SHARES AS AT 21 JULY 2022

According to the register maintained under Section 164 of the Companies Act 1967, the Directors had an interest in the shares of the Company on the 21st day after the end of the financial year as undernoted:

Directors	Number of Shares	
	Direct Interest as at 21.07.2022	Deemed Interest as at 21.07.2022
Mr Ang Kah Hong	2,246,250	90,517,131 ⁽¹⁾
Mr Ang Kha King	1,842,500	90,659,631 ⁽²⁾
Mr Wong King Kheng	32,000	–
Mr Ang Guan Hwa	–	–
Mr Ang Boon Chang	–	–
Mdm Luk Ka Lai Carrie (Mrs Carrie Cheong)	–	–
Mr Poon Guokun, Nicholas	–	–

Notes:

- (1) This represents Mr Ang Kah Hong's deemed interest of 90,517,131 shares held in the name of Ang Choo Kim & Sons (Pte) Limited
- (2) This represents Mr Ang Kha King's deemed interest of 90,659,631 shares held in the name of the following:-
- (a) 142,500 shares held by his wife, Mdm Toh Koon Tee
- (b) 90,517,131 shares held by Ang Choo Kim & Sons (Pte) Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of **TIONG WOON CORPORATION HOLDING LTD** (the “Company”) will be held at No. 15 Pandan Crescent, Level M1, Singapore 128470 on Thursday, 27 October 2022 at 9.30 a.m. (Singapore time), to transact the following business:

AS ORDINARY BUSINESSES:

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2022 and the Statement of Directors and the Report of Auditors thereon. **Resolution 1**
2. To approve a tax exempt (1-tier) final dividend of 0.35 Singapore cent per share and a tax exempt (1-tier) special dividend of 0.15 Singapore cent per share for the financial year ended 30 June 2022. **Resolution 2**
3. To approve Directors’ fees of \$145,000 for the year ended 30 June 2022 (2021: \$130,000). **Resolution 3**
4. To re-elect Mr Ang Kah Hong, being a Director of the Company retiring pursuant to Rule 720(5) of the Listing Rule of the Singapore Exchange Securities Trading Limited (“SGX-ST”), and being eligible, has offered himself for re-election.
[see Explanatory Note (a)] **Resolution 4**
5. To re-elect Mr Wong King Kheng, being an Independent Non-Executive Director of the Company retiring pursuant to Article 104 of the Company’s Articles of Association, and being eligible, has offered himself for re-election.
[see Explanatory Note (b)] **Resolution 5**
6. To re-appoint Messrs PricewaterhouseCoopers LLP, as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**
7. To transact any other ordinary business that may be transacted at an Annual General Meeting of the Company of which due notice shall have been given.

AS SPECIAL BUSINESSES:

To consider and, if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:

8. Share Issue Mandate **Resolution 7**

“That pursuant to Section 161 of the Companies Act 1967 (the “Companies Act”), and the Listing Rules of the SGX-ST, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

 - (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “Instruments”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force;

NOTICE OF ANNUAL GENERAL MEETING

provided always that

the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's issued share capital, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's issued share capital at the time this resolution is passed, after adjusting for;

- (i) new shares arising from the conversion or exercise of convertible securities;
- (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
- (iii) any subsequent consolidation or subdivision of the Company's shares; and

such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[see Explanatory Note (c)]

9. Proposed Renewal of The Share Purchase Mandate

Resolution 8

"That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) On-market purchase(s) on the SGX-ST; and/or
 - (ii) Off-market purchase(s) if effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the "Relevant Period" which is the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next annual general meeting of the Company is held;
 - (ii) the date by which the next annual general meeting of the Company is required by law to be held;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
 - (iv) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by ordinary resolution of the Company in general meeting.
- (c) in this Resolution:

“Maximum Percentage” means the number of Shares representing ten per cent (10%) of the total number of issued Shares as at the date of the passing of this Resolution unless the Company has effected a reduction of the total number of issued Shares in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued Shares shall be taken to be the amount of the issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time); and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of an on-market purchase, one hundred and five per cent (105%) of the Average Closing Price;
- (ii) in the case of an off-market purchase, one hundred and twenty per cent (120%) of the Average Closing Price,

where “Average Closing Price” is the average of the closing market prices of a Share transacted on the SGX-ST over the last five (5) Market Days (“Market Day” being a day on which the SGX-ST is opened for securities trading), on which transactions in the Shares are recorded, immediately preceding the date of the on-market purchase or, as the case may be, the date of making an announcement for an offer pursuant to the offmarket purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period;

- (d) the Directors or any of them be and are/is hereby authorised to deal with the Shares purchased or acquired by the Company pursuant to the Share Purchase Mandate in any manner as they think and/or he/she thinks fit, which is permissible under the Companies Act; and
- (e) the Directors and/or any of them be and are/is hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he/she may consider necessary, expedient or incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

[see Explanatory Note (d)]

10. Approval for the continued appointment of Mr Wong King Kheng, as an Independent Non-Executive Director, for purposes of Rule 210(5)(d)(iii)(A) of the Mainboard Listing Rules of the SGX-ST

Resolution 9

“That subject to and contingent upon the passing of Resolutions 5 and 10 and in accordance with Rule 210(5)(d)(iii)(A) of the Mainboard Listing Rules of the SGX-ST:

- (a) Shareholders to approve the continued appointment of Mr Wong King Kheng, as an Independent Non-Executive Director; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) such appointment as an Independent Non-Executive Director shall continue in force until the earlier of (i) the retirement or resignation of Mr Wong King Kheng as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution.”

[see Explanatory Note (e)]

11. Approval for the continued appointment of Mr Wong King Kheng, as an Independent Non-Executive Director, for purposes of Rule 210(5)(d)(iii)(B) of the Mainboard Listing Rules of the SGX-ST

Resolution 10

“That subject to and contingent upon the passing of Resolution 9 and in accordance with Rule 210(5)(d)(iii)(B) of the Mainboard Listing Rules of the SGX-ST:

- (a) Shareholders, excluding the Directors and Chief Executive Officer (“CEO”) of the Company, and associates of such Directors and CEO, to approve the continued appointment of Mr Wong King Kheng, as an Independent Non-Executive Director; and
- (b) such appointment as an Independent Non-Executive Director shall continue in force until the earlier of (i) the retirement or resignation of Mr Wong King Kheng as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution.”

[see Explanatory Note (e)]

BY ORDER OF THE BOARD

Joanna Lim Lan Sim (Ms)
Company Secretary
12 October 2022

Explanatory Notes

- (a) *In relation to Resolution no. 4, the detailed information on Mr Ang Kah Hong is set out in the section titled “Board of Directors” and in the “Additional Information on Directors Seeking Re-Election” of the Company’s 2022 Annual Report. Mr Ang Kah Hong is sibling of Mr Ang Kha King, father of Mr Ang Guan Hwa and uncle of Mr Ang Boon Chang.*

- (b) *In relation to Resolution no. 5, the detailed information on Mr Wong King Kheng is set out in the section titled “Board of Directors” and in the “Additional Information on Directors Seeking Re-Election” of the Company’s 2022 Annual Report. There are no relationships (including immediate family relationships) between Mr Wong King Kheng and the other directors of the Company.*

Subject to his re-election, Mr Wong King Kheng who is considered an independent director, will (upon confirmation of his continued independent status under Ordinary Resolution Nos. 9 and 10) continue to serve as the Chairman of the Audit Committee and member of the Nominating Committee and the Remuneration Committee.

- (c) *Ordinary Resolution no. 7, if passed, will authorise the Directors from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares) of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company. Rule 806(3) of the Listing Rules of the SGX-ST currently provides that the percentage of issued share capital is based on the share capital of the Company at the time the mandate is passed after adjusting for:*

- i. new shares arising from the conversion or exercise of convertible securities;*
- ii. new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and*
- iii. any subsequent consolidation or subdivision of the Company’s shares.*

This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

- (d) *Ordinary Resolution no. 8, if passed, will empower the Directors to exercise all powers of the Company in purchasing or acquiring Shares pursuant to the terms of the Share Purchase Mandate as set out in the letter to shareholders of the Company dated 12 October 2022 (“Letter”). This authority will continue in force until the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated unless previously varied or revoked by ordinary resolution of the Company in general meeting. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in the Letter.*
- (e) *Ordinary Resolutions nos. 9 and 10 are to approve the continued appointment of Mr Wong King Kheng as an Independent Non-Executive Director for the purposes of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST.*

Mr Wong King Kheng had obtained the requisite approvals from shareholders in the AGM held on 26 October 2021 (“2021 AGM”) for his continued appointment as an independent director from 1 January 2022 via the two-tier voting process under Rule 210(5)(d)(iii)(A) and Rule 210(5)(d)(iii)(B). The said requisite approvals remained in force until (a) his retirement or resignation as a Director, or (b) the conclusion of the third AGM of the Company following the passing of said Resolutions in 2021 AGM.

Mr Wong King Kheng is seeking re-election as a Director under Ordinary Resolution no. 5. Accordingly, the Company is seeking, subject to the passing of Ordinary Resolution no. 5, the requisite approvals from shareholders for Mr Wong King Kheng’s continued appointment as an independent director from 27 October 2022 via the two-tier voting process under Rule 210(5)(d)(iii)(A) and Rule 210(5)(d)(iii)(B).

If both Ordinary Resolutions nos. 9 and 10 are passed, the appointment of Mr Wong King Kheng as an independent director shall continue from 27 October 2022, until the earlier of (i) his retirement or resignation as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of the respective Resolutions. If either Resolution 9 or Resolution 10 is not approved, Mr Wong King Kheng will be re-designated as a Non-Executive and Non-Independent Director as of and with effect from 27 October 2022 until his retirement or resignation as a Director.

Upon such re-designation, the Board and the Nominating Committee will, guided by the criteria in the Mainboard Listing Rules of the SGX-ST and the revised Code of Corporate Governance (the “2018 Code”), review the composition of the Board as well as the Audit Committee, Remuneration Committee and Nominating Committee, so as to ensure that the composition of the Board and of such committees complies with the requirements of the Mainboard Listing Rules of the SGX-ST and the 2018 Code. An announcement will be made at the appropriate time.

The Board seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board, as the COVID-19 pandemic has greatly impacted the industry in which the Company is operating. The refreshment process of the Board will take some time and would not happen overnight in order to maintain stability to the Board during this challenging period.

The Nominating Committee (saved for the director concerned) and the Board have determined that Mr Wong King Kheng have continually demonstrated independence in conduct, character and judgement in Board discussions and deliberations. He has provided strong guidance on financial and corporate governance matters, addressing key risks and control issues relevant to the business of the Group. Given the challenges that lie ahead of us, his continued appointment as independent director will ensure stability and continued leadership of the Board as we ride through the difficult times. It will also ensure an orderly renewal and stability of the Board which is in the best interests of the Company.

Other Notes:

(A) Physical Meeting

1. In line with the advisory by Singapore Exchange Regulation and with the return to normalcy of the COVID-19 situation, the Company will be facilitating live engagement and live voting at its forthcoming Annual General Meeting (“AGM”). The AGM will be held at No. 15 Pandan Crescent, Level M1, Singapore 128470.
2. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, printed copies of this Notice of AGM, the Proxy Form and Annual Report FY2022 (collectively, the “Documents”) will NOT be sent to members of the Company. Instead, these Documents will be sent to members by electronic means via publication on SGXNET at <https://www.sgx.com/securities/company-announcements> and Company’s website at <http://www.tiongwoon.com/>.

NOTICE OF ANNUAL GENERAL MEETING

(B) Submission of Proxy Form

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.
- (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy or proxies must be submitted in the following manner:
 - if submitted by post, be deposited at the registered office of the Company at No. 15 Pandan Crescent, Singapore 128470; or
 - if submitted electronically, be submitted via email to the Company’s email address at AGM@tiongwoon.comin either case, by 9.30 a.m. on 25 October 2022.
6. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
7. An investor who buys shares using CPF monies (“CPF Investor”) and/or SRS monies (“SRS Investor”) (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective agent banks or SRS operators to submit their votes by 5.00 p.m. on 14 October 2022.

(C) Submission of Questions

8. Members can submit their questions related to the resolutions to be tabled at the AGM live at the AGM.
9. Members can also submit their questions related to the resolutions to be tabled at the AGM to the Chairman of the Meeting, in advance of the AGM via any of the following manner. All questions must be submitted not later than 9.30 a.m. on 19 October 2022.
 - if submitted by post, be deposited at the registered office of the Company at No. 15 Pandan Crescent, Singapore 128470; or
 - if submitted electronically, be submitted via email to the Company’s email address at AGM@tiongwoon.com.
10. Members submitting questions are required to provide their particulars as follows:
 - (a) Full name (for individuals)/company name (for corporates) as per CDP/SRS account records;
 - (b) National Registration Identity Card Number or Passport Number (for individuals)/Company Registration Number (for corporates);
 - (c) Number of shares in the capital of the Company held;
 - (d) Contact Number; and
 - (e) Email Address.
11. The Company will endeavour to address all substantial and relevant questions related to the resolutions to be tabled at the AGM before or at the AGM. A summary of the questions and responses will be published on SGXNET and the Company’s website. For questions which are addressed during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the SGXNET and the Company’s website.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/ or any adjournment thereof, or by attending the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. In addition, by attending the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for any of the Purposes.

TIONG WOON CORPORATION HOLDING LTD

Company Registration No. 199705837C
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

A printed copy of this Proxy Form will not be sent to members but has been made available to members via electronic means on SGXNET and the Company's corporate website.

Important:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") who wishes to vote at the Annual General Meeting ("AGM") should approach their respective agent banks to submit their votes at least seven working days before the date of the AGM (i.e. by 5 p.m. on 14 October 2022). CPF Investors and/or SRS Investors are requested to contact their respective agent banks for any queries they may have with regards to appointment as to the appointment of the Chairman of the AGM as proxy for the AGM.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) NRIC/Passport/Registration No. _____

of _____ (Address)

being a member/members of Tiong Woon Corporation Holding Ltd (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	%
Address			

and/or (delete where appropriate)

Name	NRIC/Passport No.	Proportion of shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at No. 15 Pandan Crescent, Level M1, Singapore 128470 on Thursday, 27 October 2022 at 9.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

Ordinary Resolutions	For	Against	Abstain
To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2022 and the Statement of Directors and the Reports of the Auditors thereon. (Resolution 1)			
To approve a tax exempt (1-tier) final dividend of 0.35 Singapore cent per share and a tax exempt (1-tier) special dividend of 0.15 Singapore cent per share for the financial year ended 30 June 2022. (Resolution 2)			
To approve Directors' fees of \$145,000 for the year ended 30 June 2022. (2021: S\$130,000). (Resolution 3)			
To re-elect Mr Ang Kah Hong who is retiring in accordance with Rule 720(5) of the Listing Rule of the Singapore Exchange Securities Trading Limited. (Resolution 4)			
To re-elect Mr Wong King Kheng who is retiring pursuant to Article 104 of the Company's Articles of Association. (Resolution 5)			
To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)			
To approve the Share Issue Mandate. (Resolution 7)			
To approve the Renewal of The Share Purchase Mandate. (Resolution 8)			
To approve the continued appointment of Mr Wong King Kheng, as an Independent Non-Executive Director, for purposes of Rule 210(5)(d)(iii)(A) of the Mainboard Listing Rules of the SGX-ST. (Resolution 9)			
To approve the continued appointment of Mr Wong King Kheng, as an Independent Non-Executive Director, for purposes of Rule 210(5)(d)(iii)(B) of the Mainboard Listing Rules of the SGX-ST. (Resolution 10)			

Dated this _____ day of _____, 2022

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)/Common Seal of Corporate Shareholder

IMPORTANT: Please read notes overleaf



Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register, you should insert that number. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A proxy need not be a member of the Company.
3.
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
 - (c) CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 14 October 2022.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4. The instrument appointing a proxy or proxies must be submitted in the following manner:
 - if submitted by post, be deposited at the registered office of the Company at No. 15 Pandan Crescent, Singapore 128470; or
 - if submitted electronically, be submitted via email to the Company's email address at AGM@tiongwoon.com

in either case, not later than 9.30 a.m. on 25 October 2022.

5. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or the power of attorney (or other authority) or a duly certified copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped and be deposited at the Office, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
7. A corporation, which is a member, may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act 1967.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointer, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 October 2022.



TIONG WOON CORPORATION HOLDING LTD

Company Registration Number: 199705837C

No. 15 Pandan Crescent

Singapore 128470

Tel: (65) 62617888

Fax: (65) 67774544

Equipment Booking Hotline: (65) 67774450

Email: enquiry@tiongwoon.com

Website: www.tiongwoon.com

