



**ANNUAL
REPORT
2023**



► **Mission**

We aim to be the market leader in our businesses by striving to be the most cost effective and sustainable solutions provider through leveraging on technology and business excellence standards.



▶ Vision

To be the leading Industrial Group in Asia Pacific in Precast & Prefabricated Bathroom Unit and Environmental Services.

Contents

- 03 About NSL Ltd
- 04 Group Financial Highlights
- 05 5-Year Financial Summary
- 07 Letter to Shareholders
- 09 Board of Directors
- 10 Corporate Research & Development Advisory Panel
- 11 Key Management
- 12 Corporate Information
- 13 Review of Operations
- 15 Corporate Social Responsibility
- 17 Corporate Directory
- 18 Financial Review

About NSL Ltd

NSL and its group of companies are a leading industrial group in Asia Pacific. The Group's core businesses are Precast & Prefabricated Bathroom Unit ("PBU") and Environmental Services.

The Precast & PBU division is a market leader in manufacturing precast concrete components in Singapore, Malaysia and United Arab Emirates while the PBU business is a dominant producer in Scandinavia.

The Environmental Services division is a key player in integrated environmental services in Singapore, covering the treatment and logistics services of hazardous industrial waste and wastewater from the chemical sector and oily wastewater from both land and marine transportation sectors.

In addition, we indirectly hold majority shareholding in Raffles Marina, Asia's Premier Marina Club in Tuas, Singapore.

We benefit from initiatives by an active Corporate Research and Development committee which leverages on technology to develop innovative products and

process improvements for productivity. It also partners local government agencies and tertiary institutions to develop new and sustainable solutions for industrial applications.

NSL Ltd has been listed on the Singapore Exchange since 1964 and presently operates in four countries.



Group Financial Highlights

	2022	2023	Change (%)
For the Year (S\$'000)			
Turnover	369,674	298,083	(19)
Profit / (loss) before tax	13,914	(15,519)	n/m
Group profit / (loss) attributable to shareholders	10,697	(18,697)	n/m
At Year-end (S\$'000)			
Shareholders' funds	464,563	274,257	(41)
Total assets	607,351	383,706	(37)
Per Share			
Basic earnings / (loss) per share (cents)	2.9	(5.0)	n/m
Dividends (exempt - one tier, cents per share)			
- Final	5	2	(60)
- Interim special	-	40	n/m
Others			
Number of employees	2,534	2,417	(5)

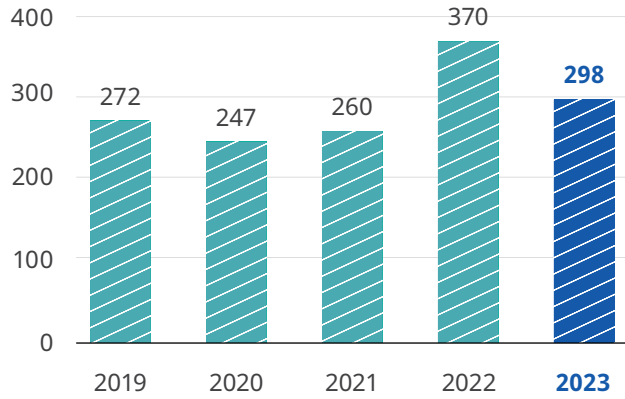
5-Year Financial Summary

	2019	2020	2021	2022	2023
Financial Profile (\$'000)					
Turnover	272,350	247,106	259,645	369,674	298,083
Profit / (loss) before share of results of associated companies	(34,788)	(9,508)	7,099	6,665	(14,223)
Share of results of associated companies, net of tax	(164)	(7,403)	(704)	7,249	(1,296)
Profit / (loss) before tax	(34,952)	(16,911)	6,395	13,914	(15,519)
Taxation	(2,606)	(2,374)	(2,050)	(4,318)	(4,120)
Profit / (loss) after tax	(37,558)	(19,285)	4,345	9,596	(19,639)
Profit / (loss) attributable to shareholders					
- from continuing operations	(33,637)	(16,619)	4,896	10,697	(18,697)
- from discontinued operations	494	-	-	-	-
Total group profit / (loss) attributable to shareholders	(33,143)	(16,619)	4,896	10,697	(18,697)
Dividends (exempt-one tier)					
- Final	18,678	18,678	18,678	18,678	7,471
- Interim special	-	-	-	-	149,423
Share capital	193,839	193,839	193,839	193,839	193,839
Reserves	316,468	301,617	287,203	270,724	80,418
Financial Position (\$'000)					
What We Owned					
Property, plant and equipment	124,859	112,649	108,460	108,496	87,096
Right-of-use assets	38,439	35,929	32,032	28,635	29,219
Investments in associated companies & joint venture	47,569	46,838	46,320	34,231	10,359
Long term receivables, prepayments & investments	18,458	1,750	2,862	4,149	3,326
Intangible assets	10,341	9,866	9,503	9,420	9,329
Deferred tax assets	3,081	2,614	2,607	2,482	2,369
Current assets	422,082	435,773	405,720	419,938	242,008
	664,829	645,419	607,504	607,351	383,706
What We Owed and Equity					
Shareholders' funds	510,307	495,456	481,042	464,563	274,257
Non-controlling interests	(1,133)	(3,682)	(4,357)	(5,496)	(6,282)
Long term liabilities	49,304	44,994	39,744	21,876	36,316
Current liabilities	106,351	108,651	91,075	126,408	79,415
	664,829	645,419	607,504	607,351	383,706
Cash & Debt Position (\$'000)					
Group borrowings	33,979	35,934	34,485	28,803	18,934
Group net cash (cash less borrowings)	247,613	264,276	240,026	239,299	103,785
Per Share Data					
Basic earnings / (loss) per share (cents)	(8.9)	(4.5)	1.3	2.9	(5.0)
Net tangible assets per share (\$)	1.34	1.30	1.26	1.22	0.71
Dividends					
Dividends (exempt - one tier, cents per share)					
- Final	5	5	5	5	2
- Interim special	-	-	-	-	40



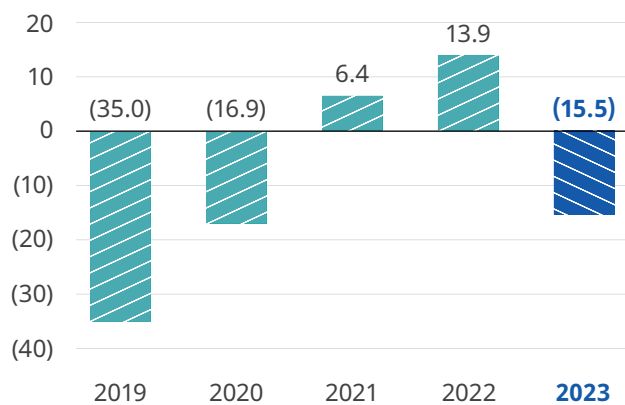
Group Turnover

(S\$million)



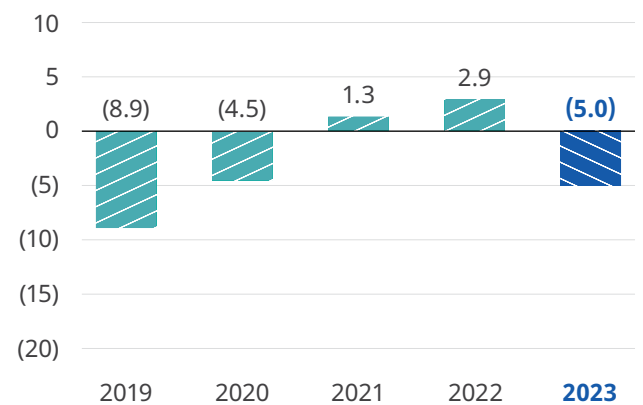
Group Profit / (Loss) Before Tax

(S\$million)



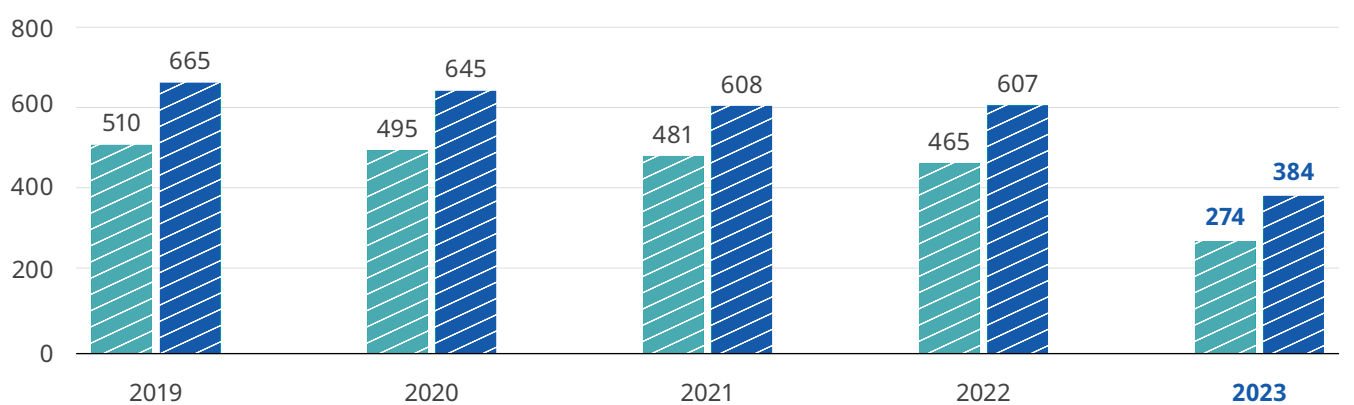
Basic Earnings / (Loss) Per Share

(cents)



Shareholders' Funds & Total Assets

(S\$million)



Letter to Shareholders

Dear Shareholders

NSL Group achieved a turnover of \$298.1 million in FY2023, a 19% decrease from \$369.7 million in FY2022, mainly due to lower revenue from the Precast & Prefabricated Bathroom Unit (“PBU”) division.

Group profit before tax excluding impairment loss and net gains on disposal (“Adjusted Group Profit before Tax”) was \$20.1 million in FY2023, slightly lower than \$21.5 million in FY2022.

During the year, the Group provided for the full impairment of the investment in Salzgitter Maschinenbau AG (“SMAG”), which is being liquidated and conducted a review of the Group’s goodwill, property, plant and equipment. As a result, the Group recognised a total non-cash impairment loss of \$35.6 million, consisting of \$21.9 million for investment in SMAG and \$13.7 million for goodwill, property, plant and equipment of the Environmental Services division.

Including the above non-cash impairment losses, the Group recorded a loss before tax of

\$15.5 million in FY2023 as compared to a profit before tax of \$13.9 million in FY2022. Taking into consideration income tax and non-controlling interests, the Group reported a loss attributable to equity holders of \$18.7 million in FY2023 compared to \$10.7 million profit in FY2022.

Significant Events

During the year, the Precast & PBU division proactively invested in a wastewater treatment plant and a concrete recycling facility at its Beranang plant in Malaysia to make operation more sustainable by reducing waste generated throughout the processes. With the successful implementation in Beranang, similar facilities will be installed in the Seelong plant by the first half of 2024.

In 2Q2023, its PBU operation in Finland expanded its production capabilities with the completion of its newly constructed 5,000m² assembly hall, increasing its annual production capacity from 7,000 to 10,000 bathrooms. The new assembly hall expansion will not only boost productivity but also accelerate product turnaround.

Environmental Services division intensified its effort to implement cost-cutting measures, specifically targeted at optimising production process workflows during the year. These proactive steps yielded substantial cost savings in our operation.

NSL Group maintained a steadfast commitment to sustainability in its business practices. Its Chemicals business was able to integrate used refractory bricks into the formulation of refractory products, reducing the consumption of virgin refractory raw materials.

Its Precast & PBU division increased the utilisation of recycled materials, including manufactured sand, in concrete mix. In addition, its two major plants installed photovoltaic systems on roofs in 2023. The 600MWh solar panel systems that became operational at Beranang and Seelong plants in January 2024, will be able to supply up to 15% of its annual energy requirements.

Looking Ahead

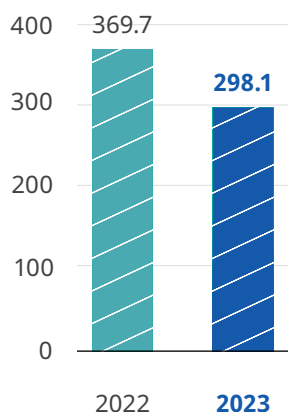
Performance of the Precast business in Singapore, Malaysia and Dubai are expected to be satisfactory on the back of strong order books, barring unforeseen project delays. However, the performance of the PBU business in Finland will be weak.

In the Environmental Services division, the performance of the Slop and Recycled fuel oil (“RFO”) business is expected to remain stable. The division will continue to focus its efforts on ramping up capacity utilisation to improve the performance of its industrial wastewater business.

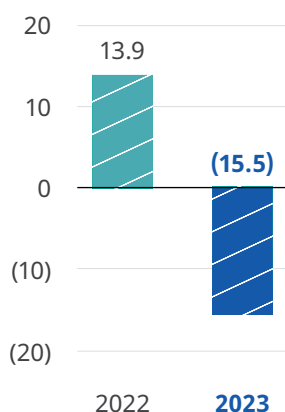
Dividend

Subject to the approval of shareholders at the annual general meeting of the Company to be

Group Turnover
(S\$million)



Group Profit / (Loss) Before Tax
(S\$million)





held on 29 April 2024, the Board is recommending a final dividend of \$0.02 per share for the financial year ended 31 December 2023 to be paid at a later date to be determined by the Directors. Together with the interim special dividend of 40 cents per ordinary share paid in September 2023, this brings the Group's total dividend for the financial year ended 31 December 2023, to 42 cents per ordinary share.

Acknowledgement

On behalf of the Board, I would like to thank Mr John Koh Tiong Lu for his service and contribution as a Director since 2003. Mr Koh has been a valued member of the Board, chairing the Audit Committee and also serving as a member of various Board Committees.

I am also thankful to Dr Tan Tat Wai for his many years of service and insight. Dr Tan joined as a Director in 1993 and has served with distinction on various Board Committees.

Both Mr Koh and Dr Tan will be stepping down from the Board upon the conclusion of the annual general meeting to be held on 29 April 2024. I wish them well in their future endeavours.

Farewell

I am also stepping down from the Board upon the conclusion of the annual general meeting to be held on 29 April 2024, after serving as a director since 1988. It has been my honour and privilege to chair the NSL Board and I would like to express my heartfelt gratitude to my fellow Directors, our shareholders, management, business partners and staff for their steadfast support during my tenure. I am confident that NSL will continue to grow and flourish under the leadership of the Board and management, achieving our vision of becoming the leading industrial Group in Asia Pacific in Precast & Prefabricated Bathroom Unit and Environmental Services.

Prof Cham Tao Soon

Chairman
06 March 2024

Turnover of
\$298.1
million

Dividend of
\$0.42
per share

Board of Directors

Chairman

Prof Cham Tao Soon

Chairman

- Soup Restaurant Group Ltd
- Singapore Rail Academy

Executive Director

Dr Low Chin Nam

Director

- Eastern Pretech Pte Ltd
- NSL OilChem Waste Management Pte Ltd
- Raffles Marina Holdings Ltd

Directors

Ban Song Long

Director

- Excel Partners Pte Ltd
- 98 Holdings Pte Ltd

David Fu Kuo Chen

Director

- Hotel Properties Ltd
- 98 Holdings Pte Ltd

John Koh Tiong Lu

Director

- Aurora Mobile Limited
- Global Counsel Asia Pte Ltd

Dr Tan Tat Wai

Director

Southern Steel Berhad





Corporate Research & Development Advisory Panel

Chairman

Prof Cham Tao Soon

Members

David Fu Kuo Chen

Lim Swee Cheang

Dr Low Chin Nam

Prof Ng Wun Jern

Scientific Advisor

- Ministry of Sustainability & the Environment

Member

- Committee of Government Scientific Advisers

Emeritus Professor

- Nanyang Technological University School of Civil and Environmental Engineering

Research Advisor

- Nanyang Technological University School of Civil and Environmental Engineering, Environmental Biotechnology Innovations

Dr Robert Tiong

Associate Professor

- Nanyang Technological University School of Civil and Environmental Engineering

Programme Director

- Nanyang Technological University Master of Science in International Construction Management

Key Management

Dr Low Chin Nam

is presently the Executive Director of NSL Ltd and prior to this appointment, he was the Chief Operating Officer. Dr Low joined NSL Ltd as Chief Strategy and Operations in 2011. He is responsible for the overall management of the NSL Group. Dr Low started his career in the elite Administrative Service of the Singapore Government before leaving for the commercial sector. He was previously the Chief Operating Officer of M1 Ltd, subsequently, Director of Business Operations of Smartone Telecom Ltd, Hong Kong, and Managing Director of Digiland Pty Ltd., Australia. He holds a Bachelor of Science (1st Class Honours) in Electronics Engineering from King's College, University of London, a Master of Science in Management Science from Imperial College, University of London as well as a Ph.D in Econometrics from Monash University in Australia.

Mr Chia Tong Hee

is presently Senior Vice-President (Finance and Corporate Services) of NSL Ltd. He is responsible for the Finance & Accounting, Treasury and Taxation functions of the Group. Prior to joining NSL Ltd in 2005, Mr Chia was an auditor with Pricewaterhouse and subsequently was the financial controller of Wearnes International (1994) Ltd. Mr Chia holds a Bachelor of Accountancy from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants.

Dr See Soo Loi

joined NSL Ltd in 1991 as research engineer and she is now heading the Corporate Research and Development Department. Dr See works closely with government agencies and tertiary institutions and is a member of Hazardous substances and Toxic Wastes advisory committee at National Environment Agency. In addition, she is also a committee member of Energy and Chemicals Industry Group at Singapore Manufacturing Federation. Dr See holds a Bachelor of Engineering (Honours) in Chemical Engineering and a Ph.D from the University of New South Wales, Australia.



Corporate Information

Financial Calendar

Announcement of Half Yearly Results 2023

8 August 2023

Financial Year-end

31 December 2023

Announcement of Unaudited Results 2023

26 February 2024

2024 Annual General Meeting

29 April 2024

Corporate Data

Registered Office

317 Outram Road, #03-02,
Singapore 169075

Tel: 6536 1000

Fax: 6536 1008

www.nsl.com.sg

Company Secretary

Lim Su-Ling

Share Registrar

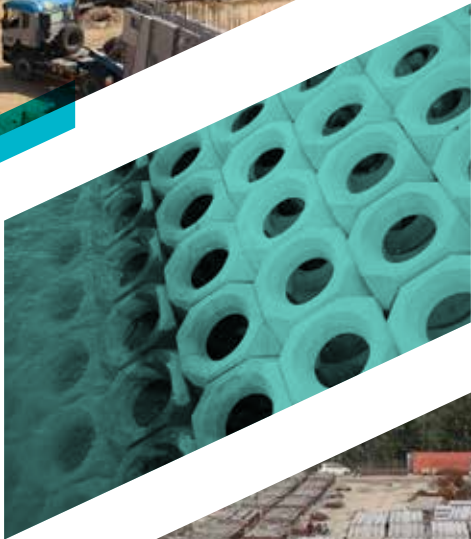
B.A.C.S. Private Limited
77 Robinson Road, #06-03
Robinson 77
Singapore 068896
Tel: 6593 4848

Auditors

PricewaterhouseCoopers LLP
7 Straits View, Marina One,
East Tower Level 12
Singapore 018936
Certified Public Accountants
Audit Partner:
Yeow Chee Keong
(Appointed in year 2022)

Banks

DBS Bank Ltd
Malayan Banking Berhad
Oversea-Chinese Banking
Corporation Limited
Standard Chartered Bank
United Overseas Bank Limited



Review of Operations

PRECAST & PBU

Performance

Precast & Prefabricated Bathroom Unit ("PBU") division closed the year with a lower turnover of \$220.3 million in FY2023 compared to \$295.1 million in FY2022. The 25% decrease in turnover was mainly attributable to a reduction in delivery volume from the Precast division in Malaysia. In addition, weak housing market in Finland and Norway dampened the PBU demand, resulting in a 23% decline in revenue in PBU division.

The division registered a 31% decrease in profit before tax to \$18.5 million in FY2023 from \$26.9 million in FY2022, mainly driven by lower delivery volume in its Malaysia Precast operations. However, this was partially offset by higher profit in Dubai on the back of higher revenue and project margins, and lower loss allowance of trade receivables. PBU operation in Finland suffered a loss due to the housing market slump in Finland and Norway.

Development Highlights

During the year, Eastern Pretech completed several semiconductor fabrication plants, data centres and various institutional building projects such as hospitals, schools and community spaces. These accomplishments underscore Eastern Pretech's expertise in delivering innovative solutions across a broad spectrum of industries, and reinforce its reputation as a reliable and accomplished player in the construction landscape.

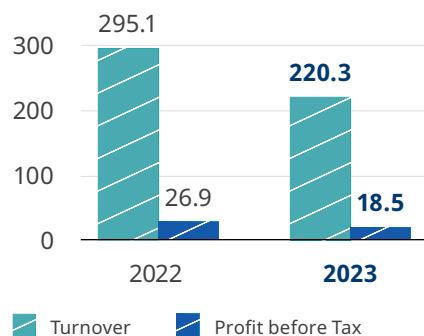
In Finland, Parmarine expanded its production capabilities. The completion of its newly constructed 5,000m² assembly hall increased its annual production capacity from 7,000 to 10,000 bathrooms. The new assembly hall expansion built in 2Q2023 will not only boost productivity but also accelerate product turnaround.

Eastern Pretech completed installation of solar panels at its two major manufacturing facilities, marking a significant milestone in the commitment to sustainable energy practices. Together with NSL Group's Research and Development team, the division continues to review its processes and concrete mix formulation to reduce waste and use more recycled materials.

Going Forward

Performance of the Precast business in Singapore, Malaysia and Dubai is expected to be satisfactory on the back of strong order books, barring unforeseen project delays. However, the performance of PBU business in Finland will be weak.

Turnover & Profit Before Tax (S\$million)



Review of Operations

ENVIRONMENTAL SERVICES



Performance

Environmental Services division's turnover grew by 7% to \$59.6 million in FY2023 compared to \$55.9 million in FY2022 mainly due to higher revenue in its industrial wastewater business which reported strong revenue growth in 1H2023. However, in 2H2023 the wastewater treatment volume was significantly lower compared to 1H2023 due to the loss of a key customer who developed in-house treatment capabilities, and slow progress in securing new customers to fill the plant capacity. Revenue from Slop & Recycled fuel Oil ("RFO") business in FY2023 was comparable to the previous year.

Excluding the non-cash impairment loss, the division reported an operating profit of \$2.4 million in FY2023 compared to \$2.5 million loss in FY2022. The Slop and RFO business contributed to the operating profit in FY2023 while the industrial wastewater business continued to report losses. Due to the loss of a key customer and the slow progress in securing new customers to fill the plant capacity, an impairment loss of \$13.1 million on property, plant, equipment was recognised in FY2023, resulting in the overall loss of \$11.3 million for the Environmental Services division.

Development Highlights

During the year, the division intensified efforts to implement cost-cutting measures through process flow and planning optimisation and reduction in ISO tankers. These cost-cutting measures yielded a 15% reduction in operating cost.

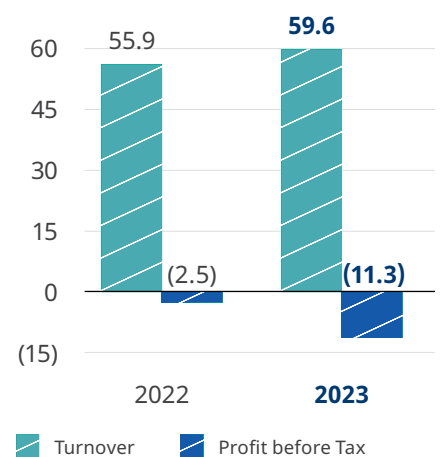
As part of its commitment to environment sustainability efforts, NSL OilChem Waste Management ("NOWM") converted its diesel firing to natural gas firing boilers, enabling a CO₂e emission reduction of 19%. The installation of a new scrubber system also enhanced the surrounding environment.

Safety of its staff is paramount. NOWM worked with Singapore Civil Defence Force ("SCDF") in 2H2023 to conduct a YELLOWSTORM exercise aimed at validating and refining its operational plans and procedures and enhance its readiness in emergency response.

Going Forward

In the Environmental Services division, the performance of the Slop and RFO business is expected to remain stable. The division will continue to focus its efforts on ramping up capacity utilisation to improve the performance of its industrial wastewater business.

Turnover & Profit / (Loss) Before Tax
(S\$million)



Corporate Social Responsibility

NSL believes in giving back to the society while achieving its business goals. With a strong commitment towards corporate social responsibility, NSL and its group of companies rolled out programmes and activities that contribute to the community, Arts and Cultural scene, environment, and stakeholders.

Caring for the Community, and the Local Arts and Cultural Scene

NSL Group donated \$50,000 to the Professor Cham Tao Soon Endowment Fund in the School of Business, Singapore University of Social Science during the year. The Professor Cham Tao Soon Endowment Fund helps support a series of annual activities such as the Professor Cham Tao Soon Business Excellence Lecture Seminar Series, the Professor Cham Tao Soon Community Care Project, and the Professor Cham Tao Soon Research Initiative.

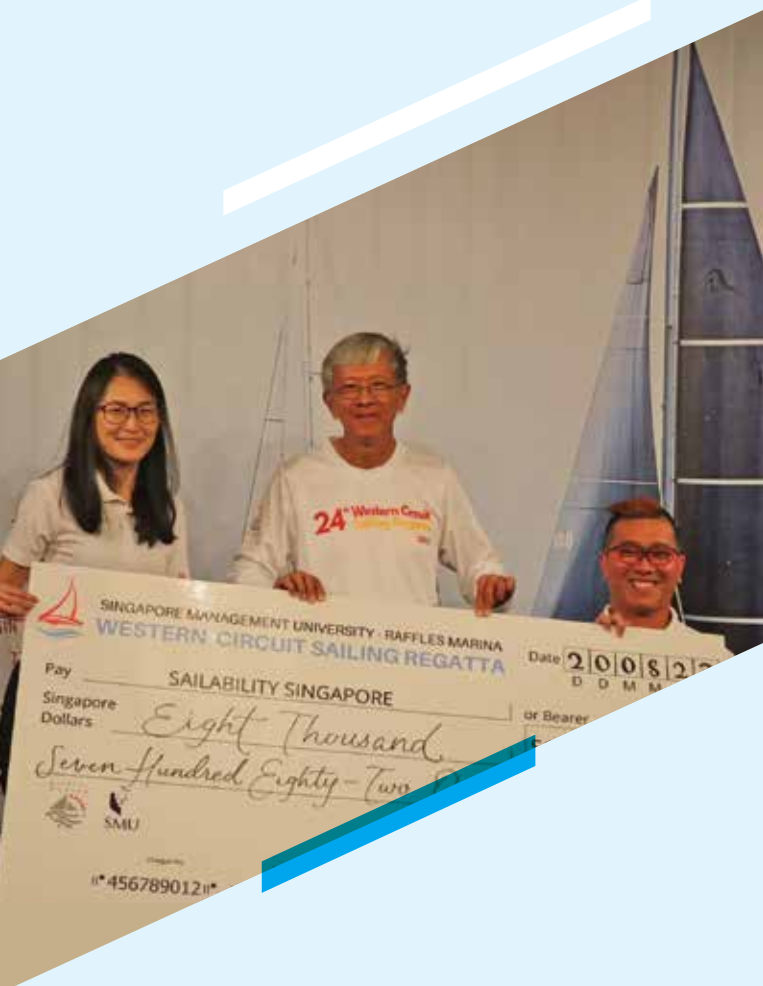
NSL SRC continued to spearhead the NSL Love Movement 2023 to raise funds for its long-term beneficiary, Melrose Home, a service under Children's Aid Society. Melrose Home is a residential home offering round-the-clock care and support to children and youths aged 6 to 21 years old who are experiencing adverse family circumstances or child protection issues. In 2023, a total of \$15,772.20 was raised, which will be utilised to cater meals for the children and youths.

In August 2023, Raffles Marina partnered with Singapore Management University to raise a total of \$8,782 for the Singapore Disability Sports Council's Sailability programme at the 24th SMU-RM Western Circuit Sailing Regatta.

People – Employees as Assets

NSL Group places great value on its employees with strong emphasis on their well-being, development, and welfare.

Committed to learning and developing its workforce to bring out the best in them and enhance their employability, employees



were sent for a range of courses ranging from equipment and machinery operations (including cranes, forklifts, power tools, boilers) to process safety and risk management, and auditor training. In 2023, employees in managerial and supervisory positions attended courses and webinars to enhance their leadership and management knowledge in their respective domains. In the Environmental Services division, staff attended business ethics course and Standard Operating Procedure training programme as part of the Environment, Safety and Health audit requirements.

Workplace health and safety continue to be the Group's focus. Its Dubai Precast business intensified safety measures, implemented rigorous safety programmes and certifications, and incentivised safety practices through cash rewards during the year. Concurrently, NOWM implemented the recommendations from its Safety and Risk management consultant across its three plants in Singapore.

Protecting the Environment

NSL's commitment to environmental sustainability is evident across various business segments. Its Precast business, in collaboration with NSL Corporate Research and Development ("CRD"), developed green concrete mix formulation for the construction industry during the year. This resulted in the achievement of over 60% penetration in its total green concrete supply.

In addition, CRD successfully developed concrete formulation using 100% manufactured sand, a by-product of coarse aggregates production, for hollow-core slabs and reinforced concrete products.



This demonstrated NSL's dedication to sustainability by utilising by-products responsibly.

With the installation of solar panels on the roofs of its two Malaysia plants, the renewable source of energy will contribute up to 15% of Eastern Pretech's annual electrical energy requirements.

As part of its sustainability strategy, the Precast business will be converting all its diesel boilers to gas boilers in FY2024. New cement dust collection systems were installed, and conveyor belts were covered with protective covers during the year to reduce air pollution. Similar efforts on converting diesel to natural gas firing boilers were implemented in NOWM, enabling a reduction of 19% in CO2e emissions. NOWM also installed a new scrubber system, enhancing the surrounding environment.



Corporate Directory

Precast & PBU

Eastern Pretech Pte Ltd

26 Tanjong Kling Road, Singapore 628051

T (65) 6832 9500

F (65) 6832 9501

www.easternpretech.com

Eastern Pretech (Malaysia) Sdn Bhd

10th Floor, Pusat Perdagangan Mines,
Jalan Mines 2, The Mines Resort City,
43300 Seri Kembangan,

Selangor, Malaysia

T (60-3) 8949 3333

F (60-3) 8949 3399

www.epmsb.com.my

Parmarine Oy

Murrontie 8, 30420 Forssa, Finland

T (358) 377 77400

www.parmarine.fi

Parmarine Malaysia Sdn Bhd

10th Floor, Pusat Perdagangan Mines,
Jalan Mines 2, The Mines Resort City,
43300 Seri Kembangan,

Selangor, Malaysia

T (60-3) 8949 3333

F (60-3) 8949 3399

www.parmarine.com.my

Dubai Precast L.L.C.

Post Box 61055, Jebel Ali, Industrial Area No. 3
Dubai, UAE

T (971) 4 8802671

F (971) 4 8802159

www.dubaiprecast.ae

Environmental Services

NSL OilChem Waste Management Pte Ltd

(Office and Plant for Oily Waste Recovery)

23 Tanjong Kling Road, Singapore 628049

T (65) 6351 9700

F (65) 6513 3998

www.nsloilchem.com.sg

(Plant for Inorganic Wastewater Treatment Centre)

10A Tuas Avenue 12, Singapore 639033

(Plant for Industrial Wastewater Complex)

7 Tuas Avenue 10, Singapore 639131

NSL OilChem Green Energy Pte Ltd

NSL OilChem Marine Pte Ltd

NSL OilChem Specialties Pte Ltd

23 Tanjong Kling Road, Singapore 628049

T (65) 6351 9700

F (65) 6513 3998

www.nsloilchem.com.sg

NSL OilChem Logistics Pte Ltd

23 Tanjong Kling Road, Singapore 628049

T (65) 6863 5270 / 6863 5272

F (65) 6861 1928

Others

NSL Chemicals Ltd

26 Tanjong Kling Road, Singapore 628051

T (65) 6513 6900

F (65) 6268 7592

www.nslchemicals.com.sg

Raffles Marina Ltd

10 Tuas West Drive, Singapore 638404

T (65) 6861 8000

F (65) 6861 1020

www.rafflesmarina.com.sg

Salzgitter Maschinenbau AG

Windmühlenbergstraße 20-22,

38259 Salzgitter, Germany

T (49) 5341 302 0

F (49) 5341 302 424

www.smag.de

NSL Properties Pte Ltd

NSL Resorts International Pte Ltd

Raffles Marina Holdings Ltd

317 Outram Road, #03-02, Singapore 169075

T (65) 6536 1000

F (65) 6536 1008



FINANCIAL REVIEW

Contents

19	Directors' Statement	48	Consolidated Statement of Cash Flows
22	Statement of Corporate Governance	51	Notes to the Financial Statements
37	Independent Auditor's Report	126	Analysis of Shareholdings
43	Consolidated Income Statement	128	Notice of Annual General Meeting
44	Consolidated Statement of Comprehensive Income	134	Additional Information on Director Seeking Re-Election Proxy Form
45	Balance Sheets		
47	Consolidated Statement of Changes in Equity		

Directors' Statement

For the financial year ended 31 December 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2023 and the balance sheet of the Company as at 31 December 2023.

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 43 to 125 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 31 December 2023 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:

Prof CHAM Tao Soon
John KOH Tiong Lu
Dr TAN Tat Wai
BAN Song Long
David FU Kuo Chen
Dr LOW Chin Nam

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 AND DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company, for the purpose of Section 164 of the Companies Act, none of the directors of the Company at the beginning and at the end of the financial year and as at 21 January 2024 had any interest in the shares and debentures of the Company and its related corporations except, as follows:

Name of directors and corporations in which interest held	Interest held in the name of Director			Deemed interest of Director		
	At 21.01.2024	At 31.12.2023	At 01.01.2023	At 21.01.2024	At 31.12.2023	At 01.01.2023
<u>NSL Ltd.</u> Ordinary shares Prof Cham Tao Soon	30,000	30,000	30,000	10,000*	10,000*	10,000*
<u>Related Corporation</u> <u>Raffles Marina Holdings Ltd</u> Class B Ordinary Shares Dr Low Chin Nam	9,000	9,000	9,000	-	-	-

* Prof Cham Tao Soon is deemed to have an interest in the NSL Ltd. shares held by his spouse.

Directors' Statement

For the financial year ended 31 December 2023

MATERIAL CONTRACTS

There are no material contracts entered into by the Company or any of its subsidiaries involving the interest of the chief executive officer, any director or controlling shareholder, either still subsisting at the end of the year or entered into since the end of the previous financial year.

AUDIT COMMITTEE

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

John KOH Tiong Lu	Chairman	(Independent)
Prof CHAM Tao Soon	Member	(Independent)
Dr TAN Tat Wai	Member	(Independent)
BAN Song Long	Member	(Non-independent)

The Audit Committee comprises four non-executive directors, majority of whom including the Chairman, are independent directors.

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

- the scope and the results of internal audit procedures with the internal audit;
- 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 31 December 2023 before their submission to the Board of Directors.

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

Directors' Statement

For the financial year ended 31 December 2023

INDEPENDENT AUDITOR

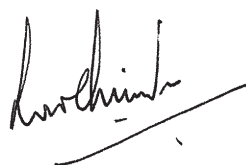
The independent auditor, PricewaterhouseCoopers LLP, being eligible, has expressed their willingness to accept re-appointment.

On behalf of the Directors



Prof CHAM Tao Soon
Director

Singapore
6 March 2024



Dr LOW Chin Nam
Director

Statement of Corporate Governance

For the financial year ended 31 December 2023

The Board recognises that it is the focal point of corporate governance of NSL Ltd. (the “**Company**”) and its group of companies and believes that good corporate governance will, in the long term enhance return on capital through increased accountability.

The Group had in 1998 adopted an internal Corporate Governance Guide which has been updated from time to time to reflect, as far as practicable, the Code of Corporate Governance issued by the Monetary Authority of Singapore (“**2018 Code**”), the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Companies Act 1967 (the “**Singapore Companies Act**”). NSL Ltd’s Corporate Governance Guide (2019) contains, *inter alia*, matters relating to code of conduct for employees, whistle-blower provisions, terms of reference for the Executive Committee, Audit Committee, Nominating Committee and Remuneration Committee and reporting procedures for interested person transactions, disclosure of directors’ interest and dealings in the Company’s securities.

Rule 710 of the Listing Manual of the SGX-ST was amended on 1 January 2019 to provide that an issuer must describe in its annual report its corporate governance practices with specific reference to the principles and the provisions of the 2018 Code. Accordingly, (a) an issuer must comply with the principles of the 2018 Code; and (b) where an issuer’s practices vary from any provisions of the 2018 Code, it must explicitly state, in its annual report, the provision from which it has varied, explain the reasons for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.

The Company has complied with the principles of the 2018 Code and has largely complied with the provisions of the 2018 Code. Where there is a variation from any provisions of the 2018 Code, appropriate explanations have been provided on the reason for such variations and how the existing practices adopted are consistent with the intent, aim and philosophy of the relevant principles of the 2018 Code.

The following describes the Company’s corporate governance practices with specific reference to the 2018 Code.

Board of Directors

(Principles 1 to 3)

The Board charts the strategic course for NSL Ltd. and its group of companies in its Precast & Prefabricated Bathroom Unit (“**PBU**”) and Environmental Services businesses.

The Board comprises the following members as at the date of this statement:

Prof CHAM Tao Soon	(Chairman), Non-Executive, Independent
John KOH Tiong Lu	Non-Executive, Independent
Dr TAN Tat Wai	Non-Executive, Independent
BAN Song Long	Non-Executive
David FU Kuo Chen	Non-Executive
Dr LOW Chin Nam	Executive

In line with the guidance under Provision 3.1 of the 2018 Code, the positions of Chairman and Executive Director are separately held by two persons in order to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

In line with the guidance under Provision 3.2 of the 2018 Code, the Chairman is responsible for the overall management of the Board and leads the Board to ensure its effectiveness in all aspects of its role. Among other things, the Chairman sets the agenda and ensures that adequate time is available for discussion of all agenda items. He encourages constructive relations within the Board and between the Board and Management, and also facilitates the effective contribution of non-executive directors in particular. The Chairman plays a key role in promoting high standards of corporate governance and ensuring effective communications with shareholders of the Company. The Executive Director is responsible for the overall management of the Group.

Statement of Corporate Governance

For the financial year ended 31 December 2023

Given that the roles of the Chairman and Executive Director are separate and the Chairman is independent, no lead independent director has been appointed.

In line with the guidance under Provision 1.1 of the 2018 Code, the Board is responsible for putting in place a code of conduct and ethics, setting appropriate tone-from-the-top and desired organisational culture, and ensuring proper accountability within the Company. Directors facing conflicts of interest are required to recuse themselves from discussions and decisions involving the issues of conflict.

In line with the guidance under Provisions 2.1, 2.2 and 2.3 of the 2018 Code, the Board, half of which comprise independent non-executive directors, is able to exercise its powers objectively and independently from Management. All non-executive directors, except for Mr Ban Song Long and Mr David Fu Kuo Chen, who are also directors of 98 Holdings Pte Ltd, the ultimate holding company of the Group, are independent i.e. they have no relationship with the Company, its related corporations (as defined in the Singapore Companies Act), its substantial shareholders, or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Group, and they are able to exercise objective judgement on corporate affairs independently from Management and its substantial shareholders.

All directors are required to disclose any relationship or appointments which would impair their independence to the Board. Based on an internal evaluation conducted by the Nominating Committee, the Board views all the non-executive directors of the Company, except for Mr Ban Song Long and Mr David Fu Kuo Chen, as independent in character, judgement and that there is no relationship which is likely to affect or could appear to affect the director's judgement.

In line with the guidance under Provision 1.5 of the 2018 Code, the directors attend and actively participate in Board and Board Committee meetings to oversee the business affairs of the Group, approve financial objectives, annual budgets, investment and divestment proposals, business strategies and monitor standards of performance of the Group. In line with the guidance under Provision 1.6 of the 2018 Code, Board members are provided with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities.

In line with the guidance under Provision 2.5 of the 2018 Code, non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management, and the chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

In line with the guidance under Provision 1.7 of the 2018 Code, all directors have separate and independent access to the Company's senior management, the advice and services of the Company Secretary and external advisers (where necessary). The Company Secretary attends all meetings of the Board and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary also attends all meetings of the Executive Committee, Nominating Committee and Remuneration Committee. Under the direction of the Chairman, the Company Secretary ensures information flow within the Board and its committees and between senior management and non-executive directors, as well as facilitating orientation and assisting with professional development as and when required. Under the Constitution of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

Provision 1.2 of the 2018 Code states, among other things, that the induction, training and development provided to new directors are disclosed in the annual report. In this regard, no new director was appointed to the Board in the financial year ended 31 December 2023 and accordingly, no such induction, training and development was provided during such financial year. With respect to existing directors, they were provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. In particular, the existing directors are periodically informed of upcoming programmes which are relevant to their roles as directors of the Company.

Statement of Corporate Governance

For the financial year ended 31 December 2023

In line with the guidance under Provision 1.1 of the 2018 Code, the Board objectively takes decisions in the best interests of the Group and holds Management accountable for performance. In line with the guidance under Provision 1.4 of the 2018 Code, the Board has delegated specific responsibilities to four Committees, namely the Audit, Executive, Nominating and Remuneration Committees. Information on each of the four Committees is set out below. The Board accepts that while these Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. Matters requiring the Board's decision and endorsement are defined in the NSL Ltd Group Corporate Authorisation, which has been clearly communicated to Management and sets out the matters reserved for the Board's decision, including bank borrowings, capital commitment, capital procurement and overhead expenses.

The Company recognises that a truly diverse board will include and make good use of differences in skills, industry experience, background, and other distinctions between directors for effective corporate governance and commercial sustainability of the Group.

All board appointments are made on the basis of merit such as the individual's qualifications, skills, experience, independence, profession, industry and areas of specialisation and expertise regardless of age, race, disability, religion or gender.

With reference to the guidance under Provision 2.4 of the 2018 Code, the Board and Board Committees are presently of an appropriate size and comprise suitably qualified people with a broad range of experience, skills, and knowledge relevant to businesses of the Group. This balance and mix of skills, knowledge, experience has fostered lively and constructive debates at all meetings.

The Nominating Committee shall seek to address Board vacancies, if any, by considering candidates that bring diversity of background and opinion from amongst eligible candidates with related expertise and experience, and who can contribute to the operation of the Group which the Board requires as a whole to be effective; and recommend them to the Board for consideration as independent directors. It continually reviews its Board diversity policy on an annual basis, generally in the first quarter of the year. Such reviews would include considering whether specific diversity targets, beyond the main objectives outlined above, would be beneficial.

Key information on the directors is set out on pages 35 and 36.

The Constitution of the Company allows directors to participate in a Board meeting by telephone conference or video-conference whereby all persons participating in the meeting are able to communicate as a group, without requiring the directors' physical presence at the meeting. In line with the guidance under Provisions 1.5 and 11.4 of the 2018 Code, the number of Board, General and Board Committee meetings held in the financial year ended 31 December 2023 and the attendance of directors during these meetings is as follows:

Directors' Attendance At Board, General And Board Committee Meetings 1 January 2023 to 31 December 2023

	BOARD		AUDIT		NOMINATING		REMUNERATION		EXECUTIVE COMMITTEE		GENERAL MEETING		CORPORATE RESEARCH	
	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Prof Cham Tao Soon	5	5	4	4	1	1	4	4	n/a	n/a	1	1	3	3
Ban Song Long	5	5	4	4	n/a	n/a	n/a	n/a	9	9	1	1	n/a	n/a
David Fu Kuo Chen	5	5	n/a	n/a	1	1	4	4	9	9	1	1	3	3
John Koh Tiong Lu	5	5	4	4	1	1	4	4	n/a	n/a	1	1	n/a	n/a
Dr Low Chin Nam	5	5	n/a	n/a	n/a	n/a	n/a	n/a	9	9	1	1	3	3
Dr Tan Tat Wai	5	5	4	4	1	1	4	4	n/a	n/a	1	1	n/a	n/a

Statement of Corporate Governance

For the financial year ended 31 December 2023

Audit Committee

(Principle 10)

In line with the guidance under Provision 10.2 of the 2018 Code, the Audit Committee comprises the following members, the majority of whom, including the Chairman, are independent directors. The members of the Audit Committee at the date of this statement are:

John KOH Tiong Lu (Chairman), Non-Executive, Independent
Prof CHAM Tao Soon, Non-Executive, Independent
Dr TAN Tat Wai, Non-Executive, Independent
BAN Song Long, Non-Executive

The members of the Audit Committee, collectively, have expertise or experience in financial management and are qualified to discharge the Audit Committee's responsibilities. In line with the guidance under Provision 10.3 of the 2018 Code, none of the members nor the Chairman of the Audit Committee are former partners or directors of the Group's auditing firm.

In line with the guidance under Provision 10.1 of the 2018 Code, the Audit Committee performs duties as specified in the Singapore Companies Act and the 2018 Code. Its duties include overseeing the quality and integrity of the accounting, auditing, internal controls and financial practices of the Group, and its exposure to risks. It also keeps under review the adequacy and effectiveness of the Company's systems of accounting and internal controls for which the directors are responsible. The Audit Committee is empowered to investigate any matter within its terms of reference and in this regard will have full access to and co-operation by Management and reasonable resources to enable it to discharge its functions.

The Audit Committee Guidance Committee issued the first edition of the Guidebook for Audit Committees in Singapore in October 2008 and the second edition in August 2014. Both editions were distributed to all members of the Audit Committee. Where appropriate, the Audit Committee will adopt relevant best practices set out in the Guidebook; which will be used as reference to assist the Audit Committee in performing its functions.

In line with the guidance under Provision 10.4 of the 2018 Code, the internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the Audit Committee, and has appropriate standing within the Company.

The Audit Committee held four meetings for the financial year ended 31 December 2023.

In carrying out its duties, the Audit Committee:

- (a) Reviewed the independence, adequacy, effectiveness and scope and results of the Group's internal audit function and external audits;
- (b) Met with the auditors to discuss the results of their audits, significant financial reporting issues and judgements, to enquire if there are material weaknesses and control deficiencies over the Group's financial reporting process and the corresponding effects of the financial statements. In line with the guidance under Provision 10.5 of the 2018 Code, the Audit Committee also met the auditors separately in the absence of Management;
- (c) Reviewed significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and all announcements relating to the Group's financial performance;
- (d) Reviewed at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems;

Statement of Corporate Governance

For the financial year ended 31 December 2023

- (e) Reviewed the assurance from the Executive Director and Senior Vice-President, Finance on the financial records and financial statements;
- (f) Reviewed the half-yearly and annual financial statements, SGXNET announcements and all related disclosures before submission to the Board for approval;
- (g) Reviewed, on an annual basis, non-audit services rendered to the Group by the external auditors to ascertain that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors;
- (h) Reviewing 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;
- (i) Decided on the appointment, termination and remuneration of the head of the internal audit function; and
- (j) Being satisfied with the independence and objectivity of the external auditors, recommended to the Board of Directors the re-appointment of PricewaterhouseCoopers LLP as auditors of the Company at the forthcoming annual general meeting. The Audit Committee also reviewed and approved the remuneration and terms of engagement of the external auditors.

The Audit Committee also considered the report from the external auditors, including their findings on the key areas of audit focus. Significant matters that were discussed with management and the external auditors have been included as key audit matters (“KAMs”) in the audit report for the financial year ended 31 December 2023. Refer to pages 38 to 39 of this Annual Report.

In assessing each KAM, the Audit Committee took into consideration the approach and methodology applied in the valuation of assets. The Audit Committee concluded that management’s accounting treatment in each of the KAMs were appropriate.

The Audit Committee has reviewed all non-audit services provided by the external auditors for the financial year ended 31 December 2023 as well as the fees paid and is satisfied that the independence and objectivity of the external auditors have not been impaired.

The Audit Committee and Board of Directors confirmed that they are satisfied that the appointment of different auditors for its subsidiaries and significant associated companies would not compromise the standard and effectiveness of the audit of the Company. Accordingly, the Group has complied with Rules 712 and 716 of the Listing Manual of the SGX-ST in relation to its auditors.

On the basis of the foregoing, the Company has complied with Rule 1207(6)(c) of the Listing Manual of the SGX-ST.

The Company has put in place a whistle-blower policy. The Audit Committee is tasked to investigate complaints of suspected fraud, unlawful business practices and unsafe working conditions. Procedures provide employees with direct access to the Audit Committee Chairman.

Whistle-blowing posters, outlining confidential channels for whistle-blowing directly to the Audit Committee Chairman (cellphone, e-mail and P.O. Box) have been prominently displayed in high traffic areas, in all offices and plants of the Group world-wide. The Company has made available (vide its website as well as the websites of each of its main business units) to its vendors, suppliers and customers the same confidential channels for whistle-blowing directly to the Audit Committee Chairman. In addition, the poster has been translated into 12 languages and disseminated as a pamphlet to most non-English speaking employees of the Group.

Any employee, who in good faith, discloses such information within the Group will be protected from any form of disadvantage or reprisal. Confidentiality will be maintained within limits required by law.

Statement of Corporate Governance

For the financial year ended 31 December 2023

Executive Committee

The Executive Committee (“**EC**”) comprises the following members:

BAN Song Long (Chairman), Non-Executive
David FU Kuo Chen, Non-Executive
Dr LOW Chin Nam, Executive

Under its terms of reference, the EC is authorised to approve and execute such transactions as are authorised and delegated by the Board as set out in the NSL Ltd Group Corporate Authorisation.

Nominating Committee

(Principles 1, 4 & 5)

In line with the guidance under Provision 4.2 of the 2018 Code, the Nominating Committee (“**NC**”) comprises the following members:

Prof CHAM Tao Soon (Chairman), Non-Executive, Independent
John KOH Tiong Lu, Non-Executive, Independent
Dr TAN Tat Wai, Non-Executive, Independent
David FU Kuo Chen, Non-Executive

In line with the guidance under Provision 4.1 of the 2018 Code, under its terms of reference, the principal duties of the NC are:

- To review and make recommendations to the Board on succession plans for directors, in particular the appointment and/or replacement of the Chairman, the Executive Director and other persons having authority and responsibility for planning, directing and controlling the activities of the Company (“**key management personnel**”).
- To review and make recommendations to the Board on all Board appointments and re-nominations.
- To review and make recommendations to the Board on the process and criteria for evaluation of the performance of the Board, Board Committees and directors.
- To review and make recommendations to the Board on the training and professional development programmes for the Board and its directors.
- To propose objective performance criteria to evaluate the Board’s performance.
- To assess and determine annually the independence of the directors.

With reference to the guidance under Provision 4.3 of the 2018 Code, in reviewing and making recommendations to the Board on Board appointments and re-nominations, the NC takes into consideration the composition and renewal of the Board, as well as each director’s competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, his or her performance as an independent director, so as to ensure that the Board and its Board Committees are of an appropriate size, and comprise directors who as a group provide an appropriate balance and mix of skills, knowledge and experience and other aspects of diversity such as age, so as to avoid groupthink and foster constructive debate. Provision 4.3 of the 2018 Code states, among other things, that the Company discloses the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates. In this regard, the Board believes it is of an appropriate size and has an appropriate diversity of thought and background to enable the Board to make decisions in the best interests of the Company in line with Principle 2 of the 2018 Code.

Statement of Corporate Governance

For the financial year ended 31 December 2023

In line with the guidance under Provision 5.1 of the 2018 Code, the Company has in place a process for assessing the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual director to the Board.

With reference to the guidance under Provision 4.4 of the 2018 Code, the NC determines annually, and as and when circumstances require, whether a director is independent, having regard to the circumstances set forth in Provision 2.1 of the 2018 Code. In conducting its assessment on the independence of non-shareholder related non-executive directors, the NC was guided by the 2018 Code and a set of specific criteria.

The NC noted that the amended SGX-ST Listing Rules provide that, with effect from 1 January 2022, a director will not be independent if he has been a director for an aggregate period of more than nine years, unless his continued appointment as an independent director is sought and approved by shareholders at a general meeting through two separate resolutions ("**Two-tier Voting Process**"). The first of these two resolutions require approval by majority vote of all shareholders present and voting on this resolution, and the second of these two resolutions require approval by majority vote of shareholders present and voting on this resolution, excluding shareholders who also serve as directors or the chief executive officer of the issuer (and their respective associates).

Each of Prof Cham Tao Soon, Mr John Koh Tiong Lu and Dr Tan Tat Wai is an independent director who has served for more than nine years. Each of them had sought the requisite approvals under the Two-tier Voting Process for their continued appointment as independent directors. Mr Koh's and Dr Tan's continued appointment as independent directors were approved at the 60th AGM held on 25 June 2020 while Prof Cham's continued appointment as independent director was approved at the 61st AGM held on 27 April 2021.

As part of the Board renewal process:-

- (a) Prof Cham Tao Soon, who is due for re-election at the upcoming AGM, will not be seeking re-election and will be retiring from the Board upon conclusion of the upcoming AGM. He will also retire as the Chairman of the Board, the Chairman of the Nominating Committee, the Chairman of the Remuneration Committee and a member of the Audit Committee;
- (b) Mr John Koh Tiong Lu will be stepping down from the Board upon conclusion of the upcoming AGM. He will also step down and relinquish his office/position as the Chairman of the Audit Committee, a member of the Nominating Committee and the Remuneration Committee; and
- (c) Dr Tan Tat Wai will be stepping down from the Board upon conclusion of the upcoming AGM. He will also step down and relinquish his office/position as a member of the Audit Committee, the Nominating Committee and the Remuneration Committee.

Given the imminent departure of all three long-serving independent directors by April 2024, the NC commenced in 2023 its search for suitably qualified Board members who are willing and able to take on governance roles in increasingly complex business environments.

In line with the guidance under Provision 4.5 of the 2018 Code, the NC will ensure that new directors are aware of their duties and obligations and also decide if a director is able to and has been adequately carrying out his or her duties as a director of the Company, taking into account the number of directorships and principal commitments of each director. Key information on the directors, including listed company directorships and principal commitments, is set out on pages 35 and 36.

The NC noted the 2018 Code requirement for the Board of Directors to decide on the issue of multiple board representations of directors and was of the view that the onus was placed on individual directors to ensure he could discharge all his duties and responsibilities as a director. Therefore, the NC did not recommend the setting of the maximum number of listed company board representations which a director may hold and would leave this issue to be determined by individual directors. In line with the guidance under Provision 4.5 of the 2018 Code, the NC is satisfied that sufficient time and attention was given by the directors to the affairs of the Group, taking into consideration the director's number of listed company board representations and other principal commitments.

Statement of Corporate Governance

For the financial year ended 31 December 2023

The Board, through the NC, reviews the size and composition of the Board and is of the opinion that, given the scope and nature of the Group's operations, the size of the Board is appropriate in facilitating effective decision-making.

The NC does not have a practice of appointing alternate directors. No alternate director was appointed in this financial year.

With reference to the guidance under Provision 5.2 of the 2018 Code, the NC undertook or, as the case may be, is completing an assessment of the Board, its Board Committees and each director. For purposes of such assessment, evaluation forms were sent to the directors to assess the effectiveness of the Board, its Board Committees and each director. The evaluation forms were or, as the case may be, will be collated and tabled to the NC for deliberation. No external facilitator was appointed for purposes of such assessment.

Remuneration Committee

(Principles 6 & 7)

In line with the guidance under Provision 6.2 of the 2018 Code, the Remuneration Committee ("RC") comprises the following members:

Prof CHAM Tao Soon (Chairman), Non-Executive, Independent
John KOH Tiong Lu, Non-Executive, Independent
Dr TAN Tat Wai, Non-Executive, Independent
David FU Kuo Chen, Non-Executive

In line with the guidance under Provisions 6.1, 7.1, 7.2 and 7.3 of the 2018 Code, under its terms of reference, the principal duties of the RC include:

- To review and make recommendations to the Board a framework of remuneration for the Board and key management personnel, with the objective of, among others, ensuring that the level and structure of remuneration of the Board and key management personnel are appropriate to attract, retain and motivate the directors to provide good stewardship of the Group and key management personnel to successfully manage the Group for the long term.
- To review and recommend to the Board specific remuneration packages for each of the directors and the key management personnel, taking into consideration the following:
 - a significant and appropriate proportion of the remuneration for executive directors and key management personnel is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promote the long-term success of the Group; and
 - the remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors, such as effort, time spent and responsibilities.
- To review all benefits and long-term incentive schemes (including share option schemes) for the Board and key management personnel.

In line with the guidance under Provision 8.1 of the 2018 Code, in reviewing and determining the remuneration packages of the Executive Director and key management personnel, the RC shall consider, amongst other things, their responsibilities, skills, expertise and contribution to the Group's performance and if the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain the best available executive talent.

In the event of termination of employment of any key management personnel, the matter will be reviewed by RC to ensure the termination terms are fair.

With reference to Provision 6.4 of the 2018 Code, no remuneration consultant was engaged to advise on the remuneration of directors and key management personnel.

Statement of Corporate Governance

For the financial year ended 31 December 2023

Remuneration and Benefits of Directors and Key Executives

(Principle 8)

In line with the guidance under Provisions 8.1 and 8.3 of the 2018 Code, the level and mix of each of the Directors' remuneration, and that of each of the top 5 key executives (who are not directors), are set out below:

(a) Directors

Remuneration Band & Name of Director	Base/ Fixed Salary ⁽¹⁾	Variable or Performance- related Income/ Bonuses ⁽¹⁾	Directors' Fees	Benefits- in-kind	Share Options Granted ⁽²⁾	Total Compensation
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-Executive Directors						
Prof CHAM Tao Soon	-	-	152	-	-	152
BAN Song Long	-	-	102	-	-	102
David FU Kuo Chen	-	-	96	-	-	96
John KOH Tiong Lu	-	-	120	-	-	120
Dr TAN Tat Wai	-	-	90	-	-	90
Executive Director						
Dr LOW Chin Nam	438	111	54	67	-	670

(1) The salary and performance bonus amounts shown are inclusive of allowances and leave pay.

(2) No options were granted during the financial year.

(b) Key Executives

In line with the guidance under Provisions 8.1 and 8.3 of the 2018 Code, the table below shows the level and mix of gross remuneration received by the top 5 executives (excluding the Executive Director) of the Group in bands of S\$250,000:

Remuneration Band & Name of Key Executive	Base/ Fixed Salary ⁽¹⁾	Variable or Performance- related Income/ Bonuses ⁽¹⁾	Benefits- in-kind	Share Options Granted ⁽²⁾	Total Compensation
	%	%	%	%	%
S\$500,000 to S\$749,999					
Henrik Bondrup JENSEN	57	24	19	-	100
TAN Meow Cheng	76	21	3	-	100
Matti MIKKOLA	66	24	10	-	100
S\$250,000 to S\$499,999					
FUNG Tian Piow Jeffrey	85	12	3	-	100
LIM Su-Ling	88	12	-	-	100

(1) The salary and performance bonus amounts shown are inclusive of allowances, leave pay and CPF.

(2) No options were granted during the financial year.

Statement of Corporate Governance

For the financial year ended 31 December 2023

The annual aggregate remuneration paid to the top five key executives (excluding the Executive Director) for the financial year ended 31 December 2023 was S\$2,262,000.

In line with the guidance under Provision 8.2 of the 2018 Code, there is no employee whose remuneration exceeds S\$100,000 during the financial year who is a substantial shareholder of the Company, or is an immediate family member of a director, chief executive officer or substantial shareholder of NSL Ltd.

Corporate Research and Development Advisory Panel

The Corporate Research and Development Advisory Panel (“CRD”) as at the date of this statement comprises the following members:

Prof CHAM Tao Soon (Chairman)
David FU Kuo Chen
LIM Swee Cheang
Dr LOW Chin Nam
Prof NG Wun Jern
Dr TIONG Lee Kong, Robert

The CRD serves as a forum for open discussion between the academic circle, government bodies and the Group. Members comprise senior management, scientists and academicians from Universities and Government bodies. The CRD usually meets 2 to 3 times a year.

Risk Management and Internal Controls

(Principle 9)

The Board of Directors, with the assistance of the Audit Committee, ensures that the Management maintains adequate risk management and internal control systems to safeguard shareholders’ investment and the Group’s assets.

In line with the guidance under Provision 9.1 of the 2018 Code, Management regularly reviews the Group’s business and operational activities to identify areas of significant risks as well as implement appropriate measures to control and mitigate these risks. These measures provide reasonable, but not absolute, assurance against material misstatements or loss, as well as ensure the safeguarding of assets, maintenance of proper accounting records and reliable financial information, and compliance with applicable law and regulations.

The nature and management of financial risks are discussed in Note 35 to the Financial Statements.

Review and tests of internal control procedures are carried out by the Company’s internal auditors based on approved internal audit plan. Significant internal control weaknesses noted by the internal auditors (if any) together with their recommendations, are included in their reports which are submitted to the Audit Committee.

In line with the guidance under Provision 9.2 of the 2018 Code, the Board has obtained assurance from Dr Low Chin Nam, Executive Director and Mr Chia Tong Hee, Senior Vice-President, Finance, that:

- (a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Group; and
- (b) the Group’s risk management and internal control systems, including financial, operational, compliance and information technology controls were adequate and effective as at 31 December 2023.

Statement of Corporate Governance

For the financial year ended 31 December 2023

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Board is of the opinion that the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls were adequate and effective as at 31 December 2023.

The Audit Committee concurred with the Board's view that the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls were adequate and effective as at 31 December 2023.

Internal Audit Function

The Company has an in-house internal audit department with a round-the-year internal audit program for the Group. The role of the internal auditors is to assist the Audit Committee to ensure that the Group maintains a sound system of internal controls and may undertake investigations as directed by the Audit Committee.

Internal Audit prepares an annual audit plan. The Audit Committee reviews and approves the annual internal audit plan, which complements that of the external auditors, so as to review the adequacy and effectiveness of the system of internal controls of the Group. The external auditors will highlight any material internal control weaknesses which have come to their attention in the course of their statutory audit. All audit findings and recommendations raised by the internal and external auditors are reported to the Audit Committee. Internal Audit follows up on all recommendations by internal and external auditors to ensure management has implemented these in a timely and appropriate manner and reports the results to the Audit Committee every quarter.

Staffed by suitably qualified executives, Internal Audit has unrestricted direct access to the Audit Committee. The Head of Internal Audit's primary line of reporting is to the Chairman of the Audit Committee.

Overall, the Audit Committee is satisfied that the internal audit function is independent and effective and that internal audit department has adequate resources and appropriate standing within the Group to perform its function effectively.

Shareholder Rights, Conduct of General Meetings and Communication with Shareholders

(Principles 11, 12 & 13)

The Company makes all necessary disclosures to the public via SGXNET. When material information is disseminated to the SGX-ST, such information is simultaneously posted on the Company's website at www.nsl.com.sg.

The Board, endeavours, by the release of half-yearly and full year results, to provide shareholders with a balanced and understandable assessment of the Group's performance and prospects.

In line with the guidance under Provision 11.1 of the 2018 Code, shareholders of the Company receive the notice of the annual general meeting. The notice is also advertised in the newspapers. At annual general meetings, shareholders are given the opportunity to seek clarification from directors and management on the financial affairs of the Company.

In line with the guidance under Provision 11.3 of the 2018 Code, to the extent possible, all directors will attend general meetings of shareholders. External auditors will also be present to assist the directors in addressing shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

Statement of Corporate Governance

For the financial year ended 31 December 2023

The Company does not intend to adopt absentia voting methods (e.g. via mail, email or fax) until issues such as the authentication of shareholder identity and other related security and integrity of such information can be resolved. Notwithstanding the foregoing, under the Company's Constitution:

- (a) a member of the Company who is not a relevant intermediary (as defined in Section 181 of the Singapore Companies Act) is entitled to appoint not more than two proxies to attend, speak and vote at the meeting; and
- (b) a member of the Company 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.

Accordingly, the Board is of the view that shareholders will still be able to participate effectively in and vote at general meetings even in the absence of absentia voting.

In line with the guidance under Provision 11.2 of the 2018 Code, resolutions submitted at annual general meetings are typically separate and not bundled or made inter-conditional on each other, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled, the Company will explain the reasons and material implications in the notice of annual general meeting.

The Company had put all resolutions to vote by poll at shareholders meetings since December 2002 and announced detailed results showing the number of votes cast for and against each resolution and the respective percentages since 2012.

Minutes of the annual general meeting will be made available on the Company's website as soon as practicable.

The Company does not have a formal dividend policy as contemplated by Provision 11.6 of the 2018 Code. The Board may from time to time consider paying dividends in a manner that is in line with the Group's financial performance, taking into consideration the Group's earnings, capital requirements and overall financial position. Any dividends declared are clearly communicated to shareholders in public announcements and through announcements via SGXNET when the Company discloses its financial results. Subject to the approval of shareholders at the forthcoming annual general meeting, the Board has recommended a final dividend of S\$0.02 per share for the financial year ended 31 December 2023 to be paid on such date as may be determined by the directors.

In line with the guidance under Provision 12.1 of the 2018 Code, the Company communicates (at least once annually at the annual general meeting) with its shareholders and facilitates the participation of shareholders during general meetings and (where applicable) other dialogues to allow shareholders to communicate their views on various matters affecting the Company. The Company also provides avenues for communication between the Board and all shareholders.

The Company currently does not have an investor relations policy in place as contemplated by Provisions 12.2 and 12.3 of the 2018 Code but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. Shareholders could contact the Company's corporate communications department directly with questions and the Company may respond to such questions through such department. The contact details of the department are also set out on the Company's website.

In line with the guidance under Provisions 13.1, 13.2 and 13.3 of the 2018 Code, the Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and maintains a current corporate website to communicate and engage with stakeholders.

Statement of Corporate Governance

For the financial year ended 31 December 2023

Securities Transactions

The Company has issued a policy on dealings in the securities of the Company to its directors, employees and directors of its subsidiaries, setting out the implications of insider trading and guidance on such dealings. Accordingly, the Company has complied with Rule 1207 (19) of the Listing Manual of the SGX-ST since 1998.

The Company and its officers are not allowed to deal in the Company's securities during the one month preceding, and up to the time of announcement of, the Company's results for the half-year and the full financial year (if the Company does not announce its quarterly results).

The directors and key employees are also expected to observe insider trading laws at all times, even when dealing in securities outside of the prohibited periods and to refrain from dealing in the securities on short-term considerations.

Interested Person Transactions

Pursuant to Rule 907 of the Listing Manual of the SGX-ST, no interested person transaction was entered into during the financial year.

Statement of Corporate Governance

For the financial year ended 31 December 2023

PARTICULARS OF DIRECTORS AS AT 6 MARCH 2024

NAME OF DIRECTOR	ACADEMIC & PROFESSIONAL QUALIFICATIONS	BOARD COMMITTEE AS CHAIRMAN OR MEMBER	DIRECTORSHIP DATE FIRST APPOINTED DATE LAST RE-ELECTED	BOARD APPOINTMENT WHETHER EXECUTIVE OR NON-EXECUTIVE	DUE FOR RE-ELECTION AT AGM ON 29 APRIL 2024	LISTED COMPANY DIRECTORSHIPS	PRINCIPAL COMMITMENTS
Prof Cham Tao Soon	<ul style="list-style-type: none"> Bachelor of Engineering degree from Malaya University Bachelor of Science degree from University of London Doctorate of Philosophy degree from University of Cambridge Fellow of the Institution of Engineers, Singapore Fellow of the Institution of Mechanical Engineers, UK 	<p><i>Chairman:</i> Nominating Committee</p> <p>Remuneration Committee</p> <p>Corporate Research and Development Advisory Panel</p> <p><i>Member:</i> Audit Committee</p>	26 May 1988 27 April 2021	Non-Executive/ Independent	Prof Cham is not seeking re-election	Soup Restaurant Group Ltd	No
John Koh Tiong Lu	<ul style="list-style-type: none"> LLM degree from Harvard Law School BA and MA degree (Economics and Law) from Trinity College, University of Cambridge 	<p><i>Chairman:</i> Audit Committee</p> <p><i>Member:</i> Nominating Committee</p> <p>Remuneration Committee</p>	30 January 2003 27 April 2023	Non-Executive/ Independent	N/A	Aurora Mobile Limited	No
Dr Tan Tat Wai	<ul style="list-style-type: none"> Bachelor of Science degrees in Electrical Engineering and Economics from Massachusetts Institute of Technology Master's degrees in Economics from the University of Wisconsin (Madison) and Harvard University Doctor of Philosophy degree in Economics from University of Harvard 	<p><i>Member:</i> Audit Committee</p> <p>Nominating Committee</p> <p>Remuneration Committee</p>	15 February 1993 27 April 2023	Non-Executive/ Independent	N/A	Southern Steel Berhad	Hospital Lam Wah Ee (Non-profit hospital) Penang Chinese Girls Schools Phor Tay Schools
Ban Song Long	Associate of the Institute of Bankers, London	<p><i>Chairman:</i> Executive Committee</p> <p><i>Member:</i> Audit Committee</p>	25 January 2003 27 April 2021	Non-Executive	Re-election (Article 90)	No	Excelfin Pte Ltd (Managing Director) Yotei Pte Ltd (Managing Director)

Statement of Corporate Governance

For the financial year ended 31 December 2023

NAME OF DIRECTOR	ACADEMIC & PROFESSIONAL QUALIFICATIONS	BOARD COMMITTEE AS CHAIRMAN OR MEMBER	DIRECTORSHIP DATE FIRST APPOINTED DATE LAST RE-ELECTED	BOARD APPOINTMENT WHETHER EXECUTIVE OR NON-EXECUTIVE	DUE FOR RE-ELECTION AT AGM ON 29 APRIL 2024	LISTED COMPANY DIRECTORSHIPS	PRINCIPAL COMMITMENTS
David Fu Kuo Chen	Bachelor of Science degree in Engineering from University of Southern California	<i>Member:</i> Nominating Committee Remuneration Committee Executive Committee Corporate Research and Development Advisory Panel	25 January 2003 29 April 2022	Non-Executive	N/A	Hotel Properties Ltd	No
Dr Low Chin Nam	<ul style="list-style-type: none"> • Bachelor of Science (First Class Honours) in Electronics Engineering from King's College, University of London • Master of Science in Management Science from Imperial College, University of London • Doctor of Philosophy degree in Econometrics from Monash University, Australia 	<i>Member:</i> Executive Committee Corporate Research and Development Advisory Panel	1 August 2016 29 April 2022	Executive (Responsible for the overall Management of the NSL Group)	N/A	No	Full time executive of NSL Ltd

Independent Auditor's Report

to the members of NSL LTD.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of NSL 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 31 December 2023 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 income statement of the Group for the financial year ended 31 December 2023;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2023;
- 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 material accounting policy information.

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 31 December 2023. 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 NSL LTD.

Key Audit Matter

Impairment assessment on trade receivables

Refer to Note 3a, Note 16 and Note 35b to the financial statements for the related disclosures

At 31 December 2023, the Group had outstanding trade receivables of S\$71,838,000 (net of accumulated loss allowance for impairment of trade receivables of S\$16,237,000) and credit loss allowance of S\$1,160,000 was recorded in the consolidated income statement for the financial year then ended.

For trade receivables, the Group applies the simplified approach permitted under SFRS(I) 9 and as set out in the accounting policy stated in Note 2K which requires expected lifetime loss to be recognised from initial recognition of the trade receivables.

Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, default in payments (interest and/or principal payments) are at least 2 years overdue and/or legal enforcement action undertaken by the Group for recovery against the debtor are considered evidence that the debtor is non-performing ("Non-performing receivable"). In such an instance, the expected credit loss of the non-performing receivable is measured at the maximum exposure to the Group at balance sheet date.

Trade receivables that are other than non-performing are grouped by management based on similar credit risk characteristics and days past due; and a provision matrix was used to measure the lifetime expected credit loss within each operating segment.

In estimating the expected credit loss, management considers historical credit loss rates for each aging category and makes forward-looking adjustments to reflect current and future market conditions which may affect the ability of the debtors to settle the receivables.

We focused on this area because of the significant judgement and estimates required in the assessment of the expected credit loss recognised by the Group.

How our audit addressed the Key Audit Matter

We obtained an understanding of the Group's process for estimating the expected credit loss and assessed management's measurement of the lifetime expected credit loss.

We requested for confirmations and checked for evidence of receipts subsequent to the year end for selected significant debtors. We discussed with management the status of long overdue trade receivables balances and their consideration of debtors' specific profiles and risks within each operating segment. We also evaluated management's assumptions and inputs used in the computation of expected credit loss and assessed the reasonableness of management's assumptions used by considering the Group's historical credit loss experience, ageing analysis of outstanding receivables within each operating segment and the forward-looking adjustments established based on their assessment of future market conditions.

We verified the mathematical accuracy of the credit loss allowance of trade receivables and assessed the reasonableness of the credit loss rates for the respective aging brackets of trade receivables, in assessing the adequacy of impairment required.

We also considered the appropriateness and adequacy of the disclosures in respect of this matter.

Based on our procedures, we found the judgement exercised by management in the determination of impairment of trade receivables and the expected credit loss recorded in the financial statements to be appropriate.

Independent Auditor's Report

to the members of NSL LTD.

Key Audit Matter

Impairment assessment on property, plant and equipment ("PPE")

Refer to Note 3b and Note 18 to the financial statements for the related disclosures.

As at 31 December 2023, the Group's PPE was carried at a net book value of S\$87,096,000. For PPE of cash-generating unit ("CGU") of the Group with indicators of impairment, management performed an impairment review to assess the recoverable amounts of these assets based on the higher of value-in-use ("VIU") and fair value less costs to sell ("FVLCS").

Arising from management's assessment based on VIU calculations using the discounted cash flows model, an impairment loss of S\$13,050,000 for PPE was recorded in the consolidated income statement for the financial year ended 31 December 2023 to write down the carrying amounts of the assets to their estimated recoverable amounts.

We focused on this area because of the significant judgement and estimates required in estimating the projected sales growth rate, projected gross profit margins and discount rates in computing the recoverable amounts of the CGUs.

How our audit addressed the Key Audit Matter

We assessed management's process for identifying and reviewing the CGUs subject to impairment testing and evaluated the basis and the methodology used to derive the recoverable amounts of the CGUs. For assets with recoverable amounts derived based on VIU computation, we assessed the reasonableness of the cash flow projections by comparing the projected sales growth rate and gross profit margins against the CGU's historical data, performance and latest financial budgets approved by management. In addition, we have independently verified the discount rates used by management to be appropriate.

We also considered the appropriateness and adequacy of the disclosures relating to the assumptions.

Based on our procedures performed, we found management's judgement and estimates in relation to the determination of the recoverable amounts of the CGUs to be appropriate and the disclosures in the financial statements to be adequate.

Independent Auditor's Report

to the members of NSL LTD.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

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 a 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 include overseeing the Group's financial reporting process.

Independent Auditor's Report

to the members of NSL LTD.

Auditor's Responsibilities 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 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 these 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 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 a 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 within 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.

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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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.

Independent Auditor's Report

to the members of NSL LTD.

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 Yeow Chee Keong.

The logo for PricewaterhouseCoopers LLP, featuring the company name in a stylized, cursive script followed by 'LLP' in a bold, sans-serif font.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 6 March 2024

Consolidated Income Statement

For the financial year ended 31 December 2023

	Note	The Group	
		2023 S\$'000	2022 S\$'000
Sales	4	298,083	369,674
Cost of sales		(244,333)	(309,965)
Gross profit		53,750	59,709
Other income			
- Interest	5	6,923	2,522
- Others	5	1,795	2,942
Other losses, net	6	(548)	(242)
Impairment loss on goodwill	25	(654)	-
Impairment loss on property, plant and equipment	18	(13,050)	-
Impairment loss on investment in an associated company	21d	(21,900)	(16,112)
Distribution costs		(7,414)	(7,953)
Administrative expenses		(29,937)	(27,664)
Loss allowance on trade receivables, net	35b	(1,160)	(4,903)
Finance costs	7	(2,028)	(1,634)
Share of results of associated companies, net of tax		(1,296)	7,249
(Loss)/profit before income tax	8	(15,519)	13,914
Income tax expense	10	(4,120)	(4,318)
Total (loss)/profit for the financial year		(19,639)	9,596
(Loss)/profit attributable to:			
Equity holders of the Company		(18,697)	10,697
Non-controlling interests		(942)	(1,101)
		(19,639)	9,596
Basic and fully diluted (loss)/earnings per share (cents)	12	(5.01)	2.86

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2023

The Group

	2023 S\$'000	2022 S\$'000
Total (loss)/profit for the financial year	(19,639)	9,596
Other comprehensive loss:		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Exchange differences on translating foreign operations		
- Loss arising during the year	(2,453)	(6,947)
Share of other comprehensive loss of associated companies	(481)	(232)
	(2,934)	(7,179)
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Fair value loss arising from financial assets, at FVOCI*	(286)	(444)
Exchange differences on translating foreign operations		
- Gain arising during the year	156	55
Share of other comprehensive loss of associated companies	(307)	(875)
Other comprehensive loss for the year, net of tax	(3,371)	(8,443)
Total comprehensive (loss)/income for the year, net of tax	(23,010)	1,153
Total comprehensive (loss)/income attributable to:		
Equity holders of the Company	(22,224)	2,199
Non-controlling interests	(786)	(1,046)
	(23,010)	1,153

* Financial assets measured at fair value through other comprehensive income

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

Balance Sheets

As at 31 December 2023

	Note	The Group		The Company	
		2023	2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
Share capital	13	193,839	193,839	193,839	193,839
Reserves	14	80,418	270,724	14,209	86,762
Shareholders' equity		274,257	464,563	208,048	280,601
Non-controlling interests	20a	(6,282)	(5,496)	-	-
TOTAL EQUITY		267,975	459,067	208,048	280,601
CURRENT ASSETS					
Inventories	15	34,862	52,776	-	-
Receivables, prepayments and other current assets	16	83,120	96,142	15,812	67,629
Other investments at amortised cost	24	503	2,000	503	2,000
Tax recoverable		804	918	-	-
Cash and bank balances	17	122,719	268,102	50,891	168,602
		242,008	419,938	67,206	238,231
NON-CURRENT ASSETS					
Property, plant and equipment	18	87,096	108,496	340	186
Right-of-use assets	19a	29,219	28,635	259	549
Investments in subsidiaries	20	-	-	36,231	60,338
Investment in a joint venture		2	-	-	-
Investments in associated companies	21	10,357	34,231	-	-
Long term receivables	22	454	465	154,128	28,108
Financial assets, at FVOCI	23	909	1,195	909	904
Other investments at amortised cost	24	1,744	2,254	1,744	2,254
Intangible assets	25	9,329	9,420	-	-
Deferred tax assets	30	2,369	2,482	-	-
Other non-current assets		219	235	-	-
		141,698	187,413	193,611	92,339
TOTAL ASSETS		383,706	607,351	260,817	330,570

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

Balance Sheets

As at 31 December 2023

	Note	The Group		The Company	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
CURRENT LIABILITIES					
Borrowings	26a	(4,188)	(26,499)	-	-
Lease liabilities	26b	(2,426)	(2,655)	(244)	(285)
Trade, other payables and other current liabilities	27	(69,803)	(93,209)	(43,596)	(39,227)
Current income tax liabilities		(2,972)	(4,019)	(1,300)	(382)
Deferred income	28	(26)	(26)	-	-
		(79,415)	(126,408)	(45,140)	(39,894)
NON-CURRENT LIABILITIES					
Provision for retirement benefits	29	(3,928)	(3,587)	-	-
Deferred tax liabilities	30	(2,123)	(2,203)	(64)	(147)
Borrowings	26a	(14,746)	(2,304)	-	-
Lease liabilities	26b	(12,004)	(10,797)	(5)	(249)
Deferred income	28	(412)	(402)	-	-
Other non-current liabilities	31	(3,103)	(2,583)	(7,560)	(9,679)
		(36,316)	(21,876)	(7,629)	(10,075)
TOTAL LIABILITIES		(115,731)	(148,284)	(52,769)	(49,969)
NET ASSETS		267,975	459,067	208,048	280,601

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2023

Attributable to Equity Holders of the Company

Note	Attributable to Equity Holders of the Company							
	Share Capital	Revenue Reserve	Foreign Currency Translation Reserve	Fair Value Reserve	General and Other Reserve	Total	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
THE GROUP								
Balance as at 1 January 2023	193,839	275,323	(8,894)	4,381	(86)	464,563	(5,496)	459,067
Loss for the year	-	(18,697)	-	-	-	(18,697)	(942)	(19,639)
Other comprehensive (loss)/ income for the year	-	-	(2,934)	(593)	-	(3,527)	156	(3,371)
Total comprehensive loss for the year	-	(18,697)	(2,934)	(593)	-	(22,224)	(786)	(23,010)
Transfer to statutory reserve	14a	-	(183)	-	-	183	-	-
Dividends paid	11	-	(168,101)	-	-	(168,101)	-	(168,101)
Write-back of long outstanding dividend payables		-	19	-	-	19	-	19
Total transactions with owners, recognised directly in equity		-	(168,082)	-	-	(168,082)	-	(168,082)
Balance as at 31 December 2023	193,839	88,361	(11,828)	3,788	97	274,257	(6,282)	267,975
Balance as at 1 January 2022	193,839	283,304	(1,715)	5,703	(89)	481,042	(4,357)	476,685
Profit for the year	-	10,697	-	-	-	10,697	(1,101)	9,596
Other comprehensive (loss)/ income for the year	-	-	(7,179)	(1,322)	3	(8,498)	55	(8,443)
Total comprehensive income/ (loss) for the year	-	10,697	(7,179)	(1,322)	3	2,199	(1,046)	1,153
Dividends paid	11	-	(18,678)	-	-	(18,678)	-	(18,678)
Total transactions with owners, recognised directly in equity		-	(18,678)	-	-	(18,678)	-	(18,678)
Disposal of subsidiaries	17	-	-	-	-	-	(93)	(93)
Balance as at 31 December 2022	193,839	275,323	(8,894)	4,381	(86)	464,563	(5,496)	459,067

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023

	The Group	
	2023	2022
Note	S\$'000	S\$'000
Cash Flows from Operating Activities		
(Loss)/profit for the financial year	(19,639)	9,596
<i>Adjustments for:</i>		
Income tax expense	4,120	4,318
Amortisation of intangible assets	533	329
Amortisation of deferred income	(64)	(86)
Depreciation of property, plant and equipment	12,972	13,473
Depreciation of right-of-use assets	3,397	3,493
Interest expense	2,028	1,634
Interest income	(6,923)	(2,522)
Dividend income from financial assets, at FVOCI	-	(29)
Impairment loss on investment in an associated company	21,900	16,112
Impairment loss on property, plant and equipment	13,050	-
Impairment loss on goodwill	654	-
Dilution gain on investment in an associated company	-	(385)
Gain on disposal including write-off of property, plant and equipment (net)	(3)	(100)
Gain on disposal of subsidiary companies	-	(1,380)
Provision for retirement benefits (net)	583	425
Share of results of associated companies, net of tax	1,296	(7,249)
Exchange differences	315	538
<i>Operating cash flows before working capital changes</i>	34,219	38,167
<i>Changes in working capital, net of effects from disposal of subsidiaries:</i>		
Inventories	17,914	(2,864)
Receivables and prepayments	14,741	(21,351)
Deferred income	74	58
Trade and other payables	(22,855)	24,775
<i>Cash generated from operations</i>	44,093	38,785
Income tax paid	(5,433)	(100)
Retirement benefits paid	(143)	(220)
<i>Net cash provided by operating activities</i>	38,517	38,465

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023

	Note	The Group	
		2023 S\$'000	2022 S\$'000
Cash Flows from Investing Activities			
Net cash inflow from disposal of subsidiaries	17	-	2,457
Dividend from an associated company		283	-
Dividends received from financial assets, at FVOCI		-	29
Advances to a joint venture		(2,553)	-
Proceeds from disposal of property, plant and equipment		404	447
Additions of property, plant and equipment		(5,802)	(15,641)
Additions of intangible assets		(1,092)	(167)
Purchases of financial assets, at amortised cost		-	(3,743)
Proceeds from maturity of investments at amortised cost		2,000	-
Interest received		7,754	1,573
<i>Net cash provided by/(used in) investing activities</i>		994	(15,045)
Cash Flows from Financing Activities			
Proceeds from borrowings		4,082	12,742
Repayment of borrowings		(13,940)	(18,229)
Principal payment of lease liability		(2,808)	(3,009)
Interest paid		(1,970)	(1,412)
Bank deposits pledged		-	(8,100)
Dividends paid to shareholders	11	(168,101)	(18,678)
<i>Net cash used in financing activities</i>		(182,737)	(36,686)
Net decrease in cash and cash equivalents			
		(143,226)	(13,266)
Cash and cash equivalents at beginning of the financial year		242,602	257,111
Effects of exchange rate changes on cash and cash equivalents		(2,157)	(1,243)
Cash and cash equivalents at end of the financial year	17	97,219	242,602

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023

Reconciliation of liabilities arising from financing activities

	1 January 2023 S\$'000	Proceeds from borrowings S\$'000	Principal and interest payments S\$'000	Non-cash changes				31 December 2023 S\$'000
				Re- measurement of lease liability (Note 19f) S\$'000	Additions during the year S\$'000	Interest expense S\$'000	Foreign exchange movement S\$'000	
Bank borrowings	28,803	4,082	(15,254)	-	-	1,314	(11)	18,934
Lease liabilities	13,452	-	(3,464)	2,768	1,027	656	(9)	14,430

	1 January 2022 S\$'000	Proceeds from borrowings S\$'000	Principal and interest payments S\$'000	Non-cash changes				31 December 2022 S\$'000
				Modification of lease liability S\$'000	Additions during the year S\$'000	Interest expense S\$'000	Foreign exchange movement S\$'000	
Bank borrowings	34,485	12,742	(19,117)	-	-	888	(195)	28,803
Lease liabilities	16,130	-	(3,533)	-	516	524	(185)	13,452

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

Notes to the Financial Statements

For the financial year ended 31 December 2023

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

1. GENERAL INFORMATION

NSL Ltd. (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The Company's registered office is at 317 Outram Road, #03-02 Singapore 169075.

The principal activities of the Company are the provision of management services and investment holding. The principal activities of its subsidiaries are mainly manufacturing and sale of building materials, oil and petroleum related products and provision of environmental services (Note 38).

2. MATERIAL ACCOUNTING POLICIES

A. 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's 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.

These financial statements are expressed in thousands of Singapore Dollars (S\$'000).

B. Adoption of new and revised standards

On 1 January 2023, the Group 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 and the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

New or amended Standards and Interpretations effective for annual period 2023

The following are the new or amended Standards effective for annual periods beginning on or after 1 January 2023:

- SFRS(I) 17 Insurance Contracts
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
- Amendments to SFRS(I) 1-8: Definitions of Accounting Estimates
- Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to SFRS(I) 1-12: International Tax Reform – Pillar Two Model Rules

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

C. Revenue recognition

(1) Sale of goods

The Group manufactures and sells a range of building materials, recycled oil and other petroleum related products ("oil and petroleum products"), refractory materials and roadstone products. Revenue from the sale of goods is recognised when the Group has delivered and, where applicable, installed the goods to the locations specified by its customers and control of the goods has transferred, being when the customers have accepted the products in accordance with the sales contract.

The period between the transfer of the promised goods and payment by the customer may exceed one year (i.e. retention monies). For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customers from the Group's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

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.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

(2) Services rendered

The Group provides environmental services which involves sludge and slop processing related services. For precast & PBU segment, the Group provides services relating to project preliminaries work and related services. Revenue from providing these services is recognised over time in the accounting period in which the services are rendered.

Subscription services for the membership in the Group's marina club is recognised over time in the accounting period in which the services are rendered. This includes entrance fees and membership transfer fees of membership clubs which are recognised in profit or loss on a straight-line basis over the term of membership. Unamortised entrance fees and membership transfer fees are recognised as deferred income in the balance sheet.

(3) Rental income

Rental income from operating lease (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

C. Revenue recognition (continued)

(4) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(5) Interest income

Interest income is recognised using the effective interest rate method.

(6) Sale of scrap

The Group recognises sale of scrap when the customers accept the scrap and the collectability of the related receivables is reasonably assured.

D. Cost of sales

Cost of sales comprises cost of purchased and manufactured goods sold, other relevant costs attributable to goods sold and costs of rendering services.

E. Group accounting

(1) 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 deconsolidated 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 transferred asset. 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 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

E. Group accounting (continued)

(1) 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 or business 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 values 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 (a) 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 (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2G for the subsequent accounting policy on goodwill.

(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 revenue reserve if required by a specific Standard.

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 Note 2I for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(2) 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 interests 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 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

E. Group accounting (continued)

(3) Associated companies and joint ventures

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 ventures 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 companies or joint ventures over the Group's share of the fair value of the identifiable net assets of the associated companies or joint ventures 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 the Group's share of its associated companies' or joint ventures' 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 companies or joint venture equals to or exceeds its interest in the associated companies 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 companies or joint venture. If the associated companies 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. Interest in an associated companies or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of an 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 ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated companies 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

F. Property, plant and equipment

(1) Measurement

Property, plant and equipment are initially recognised at cost, and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (refer to Note 2J for accounting policy on impairment of property, plant and equipment).

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is 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. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 2H for accounting policy on borrowing costs).

(2) Depreciation

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

Buildings	-	10 to 60 years
Leasehold improvements	-	10 to 60 years
Plant and machinery	-	3 to 15 years
Vessels	-	15 to 18 years
Other assets	-	1 to 15 years

Other assets comprise furniture and fittings, office appliances and equipment and motor vehicles.

Dry docking costs are recognised as a separate component of each vessel's carrying amount. These costs are depreciated over the period to the next scheduled dry docking, which is 5 years. The remaining carrying amount of the old dry docking as a result of the commencement of new dry docking will be written off to profit or loss.

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.

(3) 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.

(4) 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".

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

G. Intangible assets

(1) Goodwill

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum 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 (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies and joint ventures represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

(2) Other intangible assets

Other intangible assets consist of computer software licenses and development of software that are recognised at cost less accumulated amortisation and accumulated impairment losses (refer to Note 2J for accounting policy for impairment of other intangible assets). These costs are amortised to profit or loss using the straight-line method over their expected useful lives ranging from 3 to 5 years, which is the shorter of their estimated useful lives and period of contractual rights. Costs associated with maintaining the other intangible assets are expensed off when incurred. Research costs are recognised as an expense when incurred. Costs directly attributable to the development of computer software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

H. Borrowing costs

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

I. Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses (refer to Note 2J for accounting policy on impairment of investment in subsidiaries) in the Company's balance sheet.

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

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

J. Impairment of non-financial assets

(1) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-unit ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(2) Other intangible assets

Property, plant and equipment

Right-of-use assets

Investments in subsidiaries, associated companies and a joint venture

Other intangible assets, property, plant and equipment, right-of-use assets, investments in subsidiaries, associated companies and a 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 costs to sell and the 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, the recoverable amount is determined for the 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.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset (other than goodwill) is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

K. Financial assets

(1) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income ("FVOCI")

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.

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 bank balances, trade and other receivables, and listed and unlisted debt instruments.

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 investments

The Group subsequently measures all its equity investments at their fair values. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "Fair value gain/loss" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "Dividend income".

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

K. Financial assets (continued)

(2) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, 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.

(3) 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.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to revenue reserve along with the amount previously recognised in other comprehensive income relating to that asset.

(4) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

L. Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. 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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

M. 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 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.

N. 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.

O. Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and bonds) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods, and makes assumptions based on current market conditions that are existing at each balance sheet date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and/or discounted cash flow analysis. The Group also estimates the fair values of the financial assets by reference to the net assets of these equity securities, adjusting where applicable using appropriate measures to fair value the underlying assets and liabilities. In determining these fair values, management evaluates, among other factors, the reliability and appropriateness of the use of the underlying net asset information provided, taking into consideration factors such as industry and sector outlook, other market comparable and other prevailing market factors and conditions.

The fair value of non-current financial liabilities carried at amortised cost is 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 fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

P. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Q. Leases

(1) 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.

(i) Right-of-use assets

The Group recognises 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, as follows:

Leasehold land	-	Over a lease period of up to 98 years
Office and buildings	-	2 to 5 years
Motor vessels	-	1 to 3 years
Other assets	-	2 to 4 years

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of right-of-use assets if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

(ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the interest rate implicit 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 payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- The exercise price of a purchase option if the Group is 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 contains 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 components. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Q. Leases (continued)

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

(ii) Lease liabilities (continued):

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities 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.

Lease liabilities are 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.

(iii) Short term and low value leases

The Group has elected to not recognise 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. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(2) When the Group is the lessor:

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.

R. Income taxes

Current income tax for current and prior periods is recognised at the amount 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 and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

R. Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and a 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.

The Group accounts for investment tax credits similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

S. Provisions

- (1) Provisions for asset dismantlement, removal and restoration

Provisions for asset dismantlement, removal or restoration 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 amounts have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of right-of-use assets arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

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 right-of-use assets, 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 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

S. Provisions (continued)

(2) Provisions for other liabilities and charges

Provisions 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.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit or loss when the changes arise.

T. Employee compensation

(1) Pension benefits

The Group operates both defined contribution post-employment benefit plans and defined benefit 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. The Group's contributions are recognised as employee compensation expense when they are due.

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Certain subsidiaries of the Group operate separate defined retirement benefit schemes for certain employees. Such benefits are unfunded.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. Retirement benefits are assessed annually using the projected unit credit method. The present value of the defined benefit obligation is measured by discounting the estimated future cash outflows using a discount rate by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to the terms of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actual assumptions are charged or credited to equity in other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period. Changes in the defined benefit liability arising from past service cost and net interest on the defined benefit obligation for the financial year are recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

T. Employee compensation (continued)

(2) Employee leaves entitlement

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

U. Currency translation

(1) 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.

(2) Transaction 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 investments 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 to borrowings are presented in the income statement within "Finance costs". 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 dates when the fair values are determined.

(3) 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 the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rate at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average 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

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

U. Currency translation (continued)

(3) Translation of Group entities' financial statements (continued)

- (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.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date. For acquisitions prior to 1 January 2005, the goodwill and fair value adjustments are translated at the exchange rates at the dates of acquisition.

V. Segment reporting

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

W. 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.

X. Dividends

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

Y. Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of the Group that either has been disposed of, or that is classified as held-for-sale and:

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

Notes to the Financial Statements

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Z. 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.

Government grants relating to assets are deducted against the carrying amount of the assets.

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.

3a. Impairment of trade receivables

As at 31 December 2023, the Group's trade receivables amounted to S\$71,838,000 (Note 16). For trade receivables, the Group applies the simplified approach permitted under SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables as set out in accounting policy stated in Note 2K. The Group's credit risk exposure for trade receivables by different operating segments and days past due are set out in Note 35b.

In relation to trade receivables that are other than non-performing, management has grouped the receivables based on similar credit risk characteristics and days past due and have used a provision matrix to measure the lifetime expected credit losses within each operating segment. The loss allowance rates within the provision matrix to be applied on receivables with different risk characteristics are based on historical default rates and takes into consideration forward-looking information affecting the ability of the debtors to settle the receivables. The loss allowance rates are reviewed on a regular basis.

As at 31 December 2023, accumulated loss allowance of S\$16,237,000 for trade receivables was recognised and credit loss allowance of S\$1,160,000 was recorded in the consolidated income statement for the financial year then ended.

3b. Impairment of property, plant and equipment ("PPE")

As at 31 December 2023, the Group's PPE was carried at a net book value of S\$87,096,000. PPE is reviewed for impairment whenever there is indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of value-in-use ("VIU") and fair value less costs to sell ("FVLCS")) of the assets is estimated to determine the impairment loss.

Arising from management's assessment based on VIU calculations using the discounted cash flows model, an impairment loss of S\$13,050,000 (Note 18c) for PPE was recorded in the consolidated income statement for the financial year ended 31 December 2023 to write down the carrying amounts of the assets to their estimated recoverable amounts.

Significant management judgement is applied in the estimation of cash flow projections which form the basis to derive the recoverable amounts of the PPE. Management relies on the CGU's historical data, performance and latest financial budgets approved by management as a basis for the cash flow projections, based on the information available as at the balance sheet date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

4a Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

	At a point in time S\$'000	Over time S\$'000	Total S\$'000
The Group			
2023			
Manufacturing and sale of building materials			
- Singapore	21,730	50	21,780
- Malaysia	61,184	-	61,184
- United Arab Emirates	2,952	54,844	57,796
- Finland	44,466	-	44,466
- Norway	25,331	-	25,331
- Other parts of Europe	9,701	-	9,701
	165,364	54,894	220,258
Provision of environmental services and sale of oil and petroleum products			
- Singapore	11,955	46,539	58,494
- Malaysia	330	-	330
- Others	706	41	747
	12,991	46,580	59,571
Manufacturing and sale of refractory materials and roadstone products			
- Singapore	4,416	-	4,416
- Malaysia	1,518	-	1,518
- Others	290	-	290
	6,224	-	6,224
Others			
- Singapore	5,992	2,014	8,006
Rental income on operating leases			
- Singapore			4,024
Total			298,083

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

4a Disaggregation of revenue from contracts with customers (continued)

	At a point in time	Over time (restated)	Total
	S\$'000	S\$'000	S\$'000
The Group			
2022			
Manufacturing and sale of building materials			
- Singapore	27,558	280	27,838
- Malaysia	108,985	-	108,985
- United Arab Emirates*	2,266	52,742	55,008
- Finland	51,883	-	51,883
- Norway	32,411	-	32,411
- Other parts of Europe	18,989	-	18,989
	242,092	53,022	295,114
Provision of environmental services and sale of oil and petroleum products			
- Singapore	10,979	41,205	52,184
- Malaysia	1,572	-	1,572
- Other parts of Europe	862	-	862
- Others	1,321	-	1,321
	14,734	41,205	55,939
Manufacturing and sale of refractory materials and roadstone products			
- Singapore	4,936	-	4,936
- Malaysia	1,886	-	1,886
- Others	699	-	699
	7,521	-	7,521
Others			
- Singapore	5,666	1,818	7,484
Rental income on operating leases			
- Singapore			3,616
Total			369,674

* Revenue recognition of S\$52,742,000 has been restated from at a point in time to over time based on the terms and conditions of the revenue contracts with customers. There is no impact to the total revenue recognised for the financial year ended 31 December 2022.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

4b Contract liabilities

	The Group		
	31 December 2023 S\$'000	31 December 2022 S\$'000	1 January 2022 S\$'000
Contract liabilities			
- Manufacturing and sale of building materials	7,124	12,170	11,008
- Others	-	-	233
Total contract liabilities (Note 27)	7,124	12,170	11,241

Contract liabilities for manufacturing and sale of building material have decreased due to fewer contracts in which the Group billed and received consideration ahead of the provision of services.

(i) Revenue recognised in relation to contract liabilities

	The Group	
	2023 S\$'000	2022 S\$'000
<i>Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period</i>		
- Manufacturing and sale of building materials	7,077	10,684
- Others	-	233

In 2023, there was a rescheduling of projects in the Precast & PBU operating segment for contract liabilities recognised as at 31 December 2022. The contract liabilities as at 31 December 2023 are expected to be recognised within one year.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less is not disclosed.

Notes to the Financial Statements

For the financial year ended 31 December 2023

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

4c Assets recognised from costs to fulfil contracts

In addition to the contract liabilities disclosed above, the Group has recognised assets in relation to costs of contract-specific moulds used in production in the Precast & PBU operating segment. These costs incurred to fulfil contracts are presented within other current assets in the balance sheet and amortised to the profit or loss as cost of sales on a basis consistent with the pattern of recognition of the associated revenue.

	The Group	
	31 December	
	2023	2022
	S\$'000	S\$'000
Other current assets		
Asset recognised from costs incurred to fulfil contracts as at 31 December (Note 16)	273	292
Amortisation recognised as cost of sales during the year	53	36

4d Trade receivables from contracts with customers

	The Group		
	31 December		1 January
	2023	2022	2022
	S\$'000	S\$'000	S\$'000
Current assets			
Trade receivables from contracts with customers	88,075	101,412	79,805
Loss allowance	(16,237)	(15,872)	(11,978)
	71,838	85,540	67,827

Notes to the Financial Statements

For the financial year ended 31 December 2023

5. OTHER INCOME

The following has been included in arriving at other income:

	The Group	
	2023 S\$'000	2022 S\$'000
Interest income		
Financial assets measured at amortised cost		
- Fixed deposits	6,704	2,443
- Other investments	219	79
	6,923	2,522
Dividend income from financial assets, at FVOCI	-	29
Sale of scrap	1,095	1,060
Government grants	175	128
Other income	525	1,725
	1,795	2,942
	8,718	5,464

6. OTHER LOSSES, NET

	The Group	
	2023 S\$'000	2022 S\$'000
Currency exchange losses, net	(532)	(2,091)
Gain on disposal including write-off of property, plant and equipment, net	3	100
Gain on disposal of subsidiaries (Note 17)	-	1,380
Dilution gain on investment in an associated company (Note 21e)	-	385
Miscellaneous	(19)	(16)
	(548)	(242)

Notes to the Financial Statements

For the financial year ended 31 December 2023

7. FINANCE COSTS

	The Group	
	2023 S\$'000	2022 S\$'000
Interest expense		
- Bank borrowings	(1,314)	(888)
- Lease liabilities (Note 19c)	(656)	(524)
- Others	(58)	(222)
	(2,028)	(1,634)

8. (LOSS)/PROFIT BEFORE INCOME TAX

The following have been included in arriving at loss/profit before income tax:

	Note	The Group	
		2023 S\$'000	2022 S\$'000
<u>(Charged)/credited:</u>			
Amortisation of intangible assets	25b	(533)	(329)
Amortisation of deferred income	28	64	86
Depreciation of property, plant and equipment	18	(12,972)	(13,473)
Depreciation of right-of-use assets	19a	(3,397)	(3,493)
Employee compensation	9	(87,797)	(91,833)
Cost of inventories as expense (included in 'Cost of sales')		(90,296)	(117,685)
Sub-contractor charges		(17,423)	(19,578)
Auditors' remuneration paid/payable to			
- auditors of the Company ⁽¹⁾		(461)	(455)
- other auditors of subsidiaries ⁽²⁾		(278)	(256)
Non-audit fees paid/payable to			
- auditors of the Company ⁽¹⁾		(151)	(140)
- other auditors of subsidiaries		(59)	(50)
Rental expense	19c	(1,771)	(2,361)
Transportation expense		(9,061)	(14,357)
Loss allowance on trade receivables, net	35b	(1,160)	(4,903)
(Allowance for)/write-back of stock obsolescence, net		(82)	15

⁽¹⁾ PricewaterhouseCoopers LLP, Singapore

⁽²⁾ Comprises S\$266,000 (2022: S\$224,000) paid or payable to the network of member firms of PricewaterhouseCoopers International Limited outside Singapore and S\$12,000 (2022: S\$32,000) paid or payable to other firms of auditors in respect of the audit of subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 December 2023

9. EMPLOYEE COMPENSATION

	The Group	
	2023 S\$'000	2022 S\$'000
Wages and salaries	79,421	81,644
Employer's contribution to defined contribution plans, including Central Provident Fund	2,756	2,823
Retirement benefits (Note 29)	583	425
Other staff benefits	5,037	6,941
	87,797	91,833

Key management's remuneration is disclosed in Note 32b.

10. INCOME TAX EXPENSE

	The Group	
	2023 S\$'000	2022 S\$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Current income tax		
- Singapore	1,472	559
- Foreign	3,350	3,670
	4,822	4,229
Deferred income tax (Note 30)	(60)	39
	4,762	4,268
(Over)/under provision in prior financial years:		
Current income tax	(665)	60
Deferred income tax (Note 30)	23	(10)
Net (over)/under provision in prior years	(642)	50
Tax charge	4,120	4,318

Notes to the Financial Statements

For the financial year ended 31 December 2023

10. INCOME TAX EXPENSE (CONTINUED)

The deferred tax credit relating to each component of other comprehensive income is as follows:

	The Group					
	← 2023 →			← 2022 →		
	Before Tax S\$'000	Tax credit S\$'000	After Tax S\$'000	Before Tax S\$'000	Tax credit S\$'000	After Tax S\$'000
Fair value loss of financial assets, at FVOCI/ Other comprehensive income	(286)	-	(286)	(444)	-	(444)

The tax expense on the Group's results differ from the amount that would arise using the Singapore corporate income tax rate as explained below:

	The Group	
	2023 S\$'000	2022 S\$'000
(Loss)/profit before tax	(15,519)	13,914
Share of results of associated companies, net of tax ⁽¹⁾	1,296	(7,249)
(Loss)/profit before tax and share of results of associated companies	(14,223)	6,665
Tax calculated at a tax rate of 17% (2022: 17%)	(2,418)	1,133
Income not subject to tax	(809)	(446)
Expenses not deductible for tax purposes	5,110	4,060
Utilisation of previously unrecognised tax assets	(1,985)	(3,119)
Tax benefit from current year's tax losses not recognised	3,739	777
Effects of different tax rates in other countries	1,178	1,747
Tax incentives and rebates	(35)	(42)
(Over)/under provision of income tax	(642)	50
Others	(18)	158
Tax charge	4,120	4,318

⁽¹⁾ Share of results of associated companies is net of tax expense of S\$196,000 (2022: tax expense of S\$2,056,000).

Notes to the Financial Statements

For the financial year ended 31 December 2023

11. DIVIDENDS

	The Group and The Company	
	2023 S\$'000	2022 S\$'000
<i>Ordinary dividends paid</i>		
Special interim dividend of 40 cents in respect of the current financial year (2022: nil)	149,423	-
Final dividend of 5 cents in respect of the previous financial year (2022: Final dividend of 5 cents in respect of the previous financial year)	18,678	18,678
	168,101	18,678

Subsequent to the balance sheet date, the Directors proposed a final dividend of 2 cents per share for the financial year ended 31 December 2023 amounting to a total of S\$7,471,000. 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 31 December 2024.

12. (LOSS)/EARNINGS PER SHARE

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

For purposes of calculating diluted earnings per share, results attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for effects of all dilutive potential ordinary shares. The Company does not have any potential ordinary shares with dilutive potential.

	2023	2022
Net (loss)/profit attributable to equity holders of the Company (S\$'000)	(18,697)	10,697
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	373,558	373,558
Basic and diluted (loss)/earnings per share (cents per share)	(5.01)	2.86

Notes to the Financial Statements

For the financial year ended 31 December 2023

13. SHARE CAPITAL

The Group and Company	Issued ordinary shares	
	No of shares '000	Amount S\$'000
2023 and 2022		
Balance at 1 January and 31 December	373,558	193,839

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The Company's immediate and ultimate holding corporations are 98 Holdings Pte. Ltd. and Excel Partners Pte. Ltd. respectively, both incorporated in Singapore.

14. RESERVES

14a Composition

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Revenue reserve	88,361	275,323	13,311	85,869
Foreign currency translation reserve	(11,828)	(8,894)	-	-
Fair value reserve	3,788	4,381	898	893
General and other reserves	97	(86)	-	-
	80,418	270,724	14,209	86,762

Revenue reserve relates to distributable retained profits of the Group.

General reserve of S\$1,164,000 (2022: S\$981,000) relates to funds appropriated from the net profits to statutory reserves of a subsidiary established in the United Arab Emirates. 5% of the annual net profits of the subsidiary are transferred to the statutory reserves until the reserves is equal to at least 50% of the paid-up capital of the subsidiary. In accordance with the Commercial Companies Law in United Arab Emirates, S\$183,000 (2022: nil) was made to the statutory reserve during the financial year ended 31 December 2023.

Other reserve relates to the Group's share of other comprehensive losses of an associated company of S\$1,067,000 (2022: S\$1,067,000), which will not be reclassified subsequently to profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2023

14. RESERVES (CONTINUED)

14b Reserves movements

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
(i) Revenue reserve				
Beginning of financial year	275,323	283,304	85,869	129,829
Net (loss)/profit for the year	(18,697)	10,697	95,524	(25,282)
Transfer of reserves (iv)	(183)	-	-	-
Dividends paid (Note 11)	(168,101)	(18,678)	(168,101)	(18,678)
Write-back of long outstanding dividend payables	19	-	19	-
End of financial year	88,361	275,323	13,311	85,869
(ii) Foreign currency translation reserve				
Beginning of financial year	(8,894)	(1,715)	-	-
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	(2,778)	(7,124)	-	-
Less: Non-controlling interests	(156)	(55)	-	-
End of financial year	(11,828)	(8,894)	-	-
(iii) Fair value reserve				
Beginning of financial year	4,381	5,703	893	1,337
Fair value (losses)/gains of financial asset, at FVOCI (Note 23)	(286)	(444)	5	(444)
Share of an associated company's fair value losses on financial asset, at FVOCI	(307)	(878)	-	-
End of financial year	3,788	4,381	898	893
(iv) General and other reserve				
Beginning of financial year	(86)	(89)	-	-
Transfer of reserves (i)	183	-	-	-
Other comprehensive income for the year	-	3	-	-
End of financial year	97	(86)	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2023

15. INVENTORIES

	The Group	
	2023 S\$'000	2022 S\$'000
At lower of cost and net realisable value		
Raw materials	18,848	26,077
Finished goods	10,286	20,572
General stores and consumables	5,728	6,127
	34,862	52,776

16. RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Trade receivables				
- Associated companies	2,126	813	-	-
- Non-related parties ^(16c) ^(16d)	85,949	100,599	-	-
	88,075	101,412	-	-
Less: Allowance for impairment of trade receivables (Note 35b)	(16,237)	(15,872)	-	-
Trade receivables – net	71,838	85,540	-	-
Non-trade amounts owing by subsidiaries ^(16a)	-	-	15,388	66,485
Non-trade amounts owing by a joint venture	2,837	-	-	-
Prepayments	5,380	5,231	115	91
Costs to fulfil contracts (Note 4c)	273	292	-	-
Deposits	841	960	1	1
Interest receivable	307	1,047	307	1,047
Recoverable expenditure	1,267	2,627	-	-
Other receivables ^(16b)	377	445	1	5
	83,120	96,142	15,812	67,629

16a Non-trade amounts owing by subsidiaries are unsecured, repayable on demand and are interest-free, except for an amount of S\$7,528,000 (2022: S\$23,557,000) that bears interest at average of 4.5% (2022: 3.6%) per annum.

16b Other receivables are unsecured, interest-free and expected to be repaid within the next 12 months after the balance sheet date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

16. RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS (CONTINUED)

16c Included in the Group's trade receivables are retention monies of S\$15,007,000 (2022: S\$16,381,220) which are expected to be realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting period.

16d Included in the Group's trade receivables is unbilled revenue of S\$15,821,000 (2022: S\$16,693,000), which is mainly derived from the manufacturing and sale of building materials. The unbilled revenue decreased as the Group manufactured and sold fewer building materials ahead of agreed payment schedules.

17. CASH AND BANK BALANCES

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Fixed deposits	79,049	185,325	47,054	159,577
Cash at bank and on hand	43,670	82,777	3,837	9,025
	122,719	268,102	50,891	168,602

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

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Cash and bank balances	122,719	268,102	50,891	168,602
Less: Bank deposits pledged	(25,500)	(25,500)	-	-
Cash and cash equivalents per statement of cash flows	97,219	242,602	50,891	168,602

Bank deposits of S\$25,500,000 (2022: S\$25,500,000) are pledged to banks for banking facilities granted to subsidiaries (Note 26).

Notes to the Financial Statements

For the financial year ended 31 December 2023

17. CASH AND BANK BALANCES (CONTINUED)

Disposal of subsidiaries

On 19 May 2022, the Group disposed of its 80%-owned subsidiary, Kemboja Sejahtera Sdn Bhd and 56%-owned subsidiary, Kuari Atrah Sdn Bhd. The effects of the disposal on the cash flows of the Group were:

	<u>The Group</u> <u>At 19 May</u> <u>2022</u> <u>S\$'000</u>
Assets of disposal group classified as held-for-sale:	
Right-of-use assets	1,256
Liabilities of disposal group classified as held-for-sale:	
Deferred tax liabilities	(86)
Net assets derecognised	1,170
Less: Non-controlling interests	(93)
Net assets disposed of	1,077
Cash inflows arising from the disposal:	
Net assets disposed of (as above)	1,077
Gain on disposal (Note 6)	1,380
Cash proceeds on disposal	<u>2,457</u>

Notes to the Financial Statements

For the financial year ended 31 December 2023

18. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land S\$'000	Buildings S\$'000	Leasehold Improvements S\$'000	Plant & Machinery S\$'000	Vessels** S\$'000	Other Assets* S\$'000	Construction- in-progress S\$'000	Total S\$'000
The Group – 2023								
Cost								
At 1 January 2023	5,794	175,198	1,401	136,499	14,995	50,686	3,445	388,018
Additions	-	322	-	1,357	670	2,350	1,103	5,802
Disposals and write off	-	-	-	(607)	(640)	(732)	(35)	(2,014)
Reclassifications	-	-	-	542	-	62	(604)	-
Currency realignment	(354)	(1,115)	-	(1,459)	-	(690)	(141)	(3,759)
At 31 December 2023	5,440	174,405	1,401	136,332	15,025	51,676	3,768	388,047
Accumulated Depreciation and Impairment Losses								
At 1 January 2023	-	129,514	850	99,488	7,333	42,267	70	279,522
Depreciation charge (Note 8)	-	2,781	149	5,551	1,150	3,341	-	12,972
Disposals and write off	-	-	-	(373)	(640)	(600)	-	(1,613)
Impairment loss (18c)	-	-	-	13,050	-	-	-	13,050
Currency realignment	-	(911)	-	(1,354)	-	(718)	3	(2,980)
At 31 December 2023	-	131,384	999	116,362	7,843	44,290	73	300,951
Net Book Value								
At 31 December 2023	5,440	43,021	402	19,970	7,182	7,386	3,695	87,096
The Group – 2022								
Cost								
At 1 January 2022	6,164	171,611	1,383	132,962	15,395	48,832	4,461	380,808
Additions	-	5,517	-	2,052	238	2,388	5,381	15,576
Disposals and write off	-	(11)	-	(1,051)	(638)	(704)	(103)	(2,507)
Reclassifications	-	-	18	5,508	-	585	(6,111)	-
Reclassifications to other intangible assets (Note 25b)	-	-	-	-	-	-	(127)	(127)
Currency realignment	(370)	(1,919)	-	(2,972)	-	(415)	(56)	(5,732)
At 31 December 2022	5,794	175,198	1,401	136,499	14,995	50,686	3,445	388,018
Accumulated Depreciation and Impairment Losses								
At 1 January 2022	-	127,731	701	95,487	6,382	39,883	2,164	272,348
Depreciation charge (Note 8)	-	3,074	149	5,431	1,398	3,421	-	13,473
Disposals and write off	-	(4)	-	(1,013)	(447)	(696)	-	(2,160)
Reclassifications	-	12	-	2,081	-	1	(2,094)	-
Currency realignment	-	(1,299)	-	(2,498)	-	(342)	-	(4,139)
At 31 December 2022	-	129,514	850	99,488	7,333	42,267	70	279,522
Net Book Value								
At 31 December 2022	5,794	45,684	551	37,011	7,662	8,419	3,375	108,496

* Other assets comprise furniture & fittings, office equipment and motor vehicles.

** Dry docking costs amounting to S\$821,000 (2022: S\$675,000) are recognised as a separate component of each vessel's carrying amount. For more details, please refer to Note 2F.

Notes to the Financial Statements

For the financial year ended 31 December 2023

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Other Assets* S\$'000
<u>The Company - 2023</u>	
Cost	
At 1 January 2023	1,892
Additions	310
Disposals and write off	(427)
At 31 December 2023	<u>1,775</u>
Accumulated Depreciation	
At 1 January 2023	1,706
Depreciation charge	156
Disposals and write off	(427)
At 31 December 2023	<u>1,435</u>
Net Book Value	
At 31 December 2023	<u>340</u>
<u>The Company - 2022</u>	
Cost	
At 1 January 2022	1,907
Additions	46
Disposals and write off	(61)
At 31 December 2022	<u>1,892</u>
Accumulated Depreciation	
At 1 January 2022	1,637
Depreciation charge	130
Disposals and write off	(61)
At 31 December 2022	<u>1,706</u>
Net Book Value	
At 31 December 2022	<u>186</u>

* Other assets comprise furniture & fittings, office equipment and motor vehicles.

Notes to the Financial Statements

For the financial year ended 31 December 2023

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- 18a The Group's major properties comprise freehold land in Malaysia and Finland, leasehold lands, factories and office buildings in Singapore, Malaysia and United Arab Emirates, and a building used for the operation of a resort-style marina in Singapore.
- 18b Included in the Group's property, plant and equipment are property, plant and equipment of subsidiaries with net book value of S\$26,931,000 (2022: S\$47,525,000) charged by way of debentures to banks for banking facilities granted (Note 26).
- 18c Arising from the expected significant reduction in the volume of waste collection from a key customer and slower progress in securing new customers in the Environmental Services segment, the Group recorded an impairment loss of S\$13,050,000 (2022: nil) for property, plant and equipment for the financial year ended 31 December 2023. The impairment loss was determined following management's assessment of the recoverable amounts derived from the higher of value in use (VIU) and fair value less costs to sell. The recoverable amount of the CGU was determined based on VIU calculations using a discounted cash flows approach and applying a pre-tax discount rate of 11.8%.

19. RIGHT-OF-USE ASSETS

Leases - The Group as a lessee

Nature of the Group's leasing activities are as follows:

Leasehold lands

The Group has made upfront payments to secure the right-of-use of leasehold lands which are used in the Group's business operations. The Group also makes annual lease payments for leasehold land. These leasehold lands are recognised as right-of-use ("RoU") assets.

Office and buildings

The Group leases office space for the purpose of back office operations, and buildings used in the Group's business operations. The Company also leases office space for the purpose of back office operations.

Motor vehicles and other assets

The Group leases motor vehicles to render logistic services and other assets comprising, plant and machineries and office equipment, for their business operations.

Notes to the Financial Statements

For the financial year ended 31 December 2023

19. RIGHT-OF-USE ASSETS (CONTINUED)

Leases – The Group as a lessee (continued)

19a. The carrying amounts of RoU assets are as follows:

	Leasehold Lands S\$'000	Office and Buildings S\$'000	Motor Vehicles S\$'000	Other Assets S\$'000	Total S\$'000
The Group – 2023					
<u>Cost</u>					
Beginning of financial year	46,843	5,032	1,698	1,711	55,284
Additions	673	538	259	30	1,500
Remeasurement of lease liability (19f)	1,486	1,282	-	-	2,768
Currency realignment	(443)	(149)	(27)	(6)	(625)
End of financial year	48,559	6,703	1,930	1,735	58,927
<u>Accumulated depreciation and impairment losses</u>					
Beginning of financial year	19,794	4,406	1,146	1,303	26,649
Depreciation charge (Note 8)	2,253	575	141	428	3,397
Currency realignment	(179)	(140)	(16)	(3)	(338)
End of financial year	21,868	4,841	1,271	1,728	29,708
Net book value at end of financial year	26,691	1,862	659	7	29,219
The Group – 2022					
<u>Cost</u>					
Beginning of financial year	47,521	5,123	1,620	1,369	55,633
Additions	-	-	120	396	516
Disposal	-	-	(27)	(50)	(77)
Currency realignment	(678)	(91)	(15)	(4)	(788)
End of financial year	46,843	5,032	1,698	1,711	55,284
<u>Accumulated depreciation and impairment losses</u>					
Beginning of financial year	17,890	3,791	1,004	916	23,601
Depreciation charge (Note 8)	2,180	700	175	438	3,493
Disposal	-	-	(27)	(50)	(77)
Currency realignment	(276)	(85)	(6)	(1)	(368)
End of financial year	19,794	4,406	1,146	1,303	26,649
Net book value at end of financial year	27,049	626	552	408	28,635

Notes to the Financial Statements

For the financial year ended 31 December 2023

19. RIGHT-OF-USE ASSETS (CONTINUED)

Leases – The Group as a lessee (continued)

19a. The carrying amounts of RoU assets are as follows (continued):

	Office and Buildings S\$'000	Other Assets S\$'000	Total S\$'000
The Company – 2023			
<u>Cost</u>			
Beginning of financial year	1,459	21	1,480
Additions	36	-	36
End of financial year	<u>1,495</u>	<u>21</u>	<u>1,516</u>
<u>Accumulated depreciation</u>			
Beginning of financial year	924	7	931
Depreciation charge	322	4	326
End of financial year	<u>1,246</u>	<u>11</u>	<u>1,257</u>
Net book value at end of financial year	<u>249</u>	<u>10</u>	<u>259</u>
The Company – 2022			
<u>Cost</u>			
Beginning and end of financial year	1,459	21	1,480
<u>Accumulated depreciation</u>			
Beginning of financial year	632	3	635
Depreciation charge	292	4	296
End of financial year	<u>924</u>	<u>7</u>	<u>931</u>
Net book value at end of financial year	<u>535</u>	<u>14</u>	<u>549</u>

19b. RoU assets of subsidiaries with net book value of S\$10,758,000 (2022: S\$8,324,000) are charged by way of debentures to banks for banking facilities granted (Note 26).

Notes to the Financial Statements

For the financial year ended 31 December 2023

19. RIGHT-OF-USE ASSETS (CONTINUED)

Leases – The Group as a lessee (continued)

19c. The following charges relating to RoU assets have been included in profit or loss:

	2023 S\$'000	2022 S\$'000
Interest expense on lease liabilities (Note 7)	656	524
Lease expense not capitalised in lease liabilities		
Lease expense – short-term leases	1,736	2,269
Lease expense – low-value leases	35	92
	1,771	2,361

19d. Cash outflow of all leases

Total cash outflow for all the leases in 2023 was S\$5,235,000 (2022: S\$5,894,000).

19e. Extension options

The lease for a land of a subsidiary contain extension periods, for which the related lease payments of S\$2,904,000 (2022: S\$2,511,000) had been included in lease liabilities as the Group was reasonably certain to exercise this extension option. The extension options are exercisable by the Group and not by the lessor. In determining whether to utilise the extension options and the duration of the extension period, the Group considered and sought to optimise operational flexibility in terms of managing the asset used in the Group's operations.

19f. During the financial year ended 31 December 2023, the Group remeasured its lease liabilities due to changes in future lease payments arising from changes to interest rates and a lease modification arising from an extension of a lease term not part of the terms and conditions of the original lease contract. The remeasurement to the lease liability is recorded in Note 26 and the corresponding adjustment is accounted for as an addition to the right-of-use assets.

Notes to the Financial Statements

For the financial year ended 31 December 2023

19. RIGHT-OF-USE ASSETS (CONTINUED)

Leases – The Group as a lessor

Nature of the Group's leasing activities are as follows:

The Group has leased out their owned property, plant and equipment to third parties for monthly lease payments. These leases are classified as operating leases because the risks and rewards incidental to ownership of the assets are not substantially transferred.

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

	2023 S\$'000	2022 S\$'000
Less than one year	1,757	1,638
One to two years	1,399	690
Total undiscounted lease payments	3,156	2,328

20. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023 S\$'000	2022 S\$'000
<i>Equity investments at cost</i>		
Beginning of financial year	60,338	85,232
Impairment loss	(24,107)	(24,894)
End of financial year	36,231	60,338

Details regarding significant subsidiaries are set out in Note 38.

20a Carrying value of non-controlling interests

	2023 S\$'000	2022 S\$'000
Dubai Precast LLC	(6,289)	(7,290)
NSL OilChem Waste Management Pte. Ltd.	529	2,002
Other subsidiaries with immaterial non-controlling interests	(522)	(208)
Total	(6,282)	(5,496)

Notes to the Financial Statements

For the financial year ended 31 December 2023

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20b Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

There were no transactions with non-controlling interests for the financial years ended 31 December 2023 and 2022.

Summarised balance sheet

	Dubai Precast LLC		NSL OilChem Waste Management Pte. Ltd.	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Current				
Assets	36,268	37,000	28,721	27,550
Liabilities	(21,518)	(19,538)	(17,742)	(72,254)
Total current net assets/(liabilities)	14,750	17,462	10,979	(44,704)
Non-current				
Assets	4,541	3,071	49,507	66,917
Liabilities	(50,838)	(56,569)	(56,178)	(5,910)
Total non-current net (liabilities)/assets	(46,297)	(53,498)	(6,671)	61,007
Net (liabilities)/assets	(31,547)	(36,036)	4,308	16,303

Summarised statement of comprehensive income

	Dubai Precast LLC		NSL OilChem Waste Management Pte. Ltd.	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Revenue	57,796	55,046	59,219	55,048
Profit/(loss) before income tax	4,582	(1,869)	(12,056)	(3,016)
Profit/(loss) after income tax	4,582	(1,869)	(11,995)	(3,016)
Other comprehensive income	735	228	-	-
Total comprehensive income/(loss)	5,317	(1,641)	(11,995)	(3,016)
Total comprehensive income/(loss) allocated to non-controlling interests	1,063	(328)	(1,474)	(371)
Dividends paid to non-controlling interests	-	-	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2023

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

20b Summarised financial information on subsidiaries with material non-controlling interests (continued)

Summarised cash flows

	Dubai Precast LLC		NSL OilChem Waste Management Pte. Ltd.	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Net cash provided by operating activities	7,018	3,221	14,381	10,064
Net cash (used in)/provided by investing activities	(1,162)	122	(2,531)	(3,469)
Net cash used in financing activities	(36)	(1,233)	(11,419)	(4,946)

21. INVESTMENTS IN ASSOCIATED COMPANIES

	The Group	
	2023 S\$'000	2022 S\$'000
Carrying value of Group's interest in associated companies	10,357	34,231

21a The Group has S\$3,472,000 (2022: \$3,702,000) unrecognised losses of associated companies during the year. The accumulated losses of associated companies not recognised were S\$37,814,000 (2022: S\$34,342,000) at the balance sheet date.

21b There are no contingent liabilities relating to the Group's interest in the associated companies.

21c The summarised financial information (not adjusted for the proportionate of effective ownership interest held by the Group) of associated companies as at balance sheet date is as follows:

	The Group	
	2023 S\$'000	2022 S\$'000
- Assets	152,612	306,498
- Liabilities	(253,263)	(309,354)
- Revenue	191,804	396,030
- Net (loss)/profit for the financial year	(22,780)	14,567

Notes to the Financial Statements

For the financial year ended 31 December 2023

21. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

21d The investment in associated companies comprised mainly of the following significant associated company:

Name of entity	Place of business/ country of incorporation	% of ownership interest	
		2023	2022
Salzgitter Maschinenbau AG ("SMAG")	Germany	24.4	24.4

During the financial year ended 31 December 2023, SMAG divested three of its remaining business units and proceeded to file for liquidation subject to the approval of shareholders in the next annual general meeting of SMAG in April 2024. The Group fully impaired the carrying amount of SMAG of S\$21,900,000 as the estimated proceeds from the sale of the business units were not sufficient to offset SMAG's liabilities as at 31 December 2023. The recoverable amount of the investment in SMAG and the fair value less costs of disposal are nil.

During the financial year ended 31 December 2022, SMAG divested two of its business units and the Group's share of profit included a net gain on divestments amounting to S\$7,111,000. Following the divestments, the Group performed an impairment assessment over the entire carrying value of its investment in SMAG and recognised an impairment loss of S\$16,112,000. The recoverable amount of the cash-generating unit ("CGU") was determined based on value-in-use and a pre-tax discount rate of 12.6% was applied to the cash flow projections.

21e Summarised financial information for associated companies

The Group's share of net loss after tax and other comprehensive gain of SMAG amounted to S\$2,326,000 and S\$191,000 respectively for the financial year ended 31 December 2023.

Set out below is the summarised financial information for SMAG for the financial year ended 31 December 2022.

Amounts presented in the financial statements of the associated company (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated company and fair value adjustments made at the time of acquisition:

Notes to the Financial Statements

For the financial year ended 31 December 2023

21. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

21e Summarised financial information for associated companies (continued)

	2022 S\$'000
Revenue	347,355
Profit after tax	25,979
Other comprehensive loss	(698)
Total comprehensive income	25,281
Attributable to:	
- Non-controlling interests	789
- Shareholders of associated company	24,492
Current assets	145,605
Non-current assets	47,935
Current liabilities	(49,240)
Non-current liabilities	(45,547)
Net assets	98,753
Attributable to:	
- Non-controlling interests	44
- Shareholders of associated company	98,709
Group's share of net assets at beginning of the year	16,470
Goodwill at beginning of the year	19,422
Carrying value of interest in associated company at beginning of the year	35,892
Group's share of:	
Profit after tax	6,413
Impairment charge	(16,112)
Dilution gain	385
Other comprehensive loss which included currency translation differences	(2,543)
Total comprehensive loss	(11,857)
Carrying value of interest in associated company at end of the year	24,035
Add: Carrying value of individually immaterial associated companies, in aggregate	10,196
Carrying value of Group's interest in associated companies	34,231

Notes to the Financial Statements

For the financial year ended 31 December 2023

21. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

21f The following table summarises, in aggregate, the Group's share of profit and other comprehensive loss of the Group's individually immaterial associated companies accounted for using the equity method:

	2023 S\$'000	2022 S\$'000
Net profit	1,030	836
Other comprehensive loss	(594)	(1,462)
Total comprehensive profit/(loss)	436	(626)

22. LONG TERM RECEIVABLES

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Amounts owing by subsidiaries - non-trade	-	-	195,190	69,170
Less: Allowance for impairment of receivables	-	-	(41,062)	(41,062)
			154,128	28,108
Amounts owing by associated companies - non-trade	454	465	-	-
	454	465	154,128	28,108

22a The amounts owing by subsidiaries of S\$159,190,000 (2022: S\$69,170,000) are non-trade, interest-free, unsecured and are not expected to be repaid within the next 12 months after the balance sheet date. Settlement of the amounts owing by subsidiaries are neither planned nor likely to occur in the foreseeable future. As a result, such amounts are in substance part of Company's net investments in subsidiaries. The amounts owing by subsidiaries are accounted for in accordance with Note 21.

22b The non-trade amount owing by a subsidiary of S\$36,000,000 is unsecured and has no fixed terms of repayment. The balance has been subordinated to secure banking facilities granted to the Group (Note 26) and was classified as current in the financial year ended 31 December 2022. This amount was reclassified to non-current in the financial year ended 31 December 2023 as the maturity of the banking facilities has been extended to 31 January 2026 (Note 26). The carrying value of the receivables approximate their fair value.

22c Non-trade amount owing by an associated company is unsecured and interest-free and not expected to be repaid within the next 12 months after the balance sheet date.

Notes to the Financial Statements

For the financial year ended 31 December 2023

23. FINANCIAL ASSETS, AT FVOCI

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Beginning of financial year	1,195	1,639	904	1,348
Fair value (losses)/gains (Note 14b)	(286)	(444)	5	(444)
End of financial year	909	1,195	909	904
	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Listed equity securities - Singapore	909	904	909	904
Unlisted equity securities	-	291	-	-
	909	1,195	909	904

24. OTHER INVESTMENTS AT AMORTISED COST

	The Group and the Company	
	2023 S\$'000	2022 S\$'000
Beginning of financial year	4,254	517
Additions	-	3,743
Accrued interest		
- Recognised in profit or loss during the year	(7)	(6)
Derecognition on maturity date	(2,000)	-
End of financial year	2,247	4,254

Notes to the Financial Statements

For the financial year ended 31 December 2023

24. OTHER INVESTMENTS AT AMORTISED COST (CONTINUED)

The fair values of the listed bonds at the balance sheet date are as follows:

	The Group and the Company			
	Carrying amount	Fair value	Carrying amount	Fair value
	2023	2023	2022	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Current				
- Treasury bill with yield of 3.96% and maturity date of 16 May 2023	-	-	2,000	1,968
- Bonds with fixed interest of 3.00% and maturity date of 7 May 2024	503	500	-	-
	503		2,000	
Non-current				
- Bonds with fixed interest of 3.00% and maturity date of 7 May 2024	-	-	510	499
- Bonds with fixed interest of 3.75% and maturity date of 31 May 2028	990	859	988	886
- Bonds with fixed interest of 3.95% and maturity date of 2 June 2026	754	740	756	712
	1,744		2,254	
	2,247		4,254	

The fair values are within Level 1 of the fair value hierarchy.

25. INTANGIBLE ASSETS

	The Group		The Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Goodwill arising on consolidation ^(25a)	8,024	8,678	-	-
Other intangible assets ^(25b)	1,305	742	-	-
	9,329	9,420	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2023

25. INTANGIBLE ASSETS (CONTINUED)

25a Goodwill arising on consolidation

	The Group	
	2023 S\$'000	2022 S\$'000
Cost		
Beginning and end of financial year	8,678	8,678
Accumulated impairment		
Beginning of financial year	-	-
Impairment charge	(654)	-
End of financial year	(654)	-
Net book value	8,024	8,678

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating-units ("CGU") identified according to countries of operation and business segments.

A segment-level summary of the goodwill allocation is as follows:

Group

	31 December 2023		
	Singapore S\$'000	Finland S\$'000	Total S\$'000
Precast & PBU	-	8,024	8,024

	31 December 2022		
	Singapore S\$'000	Finland S\$'000	Total S\$'000
Precast & PBU	-	8,024	8,024
Environmental Services	654	-	654
	654	8,024	8,678

Notes to the Financial Statements

For the financial year ended 31 December 2023

25. INTANGIBLE ASSETS (CONTINUED)

25a Goodwill arising on consolidation (continued)

The recoverable amount of a CGU is determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management. Cash flows cover at least a five-year period and the growth rate used to extrapolate the cash flows beyond the budget period did not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations are as follows:

	31 December 2023		31 December 2022	
	Growth rate ⁽¹⁾	Discount rate ⁽²⁾	Growth rate ⁽¹⁾	Discount rate ⁽²⁾
Precast & PBU	8.6%	13.7%	2.0%	14.3%
Environmental Services	0.0%	11.8%	1.5%	11.8%

⁽¹⁾ Projected average sales growth rate covering at least five-year period cash flow projections.

⁽²⁾ Pre-tax discount rate applied to cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment. The projected average sales growth rates used are consistent with the industry forecast. The discount rates used are pre-tax and reflected specific risks relating to the relevant segments.

An impairment loss of S\$654,000 (2022: nil) for the Environmental Services CGU in Singapore is included within the consolidated income statement for the financial year ended 31 December 2023.

The impairment test carried out as at 31 December 2023 for the PBU CGU in Finland has revealed that the recoverable amount of the CGU is S\$600,000 higher than its carrying amount. Assuming all other variables are held constant,

- a decrease in the sales growth by 0.1% would reduce the recoverable amount by S\$260,000;
- a decrease in the gross profit margin by 0.1% would reduce the recoverable amount by S\$870,000; and
- an increase in the discount rate by 0.1% would reduce the recoverable amount by S\$420,000.

Notes to the Financial Statements

For the financial year ended 31 December 2023

25. INTANGIBLE ASSETS (CONTINUED)

25b Other intangible assets

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Cost				
Balance at 1 January	7,507	7,614	322	322
Additions	1,092	167	-	-
Reclassification from property, plant and equipment (Note 18)	-	127	-	-
Currency realignment	4	(401)	-	-
Balance at 31 December	8,603	7,507	322	322
Accumulated amortisation				
Balance at 1 January	6,765	6,789	322	322
Amortisation charge	533	329	-	-
Currency realignment	-	(353)	-	-
Balance at 31 December	7,298	6,765	322	322
Net Book Value at 31 December	1,305	742	-	-

Amortisation expense included in the consolidated income statement is analysed as follows:

	The Group	
	2023 S\$'000	2022 S\$'000
Cost of sales	190	177
Administrative expenses	343	152
Total	533	329

Notes to the Financial Statements

For the financial year ended 31 December 2023

26. BORROWINGS AND LEASE LIABILITIES

26a Borrowings

Total borrowings of the Group include bank borrowings and other short-term borrowings. The maturity profile of these borrowings are as follows:

	2023 S\$'000	2022 S\$'000
The Group		
<i>Current:</i>		
Bank loans		
- Secured	4,188	22,499
- Unsecured	-	4,000
	4,188	26,499
<i>Non-current:</i>		
Bank loans		
- Secured	14,746	2,304
	18,934	28,803

The carrying value of non-current borrowings approximate their fair values.

26b Lease liabilities

As at 31 December 2023, the Group and the Company have total lease liabilities of S\$14,430,000 (2022: S\$13,452,000) and S\$249,000 (2022: S\$534,000) respectively. The lease liabilities of the Group and the Company have the following maturity profile:

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Current	2,426	2,655	244	285
Non-current	12,004	10,797	5	249
	14,430	13,452	249	534

Notes to the Financial Statements

For the financial year ended 31 December 2023

26. BORROWINGS AND LEASE LIABILITIES (CONTINUED)

26c The interest rates per annum of the bank borrowings during the financial year are as follows:

	The Group	
	2023	2022
Loans denominated in:		
- Singapore Dollars	5.2% to 6.3%	1.7% to 5.5%
- Malaysian Ringgit	3.11% to 4.85%	2.5% to 4.8%
- Euro	5.0%	3.8%

26d The banking facilities are secured against fixed and floating charge over bank deposits (Note 17), property, plant and equipment (Note 18) and right-of-use assets (Note 19) of certain subsidiaries of the Group.

27. TRADE, OTHER PAYABLES AND OTHER CURRENT LIABILITIES

	The Group		The Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables – non-related parties	18,197	30,587	-	-
Accrued operating expenses, including staff compensation	25,072	28,461	1,600	1,580
Project related accruals	16,101	18,941	-	-
Contract liabilities (Note 4b)	7,124	12,170	-	-
Sundry payables ^(27a)	2,594	2,591	281	282
Amounts owing to subsidiaries				
- Non-trade ^(27a)	-	-	41,581	37,365
Others	715	459	134	-
	69,803	93,209	43,596	39,227

27a The non-trade amounts owing to subsidiaries and sundry payables are unsecured, interest-free and repayable on demand.

Notes to the Financial Statements

For the financial year ended 31 December 2023

28. DEFERRED INCOME

Deferred income relates mainly to unearned entrance fees received in respect of club memberships sold. The deferred income is amortised over the remaining membership period of 25 years (2022: 26 years).

	The Group	
	2023 S\$'000	2022 S\$'000
Balance at 1 January	428	456
Additions	74	58
Amortisation charge	(64)	(86)
Balance at 31 December	438	428
Current portion	26	26
Non-current portion	412	402
	438	428

29. PROVISION FOR RETIREMENT BENEFITS

The amounts recognised in the balance sheets are as follows:

	The Group	
	2023 S\$'000	2022 S\$'000
Present value of unfunded obligations	3,928	3,587

Certain subsidiaries of the Group operate separate unfunded defined retirement benefit schemes for certain employees. Benefits are payable based on the last drawn salaries of the respective employees and the number of years of service with the subsidiaries of the Group. Provision is made using the projected unit credit method described in Note 2T.

Movement in the liability recognised in the balance sheets:

	The Group	
	2023 S\$'000	2022 S\$'000
Non-current		
Balance at 1 January	3,587	3,420
Charged to profit or loss (Note 9)	583	425
Benefits paid	(143)	(220)
Currency realignment	(99)	(38)
Balance at 31 December	3,928	3,587

Notes to the Financial Statements

For the financial year ended 31 December 2023

29. PROVISION FOR RETIREMENT BENEFITS (CONTINUED)

The principal actuarial assumptions used were as follows:

	The Group	
	2023 %	2022 %
Discount rate	5	5
Salary increment rate	.*	.*

* Denotes amounts less than 1%

30. DEFERRED TAXATION

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 fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheets as follows:

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Deferred tax assets	(2,369)	(2,482)	-	-
Deferred tax liabilities	2,123	2,203	64	147
Net deferred tax (assets)/liabilities	(246)	(279)	64	147

The movement in deferred taxes is as follows:

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Balance at 1 January	(279)	(595)	147	20
(Credited)/charged:				
- Profit or loss (Note 10)	(37)	29	(83)	127
Currency realignment	70	287	-	-
Balance at 31 December	(246)	(279)	64	147

Deferred income tax assets are recognised for tax losses carried forward and unutilised capital allowances to the extent that realisation of the related tax benefits through future taxable profits is probable. At 31 December 2023, the Group has unutilised tax losses and capital allowances of S\$24,982,000 (2022: S\$27,583,000) and S\$15,766,000 (2022: S\$22,198,000) respectively for which deferred tax benefits have not been recognised in the financial statements. These are available for set-off against future taxable profits subject to meeting certain statutory requirements in their respective countries of incorporation by those companies with unrecognised tax losses and capital allowances. These unutilised tax losses and capital allowances do not have expiry dates.

Notes to the Financial Statements

For the financial year ended 31 December 2023

30. DEFERRED TAXATION (CONTINUED)

30a Movement in the Group's deferred tax assets and liabilities (prior to legally enforceable offsetting of balances within same tax authority) are as follows:

The Group – Deferred tax liabilities

	Accelerated tax depreciation		Unremitted income		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January	571	385	1,606	1,601	84	84	2,261	2,070
Charged/(credited):								
- Profit or loss	64	51	(117)	(26)	-	-	(53)	25
Currency realignment	30	135	7	31	-	-	37	166
Balance at 31 December	665	571	1,496	1,606	84	84	2,245	2,261

The Group – Deferred tax assets

	Provisions		Unutilised tax losses/ capital allowances		Deferred income		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January	(976)	(1,087)	(1,531)	(1,534)	(33)	(44)	(2,540)	(2,665)
Charged/(credited):								
- Profit or loss	12	(3)	-	-	4	7	16	4
Currency realignment	31	114	2	3	-	4	33	121
Balance at 31 December	(933)	(976)	(1,529)	(1,531)	(29)	(33)	(2,491)	(2,540)

30b Movement in the Company's deferred tax liabilities are as follows:

The Company – Deferred tax liabilities

	Unremitted income	
	2023	2022
	S\$'000	S\$'000
Balance at 1 January	147	20
(Credited)/charged to:		
- Profit or loss	(83)	127
Balance at 31 December	64	147

Notes to the Financial Statements

For the financial year ended 31 December 2023

31. OTHER NON-CURRENT LIABILITIES

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Amounts owing to a subsidiary ^(31a)	-	-	7,560	9,579
Provisions for reinstatement cost ^(31b)	3,103	2,583	-	100
	3,103	2,583	7,560	9,679

31a The non-trade amounts owing to a subsidiary are unsecured, interest-free and are not expected to be repaid within the next 12 months after the balance sheet date.

31b Provisions for reinstatement cost are recognised for the restoration of the leasehold land, buildings and office. It is expected that the provisions will be used upon expiry of the lease terms in 2025 and 2028.

Movement in these provisions is as follows:

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Beginning of financial year	2,583	2,578	100	99
Provision made	520	5	34	1
End of financial year	3,103	2,583	134	100

The provision for reinstatement cost for the Company has been reclassified to current (Note 27).

32. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company have the following significant transactions with related parties on terms agreed between the parties:

32a Sales and purchases of goods and services

	The Group	
	2023 S\$'000	2022 S\$'000
Sales to associated companies	1,499	79

Notes to the Financial Statements

For the financial year ended 31 December 2023

32. RELATED PARTY TRANSACTIONS (CONTINUED)

32b Key management's remuneration

	The Group	
	2023 S\$'000	2022 S\$'000
Salary and other employee benefits	4,959	4,721
Employer's contribution to defined contribution plans, including Central Provident Fund	109	121
Retirement benefits	101	50
	5,169	4,892

Included in the above are Directors' fees and Directors' remuneration of S\$614,000 (2022: S\$614,000) and S\$616,000 (2022: S\$503,000) respectively payable/paid to the Directors of the Company.

The details of Directors' remuneration are disclosed in the Statement of Corporate Governance.

33. FINANCIAL INFORMATION BY SEGMENTS

Operating segments

Operating segments of the Group are determined based on the Group's internal reporting structure. Segment information is presented on the same basis as the internal management reports used by the senior management of the Group in making strategic decisions.

In determining the operating segments, the Group has considered primarily the industries the Group's companies are operating in and their contribution to the Group.

The Group operates mainly in the manufacturing and sale of building materials, provision of environmental services and sale of related products, as well as operations in the manufacturing and sale of refractory materials and roadstone products. Accordingly, these activities are grouped into separate operating segments within the three main divisions: Precast & Prefabricated Bathroom Unit ("PBU"), Environmental Services and Chemicals. Operating segment classified as "Investment Holding & Others" relates to the Group's remaining assets, comprising mainly of holding investments and the operation of a marina club, which is not a significant component of this segment.

Inter-segment transactions are determined on an arm's length basis. The performance of the segments is measured in a manner consistent with that in the consolidated income statement.

The Group executive management assesses the performance of the operating segments based on a measure of profit/(loss) before taxation for continuing operations. Information regarding the Group's operating segments is presented in the following table.

Notes to the Financial Statements

For the financial year ended 31 December 2023

33. FINANCIAL INFORMATION BY SEGMENTS (CONTINUED)

Operating segments (continued)

The information for the reportable segments for the year ended 31 December 2023 is as follows:

	Precast & PBU S\$'000	Environmental Services S\$'000	Chemicals S\$'000	Investment Holding & Others S\$'000	Total S\$'000
Revenue					
External sales	220,258	59,571	6,224	12,030	298,083
Inter-segment sales	-	-	1,008	22	1,030
Total revenue	220,258	59,571	7,232	12,052	299,113
Elimination	-	-	(1,008)	(22)	(1,030)
	220,258	59,571	6,224	12,030	298,083
Adjusted profit/(loss) before taxation	18,535	2,375	1,008	(1,833)	20,085
Impairment of goodwill	-	(654)	-	-	(654)
Impairment of investment in property, plant & equipment	-	(13,050)	-	-	(13,050)
Impairment of investment in an associated company	-	-	-	(21,900)	(21,900)
Profit/(loss) before taxation	18,535	(11,329)	1,008	(23,733)	(15,519)
Interest income	1,880	1	67	4,975	6,923
Interest expense	(530)	(1,260)	(220)	(18)	(2,028)
Loss allowance on trade receivables	(1,134)	-	4	(30)	(1,160)
Depreciation					
- Property, plant and equipment	(3,362)	(8,324)	(183)	(1,103)	(12,972)
- Right-of-use assets	(569)	(1,524)	(903)	(401)	(3,397)
Amortisation					
- Intangible assets	(280)	(253)	-	-	(533)
- Deferred income	-	-	-	64	64
Share of results of associated companies, net of tax					
- SMAG	-	-	-	(2,326)	(2,326)
- Others	-	-	259	771	1,030
Segment assets	105,692	37,214	21,721	219,079	383,706
Segment assets include:					
Investment in associated companies	8	-	2,949	7,402	10,359
Additions to:					
- Property, plant and equipment	2,584	2,474	44	700	5,802
- Right-of-use assets	2,074	1,986	173	35	4,268
- Intangible assets	357	735	-	-	1,092
Segment liabilities	70,228	32,319	6,532	6,652	115,731

Notes to the Financial Statements

For the financial year ended 31 December 2023

33. FINANCIAL INFORMATION BY SEGMENTS (CONTINUED)

Operating segments (continued)

The information for the reportable segments for the year ended 31 December 2022 is as follows:

	Precast & PBU S\$'000	Environmental Services S\$'000	Chemicals S\$'000	Investment Holding & Others S\$'000	Total S\$'000
Revenue					
External sales	295,114	55,939	7,521	11,100	369,674
Inter-segment sales	-	1	1,116	7	1,124
Total revenue	295,114	55,940	8,637	11,107	370,798
Elimination	-	(1)	(1,116)	(7)	(1,124)
	295,114	55,939	7,521	11,100	369,674
Adjusted profit/(loss) before taxation	26,896	(2,490)	1,532	2,322	28,260
Impairment of investment in an associated company	-	-	-	(16,112)	(16,112)
Exceptional items*	-	-	1,381	385	1,766
Profit/(loss) before taxation	26,896	(2,490)	2,913	(13,405)	13,914
Interest income	557	1	5	1,959	2,522
Interest expense	(435)	(926)	(248)	(25)	(1,634)
Loss allowance on trade receivables	(4,821)	(20)	-	(62)	(4,903)
Depreciation					
- Property, plant and equipment	(3,767)	(8,410)	(203)	(1,093)	(13,473)
- Right-of-use assets	(651)	(1,582)	(886)	(374)	(3,493)
Amortisation					
- Intangible assets	(271)	(58)	-	-	(329)
- Deferred income	-	-	-	86	86
Share of results of associated companies, net of tax					
- SMAG	-	-	-	6,413	6,413
- Others	-	-	740	96	836
Segment assets	236,606	53,299	33,054	284,392	607,351
Segment assets include:					
Investment in associated companies	-	-	3,185	31,046	34,231
Additions to:					
- Property, plant and equipment	10,344	4,702	172	358	15,576
- Right-of-use assets	189	327	-	-	516
- Intangible assets	115	52	-	-	167
Segment liabilities	97,501	37,732	7,340	5,711	148,284

* Comprise mainly disposal of subsidiaries, dilution gain on investment in an associated company, retrenchment cost and professional fees.

Notes to the Financial Statements

For the financial year ended 31 December 2023

33. FINANCIAL INFORMATION BY SEGMENTS (CONTINUED)

Geographical information

The Group's business segments operate mainly in the following geographical areas:

- (i) Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the manufacturing and sale of building materials, sale of oil & petroleum products, manufacturing and sale of refractory materials and roadstone products, the provision of environmental services, and investment holding;
- (ii) Malaysia – the operations in Malaysia are principally the manufacturing and sale of building materials;
- (iii) United Arab Emirates – the operations in United Arab Emirates are principally the manufacturing and sale of building materials;
- (iv) Finland – the operations in Finland are principally the manufacturing and sale of building materials and prefabricated bathroom units in Finland, Norway and other parts of Europe;
- (v) Germany – this relates to the Group's 24.4% (2022: 24.4%) interest in associated company SMAG and its principal activities are disclosed in Note 38;

	The Group			
	External sales ⁽¹⁾		Non-current assets ⁽²⁾	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Singapore	96,720	96,058	79,199	99,435
Malaysia	63,032	112,443	23,469	25,813
United Arab Emirates	57,796	55,008	3,284	3,072
Europe				
- Finland	44,466	51,883	22,641	21,447
- Norway	25,331	32,411	-	-
- Germany	-	-	-	24,035
- Others	9,701	19,851	-	-
Other countries	1,037	2,020	7,629	7,215
	298,083	369,674	136,222	181,017

⁽¹⁾ External sales by geographical segment are determined based on locations of the respective customers.

⁽²⁾ Non-current assets by geographical segment are based on locations of the respective assets. Non-current assets include property, plant and equipment, right-of-use assets, joint venture, associated companies, intangible assets and other non-current assets.

Notes to the Financial Statements

For the financial year ended 31 December 2023

34. COMMITMENTS

Capital commitments contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associated companies (Note 21) are as follows:

	The Group	
	2023 S\$'000	2022 S\$'000
Commitments for capital expenditure not provided for in the financial statements in respect of contracts placed for property, plant and equipment	1,678	1,448

35. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management is carried out and monitored by a central treasury department in accordance with established policies and guidelines, set by the Board of Directors.

35a Market risk

(i) Currency risk

The Group operates in various countries, which include Singapore, Malaysia, United Arab Emirates, Germany and Finland. Certain entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as United States Dollar ("USD"), Malaysian Ringgit ("MYR"), Euro ("EUR"), United Arab Emirates Dirham ("AED") and Norwegian Krone ("NOK").

Currency risk arises when transactions are denominated in foreign currencies. The Group manages its currency risk through natural hedge and foreign exchange forward contracts. It is the Group's policy not to enter into forward contracts until a firm commitment is in place. There is no outstanding foreign exchange forward contracts as at balance sheet date.

The Group is exposed to currency translation risk on the net assets in foreign operations including foreign currency loans to associated companies which are part of the net investments in foreign operations, which are deferred in equity until disposal of the foreign operations. Where appropriate, this exposure is managed through borrowings denominated in the relevant foreign currencies.

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35a Market risk (continued)

(i) Currency risk (continued)

The currency exposure of the Group and the Company based on the information provided to key management is as follows:

	SGD S\$'000	USD S\$'000	MYR S\$'000	EUR S\$'000	AED S\$'000	NOK S\$'000	Others S\$'000	Total S\$'000
The Group								
<u>At 31 December 2023</u>								
Cash and bank balances	102,069	523	4,283	2,664	12,321	787	72	122,719
Receivables	21,121	858	19,588	15,895	19,416	891	152	77,921
Intra-group receivables	328,299	284	29,857	4,832	34,027	88	-	397,387
Financial assets, at FVOCI	909	-	-	-	-	-	-	909
Other investments at amortised cost	2,247	-	-	-	-	-	-	2,247
Borrowings	(15,118)	-	(1,537)	(2,279)	-	-	-	(18,934)
Lease liabilities	(12,012)	-	(655)	(1,578)	(185)	-	-	(14,430)
Intra-group payables	(328,299)	(284)	(29,857)	(4,832)	(34,027)	(88)	-	(397,387)
Trade and other payables	(15,722)	(115)	(22,159)	(9,503)	(14,455)	(269)	(456)	(62,679)
Net financial assets/ (liabilities)	83,494	1,266	(480)	5,199	17,097	1,409	(232)	107,753
Less: net financial (assets)/ liabilities denominated in the respective entities' functional currencies	(83,452)	(8)	620	(5,044)	(17,097)	-	314	
Currency exposure	42	1,258	140	155	-	1,409	82	
The Group								
<u>At 31 December 2022</u>								
Cash and bank balances	218,361	1,270	40,022	785	6,762	832	70	268,102
Receivables	22,388	1,058	19,057	23,924	23,196	1,301	160	91,084
Intra-group receivables	217,196	555	5,321	5,011	-	-	-	228,083
Financial assets, at FVOCI	1,195	-	-	-	-	-	-	1,195
Other investments at amortised cost	4,254	-	-	-	-	-	-	4,254
Borrowings	(22,119)	-	(3,819)	(2,865)	-	-	-	(28,803)
Lease liabilities	(11,319)	-	(370)	(1,578)	(185)	-	-	(13,452)
Intra-group payables	(217,196)	(555)	(5,321)	(5,011)	-	-	-	(228,083)
Trade and other payables	(16,091)	(323)	(28,302)	(17,916)	(17,893)	(85)	(429)	(81,039)
Net financial assets/ (liabilities)	196,669	2,005	26,588	2,350	11,880	2,048	(199)	241,341
Less: net financial (assets)/ liabilities denominated in the respective entities' functional currencies	(196,640)	(7)	(26,569)	(2,304)	(11,880)	-	316	
Currency exposure	29	1,998	19	46	-	2,048	117	

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35a Market risk (continued)

(i) Currency risk (continued)

Apart from USD and NOK, the Group has no other significant currency exposure.

If the USD and NOK change against the SGD by 2% and 5% (2022: 5% and 1%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset position will be as follows:

	2023		2022	
	Increase/(decrease)			
	Loss after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	S\$'000	S\$'000	S\$'000	S\$'000
The Group				
USD against SGD				
- strengthened	21	-	83	-
- weakened	(21)	-	(83)	-
NOK against SGD				
- strengthened	58	-	17	-
- weakened	(58)	-	(17)	-

In 2023, included in the Malaysia operations is a SGD-denominated intercompany payable to the Company and a subsidiary in Singapore with a net currency exposure of S\$5,082,000 (2022: S\$22,815,000). The Company also has an EUR-denominated receivable from its subsidiary with a net currency exposure of S\$4,906,000 (2022: S\$5,011,000) in Finland. Accordingly, the foreign currency effects of revaluation on these balances are recorded in the profit or loss of the Group.

If the MYR strengthened/weakened against the SGD by 7% (2022: 5%) with all other variables including tax rate being held constant, the results after tax of the Group would be S\$295,000 (2022: S\$947,000) lower/higher. If the EUR strengthened/weakened against the SGD by 2% (2022: 5%) with all other variables including tax rate being held constant, the results after tax of the Group would be S\$81,000 (2022: S\$208,000) higher/lower respectively.

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35a Market risk (continued)

(i) Currency risk (continued)

	SGD S\$'000	USD S\$'000	EUR S\$'000	Total S\$'000
<u>The Company</u>				
<u>At 31 December 2023</u>				
Cash and bank balances	50,748	32	111	50,891
Receivables	46,867	-	4,830	51,697
Financial assets, at FVOCI	909	-	-	909
Other investments at amortised cost	2,247	-	-	2,247
Trade and other payables	(43,461)	(1)	-	(43,462)
Other non-current liabilities	(7,560)	-	-	(7,560)
Lease liabilities	(249)	-	-	(249)
Net financial assets	49,501	31	4,941	54,473
Less: net financial assets denominated in the Company's functional currency	(49,501)	-	-	
Currency exposure	-	31	4,941	

The Company

At 31 December 2022

Cash and bank balances	168,521	35	46	168,602
Receivables	62,527	-	5,011	67,538
Financial assets, at FVOCI	904	-	-	904
Other investments at amortised cost	4,454	-	-	4,454
Trade and other payables	(39,210)	(17)	-	(39,227)
Other non-current liabilities	(9,579)	-	-	(9,579)
Lease liabilities	(534)	-	-	(534)
Net financial assets	187,083	18	5,057	192,158
Less: net financial assets denominated in the Company's functional currency	(187,083)	-	-	
Currency exposure	-	18	5,057	

Apart from EUR, the Company has no other significant currency exposure.

If the EUR strengthened/weakened against the SGD by 2% (2022: 5%) with all other variables including tax rate being held constant, the profit after tax (2022: loss after tax) of the Company would be S\$82,000 (2022: S\$210,000) higher/lower (2022: lower/higher).

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35a Market risk (continued)

(ii) Equity price risk

The Group and the Company are exposed to equity securities price risk arising from the investments held by the Group and the Company which are classified on the balance sheets as financial assets at FVOCI (Note 23).

If equity prices of financial assets, at FVOCI held by the Company and subsidiaries of the Group increase/decrease by 5% (2022: 5%) with all other variables including tax rate being held constant, other comprehensive income of the Group and the Company will be higher/lower by S\$45,000 (2022: S\$60,000) and S\$45,000 (2022: S\$45,000) respectively.

(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.

The Group's exposure to changes in interest rates relates mainly to debt obligations with financial institutions and cash and bank balances. Bank borrowings are contracted on both fixed and variable terms with the objectives of minimising interest burden whilst maintaining an acceptable debt maturity profile. As the Group does not have significant fixed-interest borrowings, it does not have significant exposure to fair value interest rate risk.

The Group's borrowings at variable rates (i.e. cash flow interest rate risk) on which effective hedges have not been entered into, are denominated mainly in SGD and MYR. If the SGD and MYR interest rate increase/decrease by 0.5% (2022: 0.5%) with all other variables being held constant, the net loss after tax (2022: profit after tax) will be higher/lower (2022: lower/higher) by S\$79,000 (2022: S\$126,000).

35b 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 Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and credit insurance (for the Precast and PBU operating segment) are secured where appropriate to mitigate credit risk. The Group has no significant concentration of credit risk.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of the class of financial assets presented on the balance sheet, except for trade receivables (Note 16 and 22) whereby the maximum exposure to credit risk is reduced by the amount the Group holds as collateral in the form of letters of credit of S\$2,560,000 (2022: S\$2,620,000).

The Group's and Company's major classes of financial assets are cash and bank balances and trade and other receivables.

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35b Credit risk (continued)

The movements in credit loss allowance are as follows:

	Allowances on trade receivables (a)		
	Non-performing S\$'000	Others S\$'000	Total S\$'000
The Group			
2023			
Balance as at 1 January 2023	14,360	1,512	15,872
Loss allowance/(write-back of) recognised in profit or loss during the year on:			
- Change in credit loss	2,120	566	2,686
- Reversal of unutilised amounts	(1,352)	(174)	(1,526)
	768	392	1,160
Receivables written off as uncollectible	(304)	(187)	(491)
Currency alignment	(304)	-	(304)
Balance as at 31 December 2023	14,520	1,717	16,237
2022			
Balance as at 1 January 2022	11,417	561	11,978
Loss allowance/(write-back of) recognised in profit or loss during the year on:			
- Change in credit loss	3,836	1,771	5,607
- Reversal of unutilised amounts	(402)	(302)	(704)
	3,434	1,469	4,903
Receivables written off as uncollectible	(308)	(518)	(826)
Currency alignment	(183)	-	(183)
Balance as at 31 December 2022	14,360	1,512	15,872

^(a) Loss allowance measured at lifetime expected credit loss

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35b Credit risk (continued)

(i) Trade receivables

For trade receivables, 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. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, default in payments (interest and/or principal payments) are at least 2 years overdue and/or legal enforcement action undertaken by the Group for recovery against the debtor are considered evidence that the debtor is non-performing ("Non-performing receivable"). In such instances, management measured the expected credit loss of the non-performing receivable at its maximum exposure to the Group at balance sheet date.

Trade receivables that are other than non-performing are grouped by management based on similar credit risk characteristics and days past due; and a provision matrix was used to measure the lifetime expected credit loss within each operating segment of the Group. In estimating the expected credit loss, management considers historical credit loss rates for each aging category and makes adjustments, where applicable, to reflect current and forward-looking macroeconomic factors affecting the ability of the debtors to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor entering bankruptcy or failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 6 months when they fall due, and writes off the financial asset when it is deemed uncollectible. Where receivables are 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 under SFRS(I) 9 as at 31 December 2023 are set out as follows:

	Current S\$'000	Past due up to 3 months S\$'000	Past due 3 to 6 months S\$'000	Past due 6 to 12 months S\$'000	Past due more than 12 months S\$'000	Sub-total* S\$'000	Non- performing receivables S\$'000	Total S\$'000
The Group								
Precast and PBU								
Expected loss rate	1%	4%	4%	12%	0%		100%	
Trade receivables	42,714	9,574	3,796	3,219	993	60,296	9,572	69,868
Loss allowance	(575)	(420)	(146)	(399)	-	(1,540)	(9,572)	(11,112)
Environmental Services								
Expected loss rate	0%	0%	0%	55%	100%		94%	
Trade receivables	9,394	1,679	267	86	41	11,467	4,804	16,271
Loss allowance	-	-	-	(47)	(41)	(88)	(4,492)	(4,580)
Others								
Expected loss rate	2%	3%	53%	29%	100%		100%	
Trade receivables	1,098	265	17	76	24	1,480	456	1,936
Loss allowance	(25)	(9)	(9)	(22)	(24)	(89)	(456)	(545)

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35b Credit risk (continued)

(i) Trade receivables (continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2022 are set out as follows:

	Current	Past due up to 3 months	Past due 3 to 6 months	Past due 6 to 12 months	Past due more than 12 months	Sub-total*	Non-performing receivables	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Precast and PBU								
Expected loss rate	2%	3%	2%	0%	0%		98%	
Trade receivables	61,543	12,209	367	767	276	75,162	9,260	84,422
Loss allowance	(1,091)	(412)	(9)	-	-	(1,512)	(9,062)	(10,574)
Environmental Services								
Expected loss rate	0%	0%	0%	0%	0%		94%	
Trade receivables	6,742	2,419	92	167	2	9,422	4,854	14,276
Loss allowance	-	-	-	-	-	-	(4,582)	(4,582)
Others								
Expected loss rate	0%	0%	0%	0%	0%		100%	
Trade receivables	1,728	219	3	48	-	1,998	716	2,714
Loss allowance	-	-	-	-	-	-	(716)	(716)

* Represents trade receivables that are other than non-performing and for which provision matrix was used to measure the lifetime expected credit loss.

(ii) Amounts due from a joint venture

Long term trade receivables

There was no credit loss on the non-trade amounts owing by a joint venture and associated companies.

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35b Credit risk (continued)

(iii) Other investments at amortised cost

Credit risk exposure and significant credit risk concentration

The Group and Company use the following categories of internal credit risk rating for its investment in listed bonds and loans to related parties. As disclosed in Note 24, other investments at amortised cost comprise mainly listed bonds. These are considered “low credit risk” as listed bonds are of investment grade credit rating with at least one major rating agency and have low risk of default as the issuers have a strong capacity to meet the contracted cashflow obligations in the near term. The financial impact on expected credit loss allowance of the listed bonds is insignificant.

Category of internal credit rating	Performing	Under-performing	Non-performing	Write-off
Definition of category	Issuers have a low risk of default and a strong capacity to meet contractual cash flows.	Issuers for which there is a significant increase in credit risk; as significant credit risk is presumed if interest and/or principal repayment are 6 months past due, taking into consideration realisation of receivables based on industry practice and the normal operating cycle of the Group.	Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, default in payments (interest and/or principal payments) are at least 2 years overdue and/or legal enforcement action undertaken by the Group for recovery against the debtor.	Interest and/or principal repayments are 2 years past due and there is no reasonable expectation of recovery.
Basis of recognition of expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Asset is written off

(iv) Cash and bank balances

The Group and the Company held cash and bank balances of S\$122,719,000 and S\$50,891,000 respectively (2022: S\$268,102,000 and S\$168,602,000) with banks with good credit ratings and are considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and there was no credit loss.

(v) Receivables from and loan to subsidiaries

There is no expected credit loss of non-trade amounts owing by subsidiaries of S\$51,388,000 (2022: S\$66,485,000) (Note 16 and Note 22) to the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35c Liquidity risk

In managing liquidity risk, the Group's policy is to maintain sufficient cash resources and ensure the availability of funding through adequate amounts of committed credit facilities.

The table below analyses the maturity profile of the Group's and Company's non-derivative financial liabilities based on contractual undiscounted cash flows from the remaining period from the balance sheet date to the contractual maturity date.

	Less than 1 year S\$'000	Between 1 to 2 years S\$'000	Between 2 to 5 years S\$'000	Over 5 years S\$'000
The Group				
<u>2023</u>				
Trade and other payables	62,679	-	-	-
Lease liabilities	3,116	2,760	6,630	8,604
Short-term borrowings	5,052	-	-	-
Long-term borrowings	-	3,400	12,143	-
<u>2022</u>				
Trade and other payables	81,039	-	-	-
Lease liabilities	3,236	2,801	5,306	8,891
Short-term borrowings	26,790	-	-	-
Long-term borrowings	-	607	1,882	-
The Company				
<u>2023</u>				
Trade and other payables	43,462	-	-	-
Lease liabilities	247	4	1	-
Other non-current liabilities	-	7,560	-	-
<u>2022</u>				
Trade and other payables	39,227	-	-	-
Lease liabilities	306	250	6	-
Other non-current liabilities	-	9,579	-	-

35d Capital risk

The Group's objectives when managing capital are to ensure the Group's ability to continue as a going concern and to maintain an efficient capital structure so as to enhance shareholders' value. In order to maintain or achieve a prudent and efficient capital structure, the Group may adjust the amount of dividend payment, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The Group and the Company monitor capital based on net cash position which is defined as cash and bank balances (Note 17) less gross debt. Gross debt comprises borrowings (Note 26) and trade and other payables (Note 27).

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35d Capital risk (continued)

As part of the monitoring process of the Group's borrowings, management performs specific review of the need of individual entities within the Group to obtain external financing, taking into consideration the operating cash flows and gearing ratio of each entity as well as the prevailing market interest rates.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2023 and 2022.

35e Fair value measurements

The table below 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 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
The Group				
31 December 2023				
<u>Assets</u>				
Financial assets, at FVOCI	909	-	-	909
31 December 2022				
<u>Assets</u>				
Financial assets, at FVOCI	904	-	291	1,195
The Company				
31 December 2023				
<u>Assets</u>				
Financial assets, at FVOCI	909	-	-	909
31 December 2022				
<u>Assets</u>				
Financial assets, at FVOCI	904	-	-	904

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35e Fair value measurements (continued)

There were no transfers between Levels 1 and 2 during the year.

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

The fair values of financial instruments that are not traded in an active market are determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on current market conditions existing at each balance sheet date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same or discounted cash flow analysis. The Group also estimates the fair value of the financial asset in the form of unquoted equity investment by reference to its net assets which are mainly in form of monetary assets and liabilities. Such instruments are included in Level 3.

The carrying amount less allowance for impairment of current receivables and other financial assets carried at amortised cost are assumed to approximate their fair values. The fair values of current borrowings and other financial liabilities carried at amortised cost approximate their carrying amounts. The fair values of non-current borrowings and other liabilities of the Group 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 tables present the changes in Level 3 instruments:

The Group	Financial assets, at FVOCI S\$'000	Total S\$'000
As at 31 December 2023		
Beginning of financial year	291	291
Fair value losses recognised in other comprehensive income	(291)	(291)
End of the financial year	-	-
Total unrealised (losses)/gains for the period included in profit or loss for assets and liabilities held at the end of the financial year	-	-
As at 31 December 2022		
Beginning of financial year	291	291
Fair value gains recognised in other comprehensive income	-	-
End of the financial year	291	291
Total unrealised (losses)/gains for the period included in profit or loss for assets and liabilities held at the end of the financial year	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2023

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

35f Financial Instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Financial assets, at FVOCI	909	1,195	909	904
Financial assets, at amortised cost	202,887	363,440	104,835	240,394
Financial liabilities, at amortised cost	(96,043)	(123,294)	(51,271)	(49,340)

36. NEW 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 January 2024 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 2024)

Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

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).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

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

Notes to the Financial Statements

For the financial year ended 31 December 2023

36. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Instruments: Disclosures: Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements (“SFA”) and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity’s liabilities, cash flows and the exposure to liquidity risk.

There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

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

Amendments to SFRS(I) 16 Leases: Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines ‘lease payments’ and ‘revised lease payments’ in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

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

37. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of NSL Ltd. on 6 March 2024.

Notes to the Financial Statements

For the financial year ended 31 December 2023

38. SIGNIFICANT COMPANIES IN THE GROUP

The principal activities of the significant companies in the Group, their countries of incorporation and places of business, and the extent of NSL Ltd.'s equity interest in significant subsidiaries and associated companies are as follows:

Name of company	Principal activities	Country of incorporation and place of business	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			31 December		31 December	
			2023	2022	2023	2022
			%	%	%	%
Eastern Industries Private Limited ⁽¹⁾	Investment holding	Singapore	100.0	100.0	-	-
NSL Chemicals Ltd. ⁽¹⁾	Investment holding, manufacturing and sale of refractory materials and roadstones	Singapore	100.0	100.0	-	-
NSL Properties Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100.0	100.0	-	-
NSL Resorts International Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100.0	100.0	-	-
Eastern Pretech Pte Ltd ⁽¹⁾	Sale of building materials	Singapore	100.0	100.0	-	-
Eastern Pretech (Malaysia) Sdn Bhd ⁽²⁾	Manufacturing and sale of building materials	Malaysia	100.0	100.0	-	-
Dubai Precast L.L.C. ^{(2),(3)}	Manufacturing and sale of building materials	United Arab Emirates	45.0	45.0	55.0	55.0
Parmarine Ltd ⁽²⁾	Manufacturing and sale of building materials	Finland	100.0	100.0	-	-
Eastech Steel Mill Services (M) Sdn Bhd ⁽²⁾	Manufacturing and sale of refractory products	Malaysia	100.0	100.0	-	-
NSL OilChem Waste Management Pte. Ltd. ⁽¹⁾	Treatment of industrial wastewater and oily slop and recovery of waste oil and oily slop	Singapore	87.7	87.7	12.3	12.3
NSL OilChem Logistics Pte. Ltd. ⁽¹⁾	Trading in oil products and disposal of oil and chemical wastes	Singapore	87.7	87.7	12.3	12.3
NSL Engineering Holdings Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100.0	100.0	-	-
Raffles Marina Holdings Ltd. ⁽¹⁾	Investment holding	Singapore	72.1	72.1	27.9	27.9
Raffles Marina Ltd ⁽¹⁾	Owning and managing Raffles Marina Club	Singapore	72.1	72.1	27.9	27.9

Note: Refer to Page 125 for legend.

Notes to the Financial Statements

For the financial year ended 31 December 2023

38. SIGNIFICANT COMPANIES IN THE GROUP (CONTINUED)

Significant Associated Company Held by a Subsidiary	Principal activities	Country of incorporation and place of business	Equity holding	
			31 December	
Unquoted			2023 %	2022 %
Salzgitter Maschinenbau AG ("SMAG") ⁽⁴⁾	Investment holding, manufacturing and sale of bulk handling equipment for bulk material handling, process technology and special purpose machines	Germany	24.4	24.4

Legend

- (1) Audited by PricewaterhouseCoopers LLP, Singapore
- (2) Audited by the network of member firms of PricewaterhouseCoopers International Limited outside Singapore
- (3) The percentage of shareholding held by the Group in Dubai Precast L.L.C. ("DP") is 45%. However, the Group has assessed DP to be a subsidiary as a result of the Group's entitlement of 80% share of dividends declared by or profits of DP post-acquisition in 2011 and the ability to appoint a majority of the directors of DP.
- (4) Audited by Deloitte Touche Tohmatsu, Germany.

Analysis of Shareholdings

As at 11 March 2024

ISSUED AND FULLY PAID CAPITAL	: S\$193,838,796.00
CLASS OF SHARES	: ORDINARY SHARES
VOTING RIGHTS	: ONE VOTE PER SHARE
NUMBER OF TREASURY SHARES	: NIL
NUMBER OF SUBSIDIARY HOLDINGS	: NIL

SHAREHOLDINGS BY SIZE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1 to 99	113	2.27	2,313	0.00
100 to 1,000	813	16.30	685,134	0.18
1,001 to 10,000	3,003	60.20	13,880,643	3.72
10,001 to 1,000,000	1,054	21.13	47,289,612	12.66
1,000,001 and above	5	0.10	311,700,535	83.44
TOTAL	4,988	100.00	373,558,237	100.00

SHAREHOLDERS BY RESIDENCE

COUNTRIES	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF TOTAL ISSUED SHARES
Singapore	4,675	93.73	371,033,183	99.33
Malaysia	256	5.13	1,358,310	0.36
Others	57	1.14	1,166,744	0.31
TOTAL	4,988	100.00	373,558,237	100.00

TOP 20 SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF TOTAL ISSUED SHARES
1	98 HOLDINGS PTE LTD	303,484,453	81.24
2	DBS NOMINEES PTE LTD	2,940,551	0.79
3	CITIBANK NOMINEES SINGAPORE PTE LTD	2,287,299	0.61
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,622,232	0.43
5	OCBC NOMINEES SINGAPORE PTE LTD	1,366,000	0.37
6	MORPH INVESTMENTS LTD	740,000	0.20
7	HENG SIEW ENG	668,300	0.18
8	RAFFLES NOMINEES (PTE) LIMITED	572,452	0.15
9	LO KAI LEONG @ LOH KAI LEONG	540,000	0.15
10	SUM AH LAM	500,000	0.13
11	YANG ENG HUAT	472,000	0.13
12	AU SOO LUAN	461,200	0.12
13	TUN KENG HING	459,000	0.12
14	GOH HOOI MIN @ GHO HOOI MIN	456,188	0.12
15	GOH HOOI KHIM	456,187	0.12
16	GHO ENG LIONG	456,187	0.12
17	TAY HWA LANG @ TAY AH KOU OR JORDAN TAY SHIH LIANG	450,000	0.12
18	GOH ENG HIAN	435,188	0.12
19	PHILLIP SECURITIES PTE LTD	426,230	0.12
20	DERMAWAN SUTJIAWANG	424,000	0.11
	TOTAL	319,217,467	85.45

Analysis of Shareholdings

As at 11 March 2024

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

18.76% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
98 Holdings Pte. Ltd.	303,484,453	81.24	-	-
Mr Ong Beng Seng ¹	-	-	303,484,453	81.24
Excel Partners Pte. Ltd. ¹	-	-	303,484,453	81.24
Excelfin Pte Ltd ¹	-	-	303,484,453	81.24
Y.S. Fu Holdings (2002) Pte. Ltd. ²	-	-	303,484,453	81.24
Reef Holdings Pte Ltd ¹	-	-	303,484,453	81.24
Reef Investments Pte Ltd ¹	-	-	303,484,453	81.24

Notes:

1. Mr Ong Beng Seng is deemed to have an interest through Reef Holdings Pte Ltd, which is deemed to have an interest through Reef Investments Pte Ltd, which is deemed to have an interest through Excelfin Pte Ltd and Excel Partners Pte. Ltd. Excelfin Pte Ltd is deemed to have an interest through Excel Partners Pte. Ltd., which is deemed to have an interest through its interest in 98 Holdings Pte. Ltd.
2. Y.S. Fu Holdings (2002) Pte. Ltd. is deemed to have an interest through Excel Partners Pte. Ltd., which is deemed to have an interest through its interest in 98 Holdings Pte. Ltd.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 64th Annual General Meeting (the “AGM”) of NSL LTD. (the “Company”) will be held at Bridge Rooms 1, 2 and 3, Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 29 April 2024 at 2.00 p.m. for the following purposes:

ORDINARY BUSINESS

- 1 To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
- 2 To re-elect Mr Ban Song Long, a Director retiring pursuant to article 90 of the Company’s Constitution and, being eligible, offers himself for re-election. **(Resolution 2)**

Mr Ban Song Long will, upon re-election as a Director of the Company, remain as the Chairman of the Executive Committee and a member of the Audit Committee, and will be considered non-independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
- 3 To approve the payment of Directors’ fees of S\$614,000.00 for the financial year ended 31 December 2023. (2022: S\$614,000.00) **(Resolution 3)**
- 4 To declare a final dividend of S\$0.02 per ordinary share (exempt one-tier) for the financial year ended 31 December 2023. (2022: final dividend of S\$0.05 per ordinary share (exempt one-tier)) **(Resolution 4)**
- 5 To re-appoint Messrs PricewaterhouseCoopers LLP as the Company’s Independent Auditor and to authorise the Directors to fix its remuneration. **(Resolution 5)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

Ordinary Resolutions

- 6 That pursuant to Section 161 of the Companies Act 1967, and the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the Directors of the Company to:
 - (a) (i) issue shares of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) 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 total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

Notice of Annual General Meeting

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:
- (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of shares,
- and, in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 6)

7 That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (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 of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (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) market purchase(s) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and/or any other stock exchange on which the Shares may for the time being be listed and quoted (“**Other Exchange**”); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors 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 or, as the case may be, Other Exchange 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 period commencing from the date of the passing of this Resolution and expiring on the earliest 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; and
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

Notice of Annual General Meeting

(c) in this Resolution:

“Maximum Limit” means that number of Shares representing 10% of the issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)) as at the date of the passing of this Resolution provided however that notwithstanding the Share Purchase Mandate may enable purchases or acquisitions of up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings) to be carried out as aforesaid, the Company shall ensure, pursuant to Rule 723 of the Listing Manual of the SGX-ST, that there will be a public float of not less than 10% in the issued Shares at all times; and

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

(i) in the case of a market purchase of a Share, 105% of the Average Closing Price; and

(ii) in the case of an off-market purchase of a Share, 120% of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) market days on which the Shares were transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase or, as the case may be, the date of the making of the offer pursuant to an off-market purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) market day period and the date of the market purchase or, as the case may be, the date of the making of the offer pursuant to an off-market purchase;

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

“market day” means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

(Resolution 7)

BY ORDER OF THE BOARD

Lim Su-Ling (Ms)
Company Secretary

Singapore
5 April 2024

Notice of Annual General Meeting

Explanatory Notes

- (i) In relation to item 2 above, further information on Mr Ban Song Long is set out in “Additional Information on Director Seeking Re-Election” on pages 134 to 135 of the Annual Report 2023.

Another Director, Prof Cham Tao Soon, retires by rotation pursuant to article 90 of the Company’s Constitution and is not seeking re-election. Prof Cham Tao Soon’s retirement from the Board will take effect upon the conclusion of the Annual General Meeting.

- (ii) Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares and to issue shares in pursuance of such instruments, up to the limits specified therein, from the date of the AGM until the date of the next Annual General Meeting. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time that this Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that this Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares. As at 11 March 2024, the Company did not have treasury shares or subsidiary holdings.
- (iii) Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors to exercise the power of the Company to purchase or acquire its issued ordinary shares, until the date of the next Annual General Meeting. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. The amount of financing required for the Company to purchase or acquire its shares, and the impact on the Company’s financial position, cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, whether the shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of shares purchased or acquired, and the consideration paid at the relevant time. Purely for illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company of 29,884,658 shares on 11 March 2024 representing 8% of the issued shares (excluding treasury shares and subsidiary holdings) as at that date, at a purchase price equivalent to the Maximum Price per share, in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2023 and certain assumptions, are set out in Paragraph 2.7 of the Company’s letter to shareholders dated 5 April 2024 (the “**Letter**”).

Please refer to the Letter for further details.

Notice of Annual General Meeting

Notes:

1. The AGM will be held in a **wholly physical format** at Bridge Rooms 1, 2 and 3, Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 29 April 2024 at 2.00 p.m.. Members, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person. **There will be no option to participate virtually.**

Printed copies of this Notice of AGM and the accompanying Proxy Form will be sent by post to members. These documents will also be published on the Company's website at the URL <https://www.nsl.com.sg/announcements> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

2. (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 AGM. 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 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'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.

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

3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted by hand or by post, be lodged at the registered office of the Company at 317 Outram Road #03-02 Singapore 169075; or
 - (b) if submitted by electronic communication, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

and, in either case, must be lodged or received (as the case may be) by **2.00 p.m. on 26 April 2024**, being not less than 72 hours before the time appointed for holding the AGM.

5. CPF and SRS investors who hold shares of the Company through their respective CPF Agent Banks or SRS Operators:
 - (a) may vote at the AGM if they are appointed as proxies by the respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any questions regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by **5.00 p.m. on 17 April 2024**.
6. Members, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled at the AGM in advance of the AGM:
 - (a) by post to the Company at the registered office of the Company at 317 Outram Road #03-02 Singapore 169075; or

Notice of Annual General Meeting

(b) via email to the Company's Share Registrar at main@zicoholdings.com.

When submitting questions by post or via email, they should also provide the following details: (i) the member's full name; (ii) the member's address; and (iii) the manner in which the member holds shares of the Company (e.g., via CDP, CPF, SRS and/or scrip).

The deadline for submission of questions is **5.00 p.m. on 15 April 2024**.

7. The Company will address all substantial and relevant questions received from members by the 15 April 2024 deadline at the AGM itself. If questions or follow-up questions are submitted after the 15 April 2024 deadline, the Company will endeavour to address these questions at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
8. Members, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives may also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled at the AGM, at the AGM itself.
9. The Annual Report 2023 and the Letter to Shareholders dated 5 April 2024 (in relation to the proposed renewal of the share purchase mandate) may be accessed at the Company's website as follows:
 - (a) the Annual Report 2023 may be accessed at the URL <https://www.nsl.com.sg/investor-relations/annual-reports> by clicking on the hyperlink for "Annual Report 2023"; and
 - (b) the Letter to Shareholders dated 5 April 2024 may be accessed at the URL <https://www.nsl.com.sg/investor-relations/annual-reports> by clicking on the hyperlink for "Letter to Shareholders" under "Annual Report 2023".

These documents may also be accessed at the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copies of the Annual Report 2023 by completing and submitting the request form sent to them by post together with printed copies of this Notice of Annual General Meeting, the Proxy Form and the Letter to Shareholders dated 5 April 2024.

10. Any reference to a time of day is made by reference to Singapore time.

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, 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) 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 or service providers) to comply with any applicable laws, listing rules, take-over 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 or service providers), 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 or service providers) 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.

Additional Information on Director Seeking Re-Election

Mr Ban Song Long is the Director seeking re-election at the 64th Annual General Meeting of the Company to be held on 29 April 2024.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Ban Song Long as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	Mr Ban Song Long
Date of appointment	25 January 2003
Date of last re-appointment (if applicable)	27 April 2021
Age	80
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered the Nominating Committee's assessments of Mr Ban's qualifications and experiences and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.
Whether appointment is executive, and if so, the area of responsibility	<ul style="list-style-type: none"> • Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> • Chairman of the Executive Committee • Member of the Audit Committee
Professional qualifications	Associate of the Institute of Bankers, London
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> • Excelfin Pte Ltd, Managing Director – Investment holdings (2000 – present) • Yotei Pte Ltd, Managing Director – Investment in F&B (1993 – present) • Cedar Vine Pte Ltd, Director – Investment in properties (2006 – present) • NSL Ltd, Director and EXCO Chairman (2003 – present)
Shareholding interest in the listed issuer and its subsidiaries	No
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	Cousin of Fu Kuo Chen David
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720 (1) has been submitted to NSL Ltd	Yes
Other Principal Commitments including Directorships	
Past (for the last 5 years)	<ul style="list-style-type: none"> • Excelfin Pte Ltd • Yotei Pte Ltd

Additional Information on Director Seeking Re-Election

	Mr Ban Song Long
Present	<ul style="list-style-type: none">• Excelfin Pte Ltd• Yotei Pte Ltd
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	"No" for items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual.

NSL LTD.

(Incorporated in Singapore)

Company Registration Number 196100107C

PROXY FORM

IMPORTANT

- The Annual General Meeting will be held in a **wholly physical format** at the venue, date and time stated below. **There will be no option to participate virtually.**
- This Proxy Form is not valid for use, and shall be ineffective for all intents and purposes if used, or purported to be used, by CPF and SRS investors. CPF and SRS investors:
 - may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any questions regarding their appointment as proxies; or
 - may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 17 April 2024.**
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
- 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 Annual General Meeting dated 5 April 2024.

I/We _____ (Name)

of _____ (Address)

being a member/members of NSL LTD. (the "**Company**"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

as my/our proxy(ies) to attend, speak and vote for me/us on my/our behalf at the 64th Annual General Meeting of the Company to be held at Bridge Rooms 1, 2 and 3, Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 29 April 2024 at 2.00 p.m. and at any adjournment thereof, in the manner indicated below.

If no person is named in the above boxes, the Chairman of the Meeting shall be *my/our proxy to vote for or against or abstain from voting on the resolutions to be proposed at the Annual General Meeting as indicated hereunder, for *me/us on *my/our behalf at the Annual General Meeting and at any adjournment thereof.

(Voting will be conducted by poll. If you wish your proxy(ies) to cast all your votes **For** or **Against** a Resolution, please indicate with an "X" in the **For** or **Against** box in respect of that Resolution. Alternatively, please indicate the number of votes **For** or **Against** each Resolution in the **For** or **Against** box in respect of that Resolution. If you wish your proxy(ies) to **Abstain** from voting on a Resolution, please indicate with an "X" in the **Abstain** box in respect of that Resolution. Alternatively, please indicate the number of shares that your proxy(ies) is/are directed to abstain from voting in the **Abstain** box in respect of that Resolution. In the absence of specific directions in respect of a Resolution, the proxy(ies) will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the Annual General Meeting.)

No.	Resolutions relating to:	For	Against	Abstain
	Ordinary Business			
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023			
2	Re-election of Mr Ban Song Long as a Director			
3	Approval of Directors' fees amounting to S\$614,000			
4	Approval of a final dividend of S\$0.02 per ordinary share (exempt one-tier) for the financial year ended 31 December 2023			
5	Re-appointment of Messrs PricewaterhouseCoopers LLP as Independent Auditor and authorisation for Directors to fix its remuneration			
	Special Business			
6	Approval of the Share Issue Mandate			
7	Approval of the renewal of the Share Purchase Mandate			

Dated this _____ day of _____ 2024.

Total Number of Shares Held

Signature(s) of Member(s)/Common Seal

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 (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number. If you have shares entered against your name in the Depository Register and 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) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General 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.

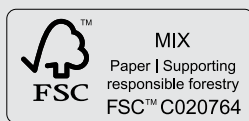
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints 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.

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

3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. A member who wishes to appoint a proxy(ies) should complete this Proxy Form, before submitting it to the Company in the manner set out below.
5. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the Annual General Meeting if he/she so wishes. The appointment of the proxy(ies) for the Annual General Meeting shall be deemed to be revoked if the member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the Annual General Meeting.
6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted by hand or by post, be lodged at the registered office of the Company at 317 Outram Road #03-02 Singapore 169075; or
 - (b) if submitted by electronic communication, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

and, in either case, must be lodged or received (as the case may be) by **2.00 p.m. on 26 April 2024**, being not less than 72 hours before the time appointed for holding the Annual General Meeting.

7. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing a proxy(ies) is submitted by hand or by post, be lodged with the instrument, or if the instrument appointing a proxy(ies) is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
8. 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 Annual General Meeting, in accordance with Section 179 of the Companies Act 1967.
9. The Company shall be entitled to reject an instrument appointing a proxy(ies) which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy(ies) if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
10. Any reference to a time of day is made by reference to Singapore time.



This report is printed on environmentally-friendly paper.



NSL LTD

317 Outram Road #03-02
Singapore 169075

T: 6536 1000 | **F:** 6536 1008

Co.Reg.No: 196100107C

www.nsl.com.sg