中國新零售供應鏈集團有限公司
China Next-Gen Commerce and Supply Chain Limited

(formerly known as S&T Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 3928

2024
ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ho Chi Hong *(Chairman)*
(appointed with effect from 25 September 2024)
Mr. Chang Tin Duk Victor
(appointed with effect from 25 September 2024)
Mr. Poon Soon Huat *(Chairman)*
(resigned with effect from 25 September 2024)
Mr. Koh Chew Chiang (alias Xu Zhouchang)
(formerly known as Faris Koh) (Chief Executive Officer)
(resigned as Executive Director with effect from 25 September 2024 and remain as Chief Executive Officer)

Non-Executive Director

Mr. Law Ka Wing Eric
(appointed with effect from 25 September 2024)

Independent Non-Executive Directors

Mr. Tam Tak Kei Raymond
(appointed with effect from 25 September 2024)
Mr. Li Tao
(appointed with effect from 25 September 2024)
Ms. Chen Yunxia
(appointed with effect from 29 November 2024)
Mr. Tam Hon Fai
(resigned with effect from 25 September 2024)
Mr. Wong Ka Bo Jimmy
(resigned with effect from 25 September 2024)
Mr. Chan Kwok Wing Kelvin
(resigned with effect from 29 November 2024)

AUDIT COMMITTEE

Mr. Tam Tak Kei Raymond *(Chairman)*
(appointed with effect from 25 September 2024)
Mr. Li Tao
(appointed with effect from 25 September 2024)
Ms. Chen Yunxia
(appointed with effect from 29 November 2024)
Mr. Tam Hon Fai *(Chairman)*
(resigned with effect from 25 September 2024)
Mr. Wong Ka Bo Jimmy
(resigned with effect from 25 September 2024)
Mr. Chan Kwok Wing Kelvin
(resigned with effect from 29 November 2024)

REMUNERATION COMMITTEE

Ms. Chen Yunxia *(Chairman)*
(appointed with effect from 29 November 2024)
Mr. Tam Tak Kei Raymond
(appointed with effect from 25 September 2024)
Mr. Li Tao
(appointed with effect from 25 September 2024)
Mr. Koh Chew Chiang (alias Xu Zhouchang)
(formerly known as Faris Koh)
(resigned with effect from 25 September 2024)
Mr. Tam Hon Fai
(resigned with effect from 25 September 2024)
Mr. Chan Kwok Wing Kelvin (Chairman)
(resigned with effect from 29 November 2024)

NOMINATION COMMITTEE

Mr. Ho Chi Hong *(Chairman)*
(appointed with effect from 25 September 2024)
Mr. Tam Tak Kei Raymond
(appointed with effect from 25 September 2024)
Ms. Chen Yunxia
(appointed with effect from 29 November 2024)
Mr. Poon Soon Huat *(Chairman)*
(resigned with effect from 25 September 2024)
Mr. Wong Ka Bo Jimmy
(resigned with effect from 25 September 2024)
Mr. Chan Kwok Wing Kelvin
(resigned with effect from 29 November 2024)

COMPANY SECRETARY

Ms. Fung Mei Ling

AUTHORISED REPRESENTATIVES

Mr. Ho Chi Hong
(appointed with effect from 25 September 2024)
Mr. Poon Soon Huat
(ceased to act with effect from 25 September 2024)
Ms. Fung Mei Ling

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law
David Fong & Co.
Unit A, 12th Floor
China Overseas Building
139 Hennessy Road
Wanchai, Hong Kong

ONC Lawyers
19th Floor
Three Exchange Square
8 Connaught Place
Central, Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111 Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

16 Kian Teck Way
Singapore 628749

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 17/F
United Centre
95 Queensway
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point, Hong Kong

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Ltd

AUDITOR

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

COMPANY'S WEBSITE

www.singtec.com.sg

STOCK CODE

3928

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of China Next-Gen Commerce and Supply Chain Limited (the "**Company**", together with its subsidiaries, the "**Group**", "**we**" or "**us**"), I am pleased to present to our shareholders the annual report of the Group for the year ended 30 September 2024.

According to information publicly available from the Singapore Department of Statistics, the construction demand in Singapore is estimated to increase by approximately 20.02% from approximately S$34.16 billion for the year ended 31 December 2023 to approximately S$41.00 million for the year ended 31 December 2024. The increase in construction demand in Singapore was primarily attributable to, amongst other factors, (i) the Singapore government's initiatives in promoting tourism and investing in data centers and logistics facilities; (ii) the increasing awareness of property developers on green building and energy-efficient designs; (iii) increase in allocation of resources for the development of educational and healthcare facilities by the Singapore government; (iv) new institutional projects incorporating disaster-resistant designs to enhance safety and sustainability in public facilities; and (v) other major infrastructural investments such as the development of the Cross Island MRT Line, improvements to road and drainage systems, and the expansion of Changi Airport Terminal 5 and Tuas Port.

Attributable to the gradual recovery and continuous development of the Singapore construction industry, coupled with the high interest rate environment and rise in material, labour and subcontracting costs, the Company's revenue remained relatively stable at approximately S$56.1 million and S$56.0 million for the year ended 30 September 2023 and 2024, respectively. The Company remains cautiously optimistic in profit recovery and business growth in this challenging landscape. The Group expects the construction industry to regain momentum in the medium to long term.

The Group's strategy is to improve our competitiveness and productivity through enhancing our technical capabilities through upskilling of our workforce and improving the financial management of the Group's business. The Group is confident that we can continue to adapt, optimise and manage our resources prudently to seize business opportunities which are beneficial to the long-term growth of the Group. I am confident that the Group's profitability and recovery can be achieved in the near term.

The Board remains fully committed in leading the Group through all trials and tribulations. I wish to express my sincere appreciation to our Board for their professional guidance and counsel. I would also like to express my utmost gratitude to the management team and employees of the Group for their resilience and unity in overcoming the adversities faced in the past few years together. Lastly, I wish to extend our appreciation to our shareholders and business partners for their trust, patience and support.

China Next-Gen Commerce and Supply Chain Limited
Ho Chi Hong
Chairman and Executive Director

27 December 2024

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group has been established for over 25 years and is principally engaged in construction services and property investment business in Singapore. The Group specialises in providing construction services and solutions in (i) civil engineering works entailing road works, earthworks, drainage works, earth retaining stabilising structure works and soil improvement works; (ii) building construction works mainly for industrial buildings which include substructure works, piling works, addition and alteration works and electrical and mechanical works; and (iii) other ancillary services which include logistics and transportation services of construction materials. The Group's property investment business primarily includes residential and industrial properties leasing.

The Group recorded a decrease in total revenue of approximately S$0.1 million, from approximately S$56.1 million for the year ended 30 September 2023 to approximately S$56.0 million for the year ended 30 September 2024. The Group recorded an increase in gross profit of approximately S$1.0 million, from approximately S$3.8 million for the year ended 30 September 2023 to approximately S$4.8 million for the year ended 30 September 2024. The Group also recorded a decrease in net loss of approximately S$0.2 million, from approximately S$1.0 million for the year ended 30 September 2023 to approximately S$0.8 million for the year ended 30 September 2024.

The Group's reduction in net loss was mainly attributable to (i) an increase in gross profit and gross profit margin, which was primarily driven by the improvement of cost control for ongoing projects; and (ii) higher profit margins contributed by other ancillary services during the year ended 30 September 2024.

With reference to the latest press released on 22 November 2024 by the Ministry of Trade and Industry ("**MTI**"), Singapore's overall external demand outlook is expected to remain resilient for the rest of 2024. Taking into account the better-than-expected performance of the Singapore economy in the first three quarters of the year (i.e., 3.8% year-on-year), as well as the latest global and domestic situations, MTI has upgraded the GDP growth forecast for 2024 to "around 3.5%", from "2.0% to 3.0%" previously. Looking ahead to 2025, MTI estimates economic growth to ease slightly to "1.0% to 3.0%" due to existential geopolitical uncertainties.

Growth in the construction sector came in at 3.7% year-on-year, following the 4.8% growth in the second quarter, on account of an increase in public sector construction output which outweighed a decline in private sector construction output. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 0.7%, moderating from the 3.4% expansion in the previous quarter.

According to the announcement of the Building and Construction Authority ("**BCA**") on 15 January 2024, the preliminary construction demand for 2023 reached S$33.8 billion, due to an uptrend in tender prices, expediting of construction awards for several private residential projects and ramping up of Housing Development Board's public housing projects. This exceeded BCA's forecast of S$27 billion to S$32 billion in January 2023. In 2024, the total construction demand is projected to range between S$32 billion and S$38 billion, with the public sector contributing about 55% of the total demand. The BCA also expects a steady improvement in construction demand over the medium-term to reach between S$31 billion and S$38 billion per year from 2025 to 2028. BCA also projects private sector construction demand to range between S$14 billion and S$17 billion in 2024.

Despite the overall improved outlook of the domestic construction industry in Singapore this year as compared to last year, the Group remains cautiously optimistic in profit recovery and business growth as the Group is still exposed to a relatively high interest rate climate and inflationary pressures in material, labour and subcontracting costs. The Group expects the construction industry to regain momentum in the medium to long term.

In light of the above, the Group will continue to focus on our business strategies of strengthening our core business through improving productivity, enhancing our technical capabilities, financial management and upskilling of our workforce. The Group believes that this will improve our competitive edge, tender success rate and adaptability to the changing market demands.

Moreover, the Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties. The key risks and uncertainties identified are as follows:

(i) The Group relies on subcontractors to execute the projects and any significant increase in subcontracting charges or any substandard subcontractor works may have adverse impacts on the Group's financial results

The Group relies on subcontractors to carry out part of its projects, charges from which accounted for approximately 41.8% (for the year ended 30 September 2023: approximately 55.0%) of the Group's total cost of services for the year ended 30 September 2024. Any unexpected fluctuations in subcontracting charges during the course of execution of the Group's projects will thus have a negative impact on the Group's profitability. Besides, there is no assurance that the Group's subcontractors will always provide services at acceptable standards, and the Group may incur additional time and costs in rectifying substandard works, if any, which may cause cost overrun or delay to the projects.

(ii) Construction works are highly labour-intensive and the Group relies on a stable supply of labour to carry out its projects

There is no assurance that the supply of labour and average labour costs will remain stable at all times. When there is a significant increase in the cost of labour and the Group or the subcontractors have to retain labour by increasing their wages, the Group's staff costs and/or subcontracting charges will increase and as a result, the Group's profitability will be adversely affected. Furthermore, if the Group experiences any failure to attract and retain competent personnel or any material increase in labour costs as a result of the shortage of skilled labour, the Group's competitiveness and business would be damaged, thereby adversely affecting the Group's financial position, results of operations and future prospects.

FINANCIAL REVIEW

Revenue

The Group's revenue is derived from (i) the provision of civil engineering works, building construction works and other ancillary services which include logistics and transportation services of construction materials for both public and private sector customers; and (ii) property investment business.

The Group's civil engineering and building construction services are widely required in new infrastructure and building developments, redevelopment, additions and alterations works and upgrading projects, which involve residential, commercial and industrial buildings. For property investment business, the Group leases both industrial and residential properties to earn rental income from tenants.

The following table sets forth the breakdown of the Group's total revenue by segments:

	For the year ended 30 September			
	2024		2023	
	Revenue		Revenue	
	S$ million	**% of total revenue**	S$ million	% of total revenue
Construction services				
Civil engineering works	**52.0**	**92.8**	48.2	85.9
Building construction works	**0.2**	**0.4**	7.4	13.2
Other ancillary services	**3.3**	**5.9**	–	–
	55.5	**99.1**	55.6	99.1
Property investments	**0.5**	**0.9**	0.5	0.9
Total revenue	**56.0**	**100.0**	56.1	100.0

The Group's revenue decreased by approximately S$0.1 million or approximately 0.2%, from approximately S$56.1 million for the year ended 30 September 2023 to approximately S$56.0 million for the year ended 30 September 2024.

The slight decrease in the Group's total revenue was mainly due to a decrease in revenue from building construction works by approximately S$7.2 million mainly driven by overall decrease in building construction works projects. Such decrease was offset by (i) increase in revenue from civil engineering works of approximately S$3.8 million mainly due to slight improvement in progress of civil engineering works; and (ii) increase in revenue from other ancillary services by approximately S$3.3 million, mainly due to a one-off salvage works related to the demolition of shipyard.

The revenue from property investments remained relatively stable at approximately S$0.5 million for each of the years ended 30 September 2024 and 2023.

Cost of services

The Group's cost of services decreased by approximately S$1.0 million or approximately 1.9% from approximately S$52.2 million for the year ended 30 September 2023 to approximately S$51.2 million for the year ended 30 September 2024. Such decrease was mainly driven by (i) the improvement of cost control for the Group's ongoing projects; and (ii) an increase in the Group's portion of revenue contributed by other ancillary services of which the profit margin was higher during the year ended 30 September 2024.

Gross profit and gross profit margin

The Group's gross profit increased by approximately S$1.0 million from approximately S$3.8 million for the year ended 30 September 2023 to approximately S$4.8 million for the year ended 30 September 2024. The Group's gross profit margin also increased by 1.8 percentage points from approximately 6.8% for the year ended 30 September 2023 to approximately 8.6% for the year ended 30 September 2024. The increase in both gross profit and gross profit margin was primarily driven by the higher profit margins contributed by other ancillary services and the improvement of cost management for the Group's ongoing projects.

Other income

The Group's other income increased by approximately S$0.1 million from approximately S$0.2 million for the year ended 30 September 2023 to approximately S$0.3 million for the year ended 30 September 2024. The increase in other income was mainly attributable to an increase in rental income from renting equipment of approximately S$0.2 million and partially offset by a decrease in sundry income of approximately S$0.1 million.

Other gains and losses

The Group's other gains and losses decreased by approximately S$2.5 million from approximately S$3.3 million for the year ended 30 September 2023 to approximately S$0.8 million for the year ended 30 September 2024. The decrease in other gains and losses was primarily driven by (i) a decrease in net gain on disposal of property, plant and equipment of approximately S$3.1 million; and (ii) an increase in net foreign exchange losses of approximately S$0.1 million for the year ended 30 September 2024.

Such decrease was partially offset by an increase in the fair value gains on investment properties by S$0.6 million.

Administrative expenses

The Group's administrative expenses increased by approximately S$0.3 million from approximately S$5.7 million for the year ended 30 September 2023 to approximately S$6.0 million for the year ended 30 September 2024. The increase in administrative expenses was mainly due to an increase in professional fees of approximately S$0.3 million.

Reversal of/allowance for expected credit losses on financial assets and contract assets

The Group recorded a net reversal of expected credit losses on financial assets and contract assets of approximately S$0.2 million for the year ended 30 September 2024, reversing from a net loss on allowance for expected credit losses on financial assets and contract assets of approximately S$1.3 million for the year ended 30 September 2023. This was mainly due to the stabilisation in performance of the prevailing construction industry and slight improvement in the Group's historical observed default rates over the expected life of its debtors and forward-looking factors specific to the debtors and the economic environment.

Finance costs

The Group's finance costs decreased by approximately S$0.1 million from approximately S$1.0 million for the year ended 30 September 2023 to approximately S$0.9 million for the year ended 30 September 2024. The decrease was mainly due to the decrease in bank borrowings (including those held under joint operations) during the year ended 30 September 2024.

Share of result of a joint venture

The Group's loss of share of result of a joint venture decreased by approximately S$0.6 million from approximately S$0.6 million for the year ended 30 September 2023 to approximately S$3,000 for the year ended 30 September 2024. The decrease was due to the recognition of a net allowance for expected credit losses during the year ended 30 September 2023 while there were no further allowances for expected credit losses made for the year ended 30 September 2024 as the joint venture is dormant.

Income tax

The Group's income tax credit decreased by approximately S$0.2 million from a tax credit of approximately S$0.2 million for the year ended 30 September 2023 to no income tax provision for the year ended 30 September 2024. No income tax provision was made as the Group did not generate assessable profits for the year ended 30 September 2024. The tax credit for the year ended 30 September 2023, represented income tax adjustment relating to net overprovision of prior years' tax which was finalised and refunded to the Group by the Singapore tax authorities.

Loss for the year

As a result of the foregoing factors, the Group recorded a reduction in net loss for the year by approximately S$0.2 million or 20.0%, from a net loss for the year of approximately S$1.0 million for the year ended 30 September 2023 to approximately S$0.8 million for the year ended 30 September 2024.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for the year ended 30 September 2024 (for the year ended 30 September 2023: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its debt and equity. The Group's overall strategy in the objective, policies or processes for managing capital remains unchanged since the listing of the Company's shares (the "**Listing**") by way of share offer (the "**Share Offer**") in September 2019. The capital structure of the Group consists of debt, which includes bank overdrafts, bank borrowings (including bank borrowings held under joint operations) and lease liabilities, net of bank deposits, bank balances and cash, and equity attributable to owners of the Company, comprising share capital and reserves. There had been no material change in the capital structure of the Group since the Listing.

The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of bank balances and cash, borrowings and net proceeds from the Share Offer. The management of the Group reviews the capital structure on a regular basis.

The Group adopts a prudent cash and financial management policy. The Group's cash, mainly denominated in Singapore dollars and Hong Kong dollars, is generally deposited with certain financial institutions.

As at 30 September 2024, the Group had bank balances and cash of approximately S$6.1 million as compared to approximately S$8.3 million as at 30 September 2023. The Group had total bank overdrafts, bank borrowings (including bank borrowings held under joint operations) and lease liabilities of approximately S$18.6 million as at 30 September 2024 as compared to approximately S$19.5 million as at 30 September 2023.

Gearing ratio

Gearing ratio is calculated by dividing all bank overdrafts, bank borrowings (including bank borrowings held under joint operations) and lease liabilities by total equity at the year-end date and expressed as a percentage. The gearing ratio of the Group as at 30 September 2024 was approximately 68.3% (as at 30 September 2023: approximately 69.7%). The decrease in gearing ratio was mainly due to the decrease in bank borrowings (including bank borrowings held under joint operations) of the Group as at 30 September 2024.

Charges on group assets

As at 30 September 2024, (i) bank deposits of approximately S$0.5 million (as at 30 September 2023: approximately S$0.5 million); (ii) owner-occupied properties with carrying value of approximately S$6.3 million (as at 30 September 2023: approximately S$6.6 million); (iii) investment properties with carrying value of approximately S$11.5 million (as at 30 September 2023: approximately S$10.6 million); and (iv) investment properties held under joint operations with carrying value of approximately S$4.3 million (as at 30 September 2023: approximately S$4.3 million) have been pledged to the banks to secure banking facilities including bank borrowings granted to the Group.

Treasury policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy financial position throughout the year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements at all times.

FOREIGN EXCHANGE RISK

The Group mainly operates in Singapore. Most of the operating transactions and revenue were settled in Singapore dollars and the Group's assets and liabilities are primarily denominated in Singapore dollars. However, the Group has certain bank balances denominated in Hong Kong dollars amounting to approximately S$5.8 million as at 30 September 2024 which exposed the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the Group manages the risk by closely monitoring the movements of the foreign currency rate and would consider hedging against significant foreign currency exposure should it be necessary.

SIGNIFICANT INVESTMENTS HELD

The Group's significant investments comprised investment properties and investment properties held under joint operations.

Investment properties

The following table sets forth the investment cost, fair value and size relative to the Group's total assets as at the dates indicated:

			As at 30 September 2024			As at 30 September 2023		
Significant investments	**Usage**	**Total number of years of land lease**	**Investment cost (S$)**	**Fair value (S$)**	**Percentage to the Group's total assets**	Investment cost (S$)	Fair value (S$)	Percentage to the Group's total assets
21 Toh Guan Road East #01-10, Singapore 608609	commercial	60 from 1 December 1997	**992,640**	**1,650,000**	**2.4%**	992,640	1,510,000	2.4%
21 Toh Guan Road East #01-11, Singapore 608609	commercial	60 from 1 December 1997	**1,667,700**	**1,650,000**	**2.4%**	1,667,700	1,510,000	2.4%
45 Hillview Avenue #01-05, Singapore 669613	residential	999 from 19 May 1883	**1,334,600**	**2,480,000**	**3.6%**	1,334,600	2,240,000	3.5%
45 Hillview Avenue #01-06, Singapore 669613	residential	999 from 19 May 1883	**1,334,600**	**2,470,000**	**3.5%**	1,334,600	2,230,000	3.5%
11 Kang Choo Bin Road #01-01, Singapore 548315	residential	999 from 19 February 1883	**1,264,075**	**1,440,000**	**2.1%**	1,264,075	1,400,000	2.2%
11 Kang Choo Bin Road #01-03, Singapore 548315	residential	999 from 19 February 1883	**1,529,979**	**1,770,000**	**2.5%**	1,529,979	1,660,000	2.6%
Total			**8,123,594**	**11,460,000**	**16.5%**	8,123,594	10,550,000	16.6%

Investment properties held under joint operations

The following table sets forth the investment cost, fair value and size relative to the Group's total assets as at the dates indicated:

				As at 30 September 2024			As at 30 September 2023		
Significant investment	Usage	Total number of years of land lease	Proportion of the Group's ownership interest	Investment cost attributable to the Group (S$)	Fair value attributable to the Group (S$)	Percentage to the Group's total asset	Investment cost attributable to the Group (S$)	Fair value attributable to the Group (S$)	Percentage to the Group's total asset
114 Lavender Street, #01-68 CT Hub 2, Singapore 338729 *(Note (i))*	commercial	63 from 12 January 2012	50%	**4,985,271**	**4,250,000**	**6.1%**	4,985,271	4,250,000	6.7%
Total				**4,985,271**	**4,250,000**	**6.1%**	4,985,271	4,250,000	6.7%

Note:

(i) The property is held under joint operations with Poh Wah Group Pte Ltd.

The Company's investment strategy for investment properties and investment properties held under joint operations

The Group's strategy is to continuously establish an investment property portfolio which is able to add an alternative, stable and recurring revenue stream to the Group's overall business and also to diversify risk of any potential change in the construction industry; and for potential capital appreciation purposes. Depending on prevailing market conditions (i.e. price and reasonable returns), the Group would from time to time solidify its property investment business by (i) identifying value adding investment properties in future; and (ii) evaluating existing portfolio on an going basis and selling or replacing less performing investment properties.

Save as disclosed in this report, the Group did not hold other significant investments during the year ended 30 September 2024.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES OR JOINT VENTURES

There were no material acquisitions or disposals of subsidiaries and associated companies or joint ventures by the Group for the year ended 30 September 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Company's prospectus dated 29 August 2019 (the "**Prospectus**") and this report, the Group did not have other future plans for material investments or capital assets as at 30 September 2024.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2024, the Group had a total of 184 employees (as at 30 September 2023: 183 employees), excluding the Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes for the year ended 30 September 2024 amounted to approximately S$8.2 million (for the year ended 30 September 2023: approximately S$8.1 million).

In order to attract and retain high quality staff and to enable smooth operations within the Group, the remuneration policy and package of the Group's employees are periodically reviewed. The salary and benefit levels of the employees of the Group are competitive (with reference to market conditions and individual qualifications and experience). The Group provides adequate job training to the employees to equip them with practical knowledge and skills. Apart from contributions to the CPF and job training programs, salary increments and discretionary bonuses may be awarded to employees according to the assessment of individual performance and market situation. The emoluments of the Directors have been reviewed by the remuneration committee of the Company, having regard to the Group's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

PERFORMANCE BONDS

As at 30 September 2024, the Group had performance bonds of approximately S$14.0 million (as at 30 September 2023: approximately S$10.7 million) given in favour of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered into between the Group and the customers. The performance bonds will be released upon completion of the contracts.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

During the year ended 30 September 2024, the Group acquired items of property, plant and equipment of approximately S$3.4 million (for the year ended 30 September 2023: approximately S$1.7 million).

As at 30 September 2024, the Group had no material capital commitments (as at 30 September 2023: Nil).

CHANGES IN SHAREHOLDING

On 19 June 2024, a sale and purchase agreement (the "**Sale and Purchase Agreement**") in relation to the sale and purchase of 360,000,000 shares of the Company (the "**Sale Share(s)**"), representing 75.0% of the total issued share capital of the Company, was entered into among Alpine Treasure Limited ("**Alpine Treasure**") (as purchaser), HG TEC Holdings Limited (as vendor) and Mr. Poon Soon Huat and Mr. Teo Teck Thye (as guarantors) for a total cash consideration of HK$100,000,000 (representing approximately HK$0.2778 per Sale Share). Alpine Treasure is owned as to 20% and 80% by Mr. Chang Tin Duk Victor ("**Mr. Chang**") through his holding vehicle, Scholar Global Limited, and Mr. Ho Chi Hong ("**Mr. Ho**"), respectively. As at the date of the Sale and Purchase Agreement, Mr. Ho held 16,170,000 shares in the Company.

The sale and purchase of the Sale Shares was completed on 10 July 2024. Immediately following the completion, Alpine Treasure and parties acting in concert with it became interested in 376,170,000 shares in the Company, representing approximately 78.4% of the total issued share capital of the Company. As a result, Alpine Treasure was required to make a mandatory unconditional cash offer for 103,830,000 shares in the Company (the "**Offer Share(s)**"), being all the issued shares of the Company other than those already owned or agreed to be acquired by Alpine Treasure and parties acting in concert with it pursuant to the Hong Kong Code on Takeovers and Mergers. Get Nice Securities Limited, on behalf of Alpine Treasure, made the offer (the "**Offer**") to acquire all the Offer Shares on the basis of HK$0.2778 in cash for each Offer Share.

The Offer was closed on 10 September 2024. No valid acceptance in respect of the Offer Shares under the Offer was received. Accordingly, Alpine Treasure and parties acting in concert with it are interested in 376,170,000 shares in the Company immediately after the close of the Offer. Accordingly, the Company did not satisfy the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") immediately after the close of the Offer. The Company applied to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period from 10 July 2024 to 30 September 2024 (both days inclusive) (the "**Waiver Period**") to allow Alpine Treasure to restore the minimum public float of the Company by way of placement of existing shares in the Company to independent third parties. On 9 July 2024, the Stock Exchange granted the Company a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules during the Waiver Period.

Mr. Ho, being the Chairman of the Company, an executive Director as well as an ultimate beneficial owner and a party acting in concert with Alpine Treasure, entered into a placing agreement with Yellow River Securities Limited (the "**Placing Agent**") on 12 September 2024 pursuant to which the Placing Agent agreed, as agent of Mr. Ho, to procure on a best effort basis independent third party placees to subscribe for up to 16,170,000 shares (the "**Placing Share(s)**") in the Company, representing approximately 3.37% of the total issued share capital of the Company, held by Mr. Ho at the placing price of HK$0.2778 per Placing Share (the "**Placing**").

Completion of the Placing took place on 26 September 2024. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, all of the placees and their beneficial owners are third parties independent of the Company, Alpine Treasure and its ultimate beneficial owner(s), being Mr. Ho and Mr. Chang.

USE OF NET PROCEEDS FROM THE SHARE OFFER

The net proceeds from the Share Offer (after deducting listing expenses) amounted to approximately HK$86.3 million (equivalent to approximately S$15.2 million). As set out in the announcement of the Company dated 4 September 2023 (the "**Announcement**"), the Board had resolved to change the allocation of the use of net proceeds. An analysis of the utilisation of the net proceeds and the unutilised net proceeds after reallocation from the Share Offer from 19 September 2019 (the "**Listing Date**") up to 30 September 2024 is set out below:

Purposes	Planned use of net proceeds as disclosed in the Prospectus HK$ million	Revised allocation of net proceeds as disclosed in the Announcement HK$ million	Actual amount of net proceeds utilised as at 1 October 2023 HK$ million	Actual amount of net proceeds utilised during the year ended 30 September 2024 HK$ million	Actual amount of net proceeds utilised from the Listing Date up to 30 September 2024 HK$ million	Unutilised amount of net proceeds as at 30 September 2024 HK$ million
Strengthening the Group's financial position	21.8	36.4	30.4	6.0	36.4	–
Enhancing the Group's machinery fleet	31.0	36.3	36.3	–	36.3	–
Strengthening the Group's workforce	11.6	11.6	11.6	–	11.6	–
Developing production area for steel bar fabrication	2.0	2.0	2.0	–	2.0	–
Investing in BIM and ERP systems	5.3	–	–	–	–	–
Acquiring investment properties	14.6	–	–	–	–	–
Total	86.3	86.3	80.3	6.0	86.3	–

As at 30 September 2024, all the net proceeds from the Share Offer had been utilised.

EVENTS AFTER THE REPORTING PERIOD

Change of company name and stock short name

Pursuant to a special resolution at an extraordinary general meeting of the Company held on 6 November 2024, the English name of the Company has been changed from "S&T Holdings Limited" to "China Next-Gen Commerce and Supply Chain Limited" and the dual foreign name "中國新零售供應鏈集團有限公司" has been adopted as the dual foreign name in Chinese of the Company. The English stock short name of the Company has been changed from "S&T HLDGS" to "CHINA NEXT-GEN" and "中國新零售供應鏈" has been adopted as the Chinese stock short name of the Company for trading in the securities of the Company on the Stock Exchange with effect from 9:00 a.m. on 31 December 2024. The stock code of the Company remains unchanged as "3928".

Change of Board composition

Mr. Chan Kwok Wing Kelvin resigned as an independent non-executive Director with effect from 29 November 2024.

In order to achieve gender diversity and pursuant to Rule 13.92 of the Listing Rules, the Company appointed Ms. Chen Yunxia as independent non-executive Director with effect from 29 November 2024.

Save as disclosed in this report, there is no material subsequent event undertaken by the Group after 30 September 2024 and up to the date of this report.

Biography of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Ho Chi Hong, aged 49, was appointed as the executive Director on 25 September 2024. He also serves as the chairman of the Board and is the chairman of the nomination committee of the Company. He is responsible for overall management, formulation of business strategies and supervision of operations of the Group.

Mr. Ho has accumulated over 20 years of experience in the construction industry. Mr. Ho joined the subsidiary of Metaspacex Limited (former known as Yield Go Holdings Ltd.) (Stock Code: 1796), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in May 2001. From May 2018 to January 2024, Mr. Ho served as executive director and chief executive officer of Metaspacex Limited (formerly known as Yield Go Holdings Ltd.). From July 1998 to March 2001, Mr. Ho served as an assistant quantity surveyor of Hoo Cheong Building Construction Co., Ltd. Mr. Ho obtained a degree of Bachelor of Science in Quantity Surveying from the University of Greenwich in the United Kingdom in July 1998.

Mr. Chang Tin Duk Victor, aged 54, was appointed as the executive Director on 25 September 2024. He is primarily responsible for overall management, formulation of business strategies and supervision of operations of the Group.

Mr. Chang has over 10 years' experience in corporate finance industry in Hong Kong. Mr. Chang served as an executive director of Yin He Holdings Limited (Previous Stock Code: 8260, "**Yin He**", whose shares were previously listed on GEM of the Stock Exchange but delisted in July 2022.) from 24 February 2012 to 31 August 2015 and redesignated as a non-executive director of Yin He from 31 August 2015 to 14 September 2021. From June 2007 to August 2019, Mr. Chang started his career with Lippo Securities Limited and moved on to become director of Grand International Holdings Limited ("**Grand International**"), which was engaged in general investments. After leaving Grand International, he went on to be director and responsible officer for Astrum Capital Management Limited (a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contract), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and Murtsa Capital Partners Limited (a corporation licensed to carry out type 9 (asset management) regulated activity under the SFO) but subsequently resigned from both companies. Also, Mr. Chang resigned as a compliance consultant for Astrum Capital Management Limited in November 2013. Mr. Chang graduated with a Bachelor of Science degree in business administration from Boston University in January 1993.

Mr. Chang is now a director & responsible officer of each of Dakin Securities Limited and Dakin Asset Management Limited. Dakin Securities Limited is a corporation licensed to carry out type 1 (dealing in Securities) and type 2 (dealing in futures contract) regulated activities under the SFO and Dakin Asset Management Limited is a corporation licensed to carry out type 9 (asset management) regulated activity under the SFO. Mr. Chang is also a director of Dakin Capital Limited (a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO).

NON-EXECUTIVE DIRECTOR

Mr. Law Ka Wing Eric, aged 32, was appointed as the non-executive Director on 25 September 2024. He is primarily responsible for participating in the decision making of the Board with respect to strategic development of the Group.

Mr. Law has nine years' experience in finance and management advisory fields. From January 2016 to December 2023, Mr. Law worked at KPMG with his last position as audit manager. He graduated from University of Warwick in United Kingdom with a Bachelor of Law (LLB) in 2014. Mr. Law is a Certified Public Accountant (CPA) of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tam Tak Kei Raymond, aged 61, was appointed as the independent non-executive Director on 25 September 2024. He is primarily responsible for providing independent judgement on the strategy, performance, resources and standard of conduct. He is the chairman of the audit committee and a member of each of the remuneration committee and nomination committee of the Company.

Mr. Tam acted as the financial controller at international law firms for 9 years and has over 30 years of professional accounting experience and is currently the company secretary of Tian Lun Gas Holdings Limited (stock code: 1600). Mr. Tam also acted as the company secretary of OSL Group Limited (formerly known as Branding China Group Limited) (stock code: 863) during the period from April 2012 to April 2018, and was an independent non-executive director of Kafelaku Coffee Holding Limited (formerly known as Li Bao Ge Group Limited) (stock code: 1869) during the period from June 2016 to February 2020. The shares of the abovementioned three companies are listed on the Main Board of the Stock Exchange. He was an independent non-executive director of Green Economy Development Limited (formerly known as Vision Fame International Holding Limited) (stock code: 1315) during the period from December 2011 to February 2023.

Mr. Tam obtained a Bachelor of Arts degree in Accounting with Computing from University of Kent at Canterbury in the United Kingdom in July 1985. He has been a member of The Institute of Chartered Accountants in England and Wales since August 1990 and an associate of the Hong Kong Institute of Certified Public Accountants since January 1995.

Mr. Tam acts as an independent non-executive director of Yunhong Guixin Group Holdings Limited (formerly known as MEIGU Technology Holding Group Limited) (stock code: 8349) since December 2016, the issued shares of which are listed on the GEM of the Stock Exchange. He is an independent non-executive director, the chairman of the audit committee and a member of the nomination committee of CNQC International Holdings Limited (stock code: 1240) since September 2012, and Kingland Group Holdings Limited (stock code: 1751) since May 2020. Both of the above two companies are listed on the Main Board of the Stock Exchange.

Mr. Li Tao, aged 37, was appointed as the independent non-executive Director on 25 September 2024. He is primarily responsible for providing independent judgement on the strategy, performance, resources and standard of conduct. He is a member of each of the audit committee and remuneration committee of the Company.

Mr. Li has years of experience in the administration and management of different companies and businesses. Mr. Li has served as the general manager of Guangzhou Tian Di Yuan Pure-Source Bio-Tech Co., Ltd* (廣州天地源生物科技有限公司) since November 2019.

Ms. Chen Yunxia, aged 51, was appointed as the independent non-executive Director on 29 November 2024. She is primarily responsible for providing independent judgement on the strategy, performance, resources and standard of conduct. She is the chairman of the remuneration committee and a member of each of the audit committee and nomination committee of the Company.

Ms. Chen has rich experience in teaching and language studies. From September 1994 to September 2024, Ms. Chen served as a language teacher in Pailou Town Centre Primary School of Dongbao District, Jingmen City* (荊門市東寶區牌樓鎮中心小學). In July 2002, Ms. Chen completed a professional teaching programme in Chinese language and literature (漢語言文學) from the China Central Radio and TV University* (中央廣播電視大學) (currently known as The Open University of China (國家開放大學)). Ms. Chen was awarded a primary school teacher qualification in language discipline awarded by the Education Bureau of Jingmen Municipal* (荊門市教育局) in March 2007.

* *The English name is for identification purpose only*

SENIOR MANAGEMENT

Mr. Koh Chew Chiang (alias Xu Zhouchang) (formerly known as Faris Koh), aged 48, is the chief executive officer of the Company. Mr. Koh was an executive Director of the Company from 26 November 2021 to 25 September 2024. He is primarily responsible for the Group's overall project supervision and management.

Mr. Koh has over 20 years of experience in the construction industry in Singapore. He joined the Group in August 2004 as site engineer. He was then promoted as project manager, construction manager and general manager in February 2005, April 2009 and December 2010, respectively. He was appointed as a director of each and every wholly-owned subsidiary of the Company. Before joining the Group, from August 2001 to November 2003, Mr. Koh worked at Thye Siang Hoe Kee Contractor Pte Ltd as site engineer. From November 2003 to July 2004, he worked at Ang Tong Seng Brothers Enterprise Pte Ltd as project engineer.

Mr. Koh obtained a degree of Bachelor of Engineering (Civil) from the Nanyang Technological University in Singapore in June 2001. He has also completed an environmental control officers' course from the Singapore Environment Institute in November 2010 and a certification course in construction law & contracts from the Building and Construction Authority in Singapore in August 2015.

Mr. Wong Yong Xian, aged 36, is the finance manager of the Company. He joined the Group in September 2018 and has been the finance manager since then. He is primarily responsible for overseeing the finance and accounting operation.

Mr. Wong has gained working experience in areas of auditing, accounting and financial management as well as corporate finance. Before joining the Group, from August 2012 to April 2018, Mr. Wong worked at Deloitte & Touche LLP with his last position as audit manager. From May 2018 to July 2018, he worked at Singapore Exchange Limited as assistant vice president.

Mr. Wong obtained a degree of Bachelor of Accountancy from the Nanyang Technological University in Singapore in June 2012. In September 2015, he was awarded Chartered Accountant of Singapore, registered under the Singapore Accountancy Commission (SAC) Act and was admitted as a member of the Institute of Singapore Chartered Accountants.

Ms. Ooi Sock Hoon, aged 50, is the human resources and administration manager of the Company. She joined the Group in September 2007 as administrative clerk. She was then promoted to accounts assistant, human resources, administrative and finance executive and human resources and administration manager in April 2008, April 2009 and September 2018, respectively. She is primarily responsible for overseeing the human resources and administrative matters.

Before joining the Group, from 1996 to 1999, Ms. Ooi worked at Wong Liu & Partners as audit assistant. From 2001 to 2007, she worked at Lee Tiong Refrigeration Service Centre as operation & finance executive. Ms. Ooi completed the Third Level Group Diploma in Accounting from the London Chamber of Commerce and Industry in 1994 and the Foundation Stage Examination of the Association of Chartered Certified Accountants in June 2001.

Corporate governance provides the framework within which the board forms their decisions and build their businesses. The Company is committed to achieving high standards of corporate governance, focusing on creating long-term sustainable growth for shareholders and delivering long-term values to all shareholders. An effective corporate governance structure allows the Company to have a better understanding of, evaluate and manage, risks and opportunities. The Company adopted all the code provisions in the Corporate Governance Code (the "**CG Code**") in Appendix C1 of the Listing Rules as its own code on corporate governance practices.

During the year ended 30 September 2024 (the "**Year**"), the Company had complied with the code provisions set out in Part 2 of the CG Code.

BOARD OF DIRECTORS

The Company is governed by the Board which is responsible for overall management, formulation of business strategies and supervision of operations of the Group and providing independent judgement on the strategy, performance, resources and standard of conduct of the Group. The Board sets the overall policies, strategy and directions for the Group with a view to developing its business and enhancing the shareholders value.

The Board meets regularly throughout the Year to formulate overall strategy, monitor business development as well as the financial performance of the Group. The Board has delegated certain duties and authorities to the management for overall project supervision and management, overseeing the finance and accounting operation and overseeing the human resources and administrative matters.

The Board established mechanism to ensure independent views and input are available to the Board. The independent non-executive Directors (the "**INEDs**") support the effective discharge of the duties and responsibilities of the Board and bring independent views and input to the Board. In addition, the Board, the Board committees or individual Director may seek independent professional advice, views and input, which shall include but not limited to legal advice, advice of accountants and advice of other professional financial advisors, as considered necessary to fulfil their responsibilities and in exercising independent judgement when making decisions in furtherance of their Directors' duties at the Company's expense.

The Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the training and continuous professional development of the Directors and senior management and the Company's policies and practices on compliance with legal and regulatory requirements and etc. The Board held meetings from time to time whenever necessary.

During the Year, the Board reviewed the compliance with the CG code, the disclosure in the corporate governance report and the effectiveness of the risk management and internal control systems of the Group.

The Board currently comprises two executive Directors, namely Mr. Ho Chi Hong (chairman) and Mr. Chang Tin Duk Victor; one non-executive Director, namely Mr. Law Ka Wing Eric; and three INEDs, namely Mr. Li Tao, Mr. Tam Tak Kei Raymond and Ms. Chen Yunxia. Mr. Koh Chew Chiang (alias Xu Zhouchang) (formerly known as Faris Koh) is the chief executive officer (the "**CEO**") of the Group's Singapore operations.

The attendance records of the Directors for the regular Board, Board committees and general meetings of the Company for the Year are as follows:

	No. of meetings attended/No. of meetings held				
Directors	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Annual General Meeting**
Executive Directors					
Mr. Ho Chi Hong *(Chairman) (appointed with effect from 25 September 2024)*	N/A	N/A	N/A	N/A	N/A
Mr. Chang Tin Duk Victor *(appointed with effect from 25 September 2024)*	N/A	N/A	N/A	N/A	N/A
Mr. Poon Soon Huat *(Chairman) (resigned with effect from 25 September 2024)*	4/4	N/A	N/A	3/3	1/1
Mr. Koh Chew Chiang *(CEO) (resigned as executive Director with effect from 25 September 2024 and remain as CEO)*	4/4	N/A	3/3	N/A	1/1
Non-Executive Director					
Mr. Law Ka Wing Eric *(appointed with effect from 25 September 2024)*	N/A	N/A	N/A	N/A	N/A
Independent Non-Executive Directors					
Mr. Tam Tak Kei Raymond *(appointed with effect from 25 September 2024)*	N/A	N/A	N/A	N/A	N/A
Mr. Li Tao *(appointed with effect from 25 September 2024)*	N/A	N/A	N/A	N/A	N/A
Ms. Chen Yunxia *(appointed with effect from 29 November 2024)*	N/A	N/A	N/A	N/A	N/A
Mr. Tam Hon Fai *(resigned with effect from 25 September 2024)*	4/4	2/2	3/3	N/A	1/1
Mr. Wong Ka Bo Jimmy *(resigned with effect from 25 September 2024)*	4/4	2/2	N/A	3/3	1/1
Mr. Chan Kwok Wing Kelvin *(resigned with effect from 29 November 2024)*	4/4	2/2	3/3	3/3	1/1

In compliance with the Listing Rules, the Company appointed INEDs with at least one of them having appropriate professional qualifications or accounting or related financial management expertise. The INEDs, together with the non-executive Director and executive Directors, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards. The Company received annual confirmation of independence under Rule 3.13 of the Listing Rules from each of the INEDs and believes that their independence is in compliance with the Listing Rules.

On 24 September 2024, each of Mr. Ho Chi Hong, Mr. Chang Tin Duk Victor, Mr. Law Ka Wing Eric, Mr. Li Tao and Mr. Tam Tak Kei Raymond; and on 27 November 2024, Ms. Chen Yunxia had obtained legal advice relating to director's duties and responsibilities under applicable laws and regulations from a law firm qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules, and had confirmed that he/she understood his/her obligations as a Director.

The term of appointment pursuant to the letters of appointment of Mr. Law Ka Wing Eric, Mr. Tam Tak Kei Raymond and Mr. Li Tao (who were appointed with effect from 25 September 2024) are for a period of three years commencing from 25 September 2024. The term of appointment pursuant to the letter of appointment of Ms. Chen Yunxia (who was appointed with effect from 29 November 2024) is for a period of three years commencing from 29 November 2024. The term of appointment pursuant to the renewed letter of appointment of Mr. Wong Ka Bo Jimmy (who resigned with effect from 25 September 2024) is for a term of three years commencing from 22 January 2024. The term of appointment pursuant to the renewed letters of appointment of Mr. Chan Kwok Wing Kelvin (who resigned with effect from 29 November 2024) and Mr. Tam Hon Fai (who resigned with effect from 25 September 2024) is for a term of three years commencing from 23 August 2022. The non-executive Directors are subject to the requirement that one-third of all the Directors shall retire from office by rotation at each annual general meeting pursuant to the second amended and restated articles of association of the Company ("**Articles of Association**").

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors are also encouraged to attend relevant training courses at the Company's expense. Each newly appointed Director receives a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of a director's responsibilities under applicable statues and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. The Company will from time to time provide briefings to all Directors to develop and refresh their knowledge and skills relating to their duties and responsibilities.

During the Year, according to the records provided by the Directors, the participation by each Director in the continuous professional development ("**CPD**") was recorded as follows:

The executive Directors, Mr. Ho Chi Hong and Mr. Chang Tin Duk Victor (who were appointed with effect from 25 September 2024); the non-executive Director, Mr. Law Ka Wing Eric (who was appointed with effect from 25 September 2024); the INEDs, Mr. Li Tao and Mr. Tam Tak Kei Raymond (who were appointed with effect from 25 September 2024); and the INED, Ms. Chen Yunxia (who was appointed with effect from 29 November 2024), participated in CPD activities by way of reading materials covering topics including director's training.

The executive Directors, Mr. Poon Soon Huat and Mr. Koh Chew Chiang (both resigned with effect from 25 September 2024), participated in CPD activities by way of attending training covering topics including building sustainable and efficient operations, and sustainability disclosure standards.

The INED, Mr. Chan Kwok Wing Kelvin (who resigned with effect from 29 November 2024), participated in CPD activities by way of attending training covering topic including sustainability disclosure standards.

The INED, Mr. Tam Hon Fai (who resigned with effect from 25 September 2024), participated in CPD activities by way of attending training covering topics including overview of a listing project, annual accounting update and audit of licensed corporations.

The INED, Mr. Wong Ka Bo Jimmy (who resigned with effect from 25 September 2024), participated in CPD activities by way of attending training covering topics including impairment of assets, valuation and anti-money laundering/counter-terrorist financing.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as the codes of conduct regarding securities transactions by Directors and by relevant employees of the Group. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding the Directors' securities transactions during the Year.

REMUNERATION COMMITTEE

The Company established a remuneration committee in August 2019 with written terms of reference in compliance with the CG Code of the Listing Rules. The remuneration committee of the Company comprises one executive Director, namely Mr. Koh Chew Chiang (who resigned with effect from 25 September 2024), and INEDs, namely Ms. Chen Yunxia (who was appointed with effect from 29 November 2024), Mr. Chan Kwok Wing Kelvin (who was the chairman of the remuneration committee until his resignation with effect from 29 November 2024), Mr. Li Tao (who was appointed with effect from 25 September 2024), Mr. Tam Tak Kei Raymond (who was appointed with effect from 25 September 2024) and Mr. Tam Hon Fai (who resigned with effect from 25 September 2024). The remuneration committee of the Company is chaired by Ms. Chen Yunxia.

The primary duties of the remuneration committee of the Company are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; review and approve the management's remuneration proposals and make recommendations to the Board on remuneration of non-executive Directors. The Directors are remunerated with reference to their respective duties and responsibility with the Company, the Company's performance, other companies in the industry in which the Group operates and current market practice. The remuneration committee of the Company adopted the model under the CG Code to determine, with the delegated responsibility, the remuneration packages of individual executive Director and senior management.

During the Year, the remuneration committee of the Company reviewed the Group's remuneration policy and structure; reviewed and approved the remuneration packages of the executive Directors and senior management of the Group and all disclosure statements in relation to the remuneration committee of the Company and the remuneration of the Directors including in results announcement of the Company; recommended to the Board for approval of renewed letter of appointment for the INED; reviewed and approved the remuneration packages of the executive Directors proposed to be appointed; and reviewed and made recommendations to the Board on the remuneration of the non-executive Director and INEDs who were proposed to be appointed.

Details of Directors' emoluments for the Year and the retirement benefit plan are disclosed in Note 11 and Note 27 to the consolidated financial statements respectively.

NOMINATION COMMITTEE

The Company established a nomination committee (the "**NC**") in August 2019 with written terms of reference in compliance with the CG Code of the Listing Rules. The NC comprises executive Directors, namely Mr. Ho Chi Hong (who was appointed with effect from 25 September 2024) and Mr. Poon Soon Huat (who was the chairman of the nomination committee until his resignation with effect from 25 September 2024), and INEDs, namely Mr. Chan Kwok Wing Kelvin (who resigned with effect from 29 November 2024), Ms. Chen Yunxia (who was appointed with effect from 29 November 2024), Mr. Tam Tak Kei Raymond (who was appointed with effect from 25 September 2024) and Mr. Wong Ka Bo Jimmy (who resigned with effect from 25 September 2024). The NC is chaired by Mr. Ho Chi Hong.

The primary duties of the NC are to review the structure, size and composition of the Board, consider *inter alia* the skills, knowledge, experience, length of service and the breadth of expertise of the Board as a whole; identify individuals suitably qualified to become Board members; assess the independence of INEDs; make recommendations to the Board on the appointment or re-appointment of Directors and formulate nomination policy for consideration of the Board.

The NC is to identify and evaluate a candidate for nomination to the Board for appointment or the shareholders of the Company for election, as a director of the Company. The NC shall consider a number of factors in making nominations, including but not limited to the following:

– Skills and experience: The candidate should possess the skills, knowledge and experience which are relevant to the operations of the Company and its subsidiaries;

– Diversity: Candidates should be considered on merit and against objective criteria, with due regard to the diversity perspectives set out in the board diversity policy of the Company and the balance of skills and experience in board composition;

– Commitment: The candidate should be able to devote sufficient time to attend board meetings and participate in induction, trainings and other board associated activities. In particular, if the proposed candidate will be nominated as an INED and will be holding his/her seventh (or more) listed company directorship, the NC should consider the reason given by the candidate for being able to devote sufficient time to the Board;

– Standing: The candidate must satisfy the Board and the Stock Exchange that he/she has the character, experience and integrity, and is able to demonstrate a standard of competence commensurate with the relevant position as a Director; and

– Independence: The candidate to be nominated as an INED must satisfy the independence criteria set out in the Listing Rules.

If the NC determines that an additional or replacement Director is required, the NC may take such measures that it considers appropriate in connection with its identification and evaluation of a candidate. The NC may propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board. On making recommendation, the NC may submit the candidate's personal profile to the Board for consideration. The Board may appoint the candidate(s) as Director(s) to fill a casual vacancy(ies) or as an addition to the Board or recommend such candidate to shareholders for election or re-election (where appropriate) at the general meeting.

The executive Directors, Mr. Ho Chi Hong and Mr. Chang Tin Duk Victor (who were appointed with effect from 25 September 2024), entered into executive director service agreements for their appointment with the Company for a term of three years commencing from 25 September 2024.

The executive Director, Mr. Poon Soon Huat (who resigned with effect from 25 September 2024), entered into a service agreement for his appointment with the Company for an initial term of three years commencing from 19 September 2019. The service agreement for Mr. Poon is renewable automatically for successive terms of three years each commencing from the day next after the expiry of the current term of his appointment and either party has the right to give not less than three months' written notice to terminate the service agreement or otherwise in accordance with the terms of the service agreement. The executive Director, Mr. Koh Chew Chiang (who resigned with effect from 25 September 2024), entered into a service agreement for his appointment with the Company for a term of three years commencing from

26 November 2021. The service agreement for Mr. Koh is renewable automatically by three years on the expiry of the term and on expiry of every successive period of three years thereafter, unless terminated in accordance with the service agreement, or by either party giving to the other not less than three months' written notice.

The non-executive Director, Mr. Law Ka Wing Eric (who was appointed with effect from 25 September 2024), entered into a letter of appointment with the Company for a period of three years commencing from 25 September 2024.

Each of the INEDs, Mr. Tam Tak Kei Raymond and Mr. Li Tao (who were appointed with effect from 25 September 2024), entered into letter of appointment with the Company for a period of three years commencing from 25 September 2024. The INED, Ms. Chen Yunxia (who was appointed with effect from 29 November 2024), entered into letter of appointment with the Company for a period of three years commencing from 29 November 2024. Each of the INEDs, Mr. Chan Kwok Wing Kelvin (who resigned with effect from 29 November 2024) and Mr. Tam Hon Fai (who resigned with effect from 25 September 2024), entered into renewed letters of appointment with the Company for a term of three years commencing from 23 August 2022. The INED, Mr. Wong Ka Bo Jimmy (who resigned with effect from 25 September 2024), entered into renewed letter of appointment with the Company for a term of three years commencing from 22 January 2024.

All Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

According to Articles 84(1)–(2) of the Articles of Association, at each annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting of the Company at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) of the Articles of Association shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

According to Article 83(3) of the Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

During the Year, the NC reviewed the structure, size and composition of the Board; assessed the independence of INEDs; recommended the Directors for re-election at annual general meeting of the Company; reviewed and approved all disclosure statements in relation to the NC including in results announcement of the Company; and reviewed and made recommendations to the Board on the appointment of executive Directors, non-executive Director and independent non-executive Directors.

AUDIT COMMITTEE

The Company established an audit committee in August 2019 with written terms of reference in compliance with the CG Code of the Listing Rules. The audit committee of the Company comprises INEDs, namely Mr. Tam Tak Kei Raymond (who was appointed with effect from 25 September 2024), Mr. Li Tao (who was appointed with effect from 25 September 2024), Ms. Chen Yunxia (who was appointed with effect from 29 November 2024), Mr. Chan Kwok Wing Kelvin (who resigned with effect from 29 November 2024), Mr. Tam Hon Fai (who was the chairman of the audit committee until his resignation with effect from 25 September 2024), and Mr. Wong Ka Bo Jimmy (who resigned with effect from 25 September 2024). The audit committee of the Company is chaired by Mr. Tam Tak Kei Raymond.

The primary duties of the audit committee of the Company are to review the risk management and internal control systems of the Group, the Group's financial and accounting policies and practices and the financial statements and reports of the Company and the external auditors' fees; and discuss the scope of audit with the auditor.

During the Year, the audit committee of the Company reviewed the Group's audited annual results for the year ended 30 September 2024, the unaudited interim results for the six months ended 31 March 2024 and the accounting principles and practices adopted by the Group; discussed with the management of the Company on auditing, risk management and internal control systems and financial reporting matters of the Group; and reviewed and approved all disclosure statements in relation to the audit committee of the Company including in results announcement of the Company.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for overseeing the preparation of the consolidated financial statements which give a true and fair view of the financial position of the Group on a going concern basis and which are in compliance with the relevant accounting standard and principles, applicable laws and disclosure provisions of the Listing Rules. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

AUDITOR AND THEIR REMUNERATION

The statement of the auditor of the Company about their reporting responsibilities on the Group's financial statements for the Year is set out in the section headed "Independent Auditors' Report" of this annual report. During the Year, remuneration paid and payable to the current auditors of the Group are approximately S$0.1 million in respect of the annual audit services and nil in respect of the non-audit services.

BOARD DIVERSITY POLICY

The Company adopted a board diversity policy (the "**Board Diversity Policy**") to continuously seek to enhance the effectiveness of its Board by maintaining the highest standards of corporate governance and recognising and embracing the benefits of diversity in the boardroom. The Company endeavours to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and to maximise the Board's effectiveness.

The Company sees diversity as a wide concept and believes that a diversity of perspectives can be achieved through consideration of a number of factors, including skills, regional and industry experience, background, race, gender and other qualities etc. In forming its perspective on diversity, the Company will also take into account factors based on its own business model and specific needs from time to time.

Board appointments will continue to be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its shareholders and other stakeholders going forward. The Board will give adequate consideration to the Board Diversity Policy when it identifies suitably qualified candidates to become members of the Board.

The Board will review the Board Diversity Policy on a regular basis to ensure its continued effectiveness. The Company has also taken, and will continue to take steps to promote gender diversity at all levels of the Company, including but not limited to the Board and senior management levels.

The Board currently comprises five male Directors and one female Director. The Board is of the view that the existing gender diversity in respect of the Board is sufficient, and that the Board Diversity Policy and the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board.

The Company has also taken, and continues to take, steps to promote diversity at all levels of its workforce (including senior management). Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. As at 30 September 2024, the gender ratio of the Group's workforce (including senior management) was 93% male and 7% female.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company is aiming to develop a sound and good internal control system and build risk awareness and control responsibility into the Group. The Board acknowledges its responsibility for maintaining a sound and effective risk management and internal control systems in order to safeguard the interests of the shareholders and the assets of the Company against unauthorised use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations. The Board is responsible for reviewing the effectiveness and adequacy of the Group's risk management and internal control systems.

The Group has written down the internal control processes in the Company's Standard Operating Procedures and Policies. Written policies and procedures with defined limits of delegated authority facilitates effective segregation of duties and controls. The annual budget of the Group with financial targets provides a foundation for the allocation of Group's resources. Variance analyses are regularly performed and reported to the managements and the Board in order to identify deficiencies and enable timely remedial actions. The annual budgeting and planning process have been refined to take into consideration of risk factors. All operating units prepared with their operating plans are required to identify material risks which may have impact on the achievement of business objectives. Action items to mitigate the identified risks are developed for implementation. The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The procedures and internal controls of the Company for handling and dissemination of inside information includes conducting the affairs of the Company with close regard to the Guidelines on Disclosure of Inside Information published by Securities and Futures Commission and the Listing Rules and reminding the Directors and employees of the Group regularly about due compliance with all policies regarding the inside information.

Risk management and internal control systems are reviewed on an annual basis. During the Year, the Board reviewed the effectiveness of the Group's risk management and internal control systems. The Company considered the Group's risk management and internal control systems are effective and adequate.

Although the Group does not have an internal audit function within the Group, the Company engaged external consultants to carry out internal audit function and had during the Year conducted review of the effectiveness of the Group's risk management and internal control systems and reported the findings to the audit committee of the Company.

COMPANY SECRETARY

The Company engaged Ms. Fung Mei Ling, who has been working with Acclime Corporate Services Limited which amalgamated with BPO Global Services Limited, as its company secretary. Its primary corporate contact person at the Company is Mr. Law Ka Wing Eric, the non-executive Director of the Company.

SHAREHOLDERS' RIGHTS

Pursuant to the Articles of Association, any one or more shareholders of the Company (the "**Shareholder(s)**") holding at the date of deposit of the requisition not less than one-tenth of the voting rights at general meetings of the Company on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition or to add resolution to the agenda of a general meeting; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner.

The Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph. The written requisition should be signed by the requisitionist(s) and deposited at the Company's principal place of business in Hong Kong, specifying the Shareholders' contact details and the resolution intended to be put forward at general meeting.

For including a resolution to propose a person for election as a Director at general meeting of the Company, the Shareholders are requested to follow the Articles of Association. A written notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a written notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Company's principal place of business in Hong Kong or at the Hong Kong branch share registrar and transfer office of the Company provided that such notices must be lodged with the Company at least fourteen days prior to the date of the general meeting of election but no earlier than the day after despatch of the notice of the general meeting appointed for such election. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for the Shareholders to propose a person for election as a Director are posted on the Company's website.

The Shareholders should direct their questions about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong. The Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. The Shareholders may also make enquiries to the Board by writing to the Company Secretary at the Company's principal place of business in Hong Kong at Unit B, 17/F, United Centre, 95 Queensway, Hong Kong.

INVESTOR RELATIONS

The objective of the Shareholders' communication is to provide the Shareholders with information about the Company and enabling them to engage actively with the Company and exercise their rights as the Shareholders in an informed manner. Effective and timely dissemination of information to the Shareholders shall be ensured at all times.

Information shall be communicated to the Shareholders mainly through the Company's financial reports (half-year and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the corporate communication documents submitted to the Stock Exchange on the Company website and the Stock Exchange website. Information on the Company website (www.singtec.com.sg) is updated on a regular basis.

Upon reviewing the implementation and effectiveness of the Shareholders' communication policy of the Company, the Board considers the policy and its implementation are effective as the policy provides effective channels for the Shareholders to communicate their views with the Company and the Company complied with the principles and required practices as set out in the policy during the Year.

During the Year, there had been no significant change in the Company's constitutional documents.

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 30 September 2024.

CORPORATE REORGANISATION

The Company was incorporated with limited liability in the Cayman Islands on 17 September 2018. Pursuant to a reorganisation scheme (the "**Reorganisation**") to rationalise the structure of the Group in preparation for the public listing of the Company's shares on the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 18 December 2018. The shares of the Company were listed on the Stock Exchange with effect from 19 September 2019 by way of share offer.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the Group is principally engaged in provision of construction services primarily including (i) civil engineering works e.g. road works, earthworks, drainage works, earth retaining stabilising structures works and soil improvement works; (ii) building construction works mainly for industrial buildings which include substructure works, piling works, addition and alteration works and electrical and mechanical works; and (iii) other ancillary services which include logistics and transportation services of construction materials (collectively referred to as "**Construction services**"), and properties investment business including residential and industrial properties leasing ("**Property investment**"). Details of the principal activities of the subsidiaries and joint venture of the Group are set out in Note 33 and 17 to the consolidated financial statements, respectively. There were no significant changes to the Group's principal activities during the year ended 30 September 2024.

RESULTS/BUSINESS REVIEW

The results of the Group for the year ended 30 September 2024 and financial position of the Group as at 30 September 2024 are set out in the sections headed "Consolidated Statement of Profit or Loss and Other Comprehensive Income" and "Consolidated Statement of Financial Position" of this annual report.

A review of the business of the Group as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position can be found in sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" of this annual report. The review forms part of this report of the Directors.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 30 September 2024, as far as the Directors are aware, the Company did not have any non-compliance with relevant laws and regulations that is material or systemic in nature.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board has overall responsibility for the Group's environmental, social and governance strategy and reporting. The Board is responsible for the Group's ESG risk management and internal control systems to ensure that the ESG strategies and reporting requirements are met. Detailed information on the environmental, social and governance practices adopted by the Group is set out in the section headed "Environmental, Social and Governance Report" ("**ESG Report**") of this annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 26 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the "Consolidated Statement of Changes in Equity" and Note 29 to the consolidated financial statements of this annual report, respectively.

DISTRIBUTABLE RESERVES

As at 30 September 2024, the Company had distributable reserves to Shareholders of approximately S$7.7 million (as at 30 September 2023: approximately S$8.5 million), which represents the share premium net of accumulated losses.

DIVIDEND POLICY

The Company adopted a dividend policy which aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its profits, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed, as dividends to the Shareholders. The Board adopted the dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its Shareholder value.

The Company does not have any pre-determined dividend distribution ratio. The Board has the discretion to declare and distribute dividends to the Shareholders, subject to the provisions of the Articles of Association and all applicable laws and regulations and the factors set out below.

The Board shall also take into account the factors of the Group when considering the declaration and payment of dividends such as operations, earnings, financial condition, cash requirements and availability, capital expenditure, future development requirements, business conditions and strategies, interests of shareholders, any restrictions on payment of dividends, and any other factors that the Board may consider relevant.

Depending on the financial conditions of the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as interim dividend, final dividend, special dividend, and any distribution of profits that the Board may deem appropriate. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles of Association.

DIVIDEND

The Board has resolved not to recommend the declaration of a final dividend for the year ended 30 September 2024 (2023: Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group are set out in the section headed "Management Discussion and Analysis" of this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

TAX RELIEF

The Directors are not aware of any relief from taxation available to existing Shareholders by reason of their holding of the Shares.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme (as defined in Note 36 to the consolidated financial statements), the Company did not enter into any equity-linked agreement during the year or subsisted at the end of the year ended 30 September 2024.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended 30 September 2024 are set out in Note 14 to the consolidated financial statements.

SUBSIDIARIES

Details of subsidiaries of the Company during the year ended 30 September 2024 are set out in Note 33 to the consolidated financial statements.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" of this annual report.

ANNUAL GENERAL MEETING ("AGM")

The forthcoming AGM will be held on 14 March 2025.

DIRECTORS

The directors of the Company during the financial year and up to the date of this annual report were:

Executive Directors
Mr. Ho Chi Hong *(Chairman) (appointed with effect from 25 September 2024)*
Mr. Chang Tin Duk Victor *(appointed with effect from 25 September 2024)*
Mr. Poon Soon Huat *(Chairman) (resigned with effect from 25 September 2024)*
Mr. Koh Chew Chiang *(CEO) (resigned as executive Director with effect from 25 September 2024 and remain as CEO)*

Non-Executive Director
Mr. Law Ka Wing Eric *(appointed with effect from 25 September 2024)*

Independent Non-Executive Directors
Mr. Tam Tak Kei Raymond *(appointed with effect from 25 September 2024)*
Mr. Li Tao *(appointed with effect from 25 September 2024)*
Ms. Chen Yunxia *(appointed with effect from 29 November 2024)*
Mr. Tam Hon Fai *(resigned with effect from 25 September 2024)*
Mr. Wong Ka Bo Jimmy *(resigned with effect from 25 September 2024)*
Mr. Chan Kwok Wing Kelvin *(resigned with effect from 29 November 2024)*

In accordance with Article 83(3) of the Articles of Association, Mr. Ho Chi Hong, Mr. Chang Tin Duk Victor, Mr. Law Ka Wing Eric, Ms. Chen Yunxia, Mr. Li Tao and Mr. Tam Tak Kei Raymond shall hold office only until the first annual general meeting of the Company after their appointment and, being eligible, will offer themselves for election at the forthcoming AGM.

The Company received annual confirmation of independence from each of the INEDs as required under Rule 3.13 of the Listing Rules. The Company considered all INEDs to be independent.

Biographical information of the Directors and the senior management of the Group are set out in the section headed "Biography of Directors and Senior Management" of this annual report.

DIRECTORS' SERVICE CONTRACT

The executive Directors, Mr. Ho Chi Hong and Mr. Chang Tin Duk Victor (who were appointed with effect from 25 September 2024), entered into executive director service agreements for their appointment with the Company for a term of three years commencing from 25 September 2024.

The executive Director, Mr. Poon Soon Huat (who resigned with effect from 25 September 2024), entered into a service agreement with the Company for an initial term of three years commencing from 19 September 2019 and the service agreement is renewable automatically for successive terms of three years each commencing from the day next after the expiry of the current term of his appointment, unless and until terminated in accordance with the service agreement, or by either party giving to the other not less than three months' prior notice in writing.

The executive Director, Mr. Koh Chew Chiang (who resigned with effect from 25 September 2024), entered into a service agreement with the Company for a term of three years commencing from 26 November 2021 and the service agreement is renewable automatically by three years on the expiry of the term and every successive period of three years thereafter, unless terminated in accordance with the service agreement, or by either party giving to the other not less than three months' notice in writing.

The non-executive Director, Mr. Law Ka Wing Eric (who was appointed with effect from 25 September 2024), entered into a letter of appointment with the Company for a period of three years commencing from 25 September 2024.

Each of the INEDs, Mr. Tam Tak Kei Raymond and Mr. Li Tao (who were appointed with effect from 25 September 2024), entered into letter of appointment with the Company for a period of three years commencing from 25 September 2024. The INED, Ms. Chen Yunxia (who was appointed with effect from 29 November 2024), entered into letter of appointment with the Company for a period of three years commencing from 29 November 2024. Each of the INEDs, Mr. Chan Kwok Wing Kelvin (who resigned with effect from 29 November 2024) and Mr. Tam Hon Fai (who resigned with effect from 25 September 2024), entered into renewed letter of appointment with the Company for a fixed term of three years commencing from 23 August 2022. The INED, Mr. Wong Ka Bo Jimmy (who resigned with effect from 25 September 2024), entered into renewed letter of appointment with the Company for a term of three years commencing from 22 January 2024.

All Directors are subject to retirement by rotation and re-election in accordance with the Articles of Association.

On 24 September 2024, each of Mr. Ho Chi Hong, Mr. Chang Tin Duk Victor, Mr. Law Ka Wing Eric, Mr. Li Tao, Mr. Tam Tak Kei Raymond and on 27 November 2024, Ms. Chen Yunxia had obtained legal advice relating to director's duties and responsibilities under applicable laws and regulations from a law firm qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules, and had confirmed that he/she understood his/her obligations as a Director.

None of the Directors, including those re-elected at the AGM, has a service contract or letter of appointment with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation).

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, every Director or other officers of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

The Company has taken out and maintained Directors' and officers' liability insurance that provides appropriate cover for the Directors and officers of the Group during the year ended 30 September 2024.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 of the Listing Rules were as follows:

(a) Long positions in the shares of HK$0.01 each of the Company (the "Shares")

Name of Director	Nature of interest	Number of Shares held	Percentage of issued share capital
Mr. Ho Chi Hong ("**Mr. Ho** ") *(Note)*	Interest in controlled corporation	360,000,000	75%
Mr. Chang Tin Duk Victor ("**Mr. Chang**") *(Note)*	Interest in controlled corporation	360,000,000	75%

Note: 360,000,000 Shares are held by Alpine Treasure Limited ("**Alpine**") which is held as to 80% directly by Mr. Ho and as to 20% indirectly by Mr. Chang through his holding vehicle, namely Scholar Global Limited ("**Scholar Global**"). By virtue of the SFO, Mr. Ho and Mr. Chang are deemed to be interested in the Shares held by Alpine.

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number of shares held	Percentage of interest in associated corporation
Mr. Ho *(Note)*	Alpine	Beneficial owner	80	80%
Mr. Chang *(Note)*	Alpine	Beneficial owner	20	20%

Note: The Company is owned as to 75% by Alpine. Alpine is held as to 80% directly by Mr. Ho and as to 20% indirectly by Mr. Chang through his holding vehicle, namely Scholar Global.

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2024, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the Shares

Name of shareholder	Nature of interest	Number of Shares held	Percentage of issued share capital
Alpine *(Note)*	Beneficial owner	360,000,000	75%
Mr. Ho *(Note)*	Interest in controlled corporation	360,000,000	75%
Mr. Chang *(Note)*	Interest in controlled corporation	360,000,000	75%

Note: 360,000,000 Shares are held by Alpine which is held as to 80% directly by Mr. Ho and as to 20% indirectly by Mr. Chang through his holding vehicle, namely Scholar Global. By virtue of the SFO, Mr. Ho and Mr. Chang are deemed to be interested in the Shares held by Apline.

Save as disclosed above, as at 30 September 2024, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 30 September 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares of the Company).

SHARE OPTION SCHEME

The principal terms of the Share Option Scheme conditionally adopted under the written resolutions of the sole Shareholder passed on 23 August 2019 are set out below:

(1) Purpose

The Share Option Scheme is a share incentive scheme and is established to recognise and motivate the contributions that Participants (as defined below) have made or may make to the Group. The Share Option Scheme will give the Participants an opportunity to have a personal stake in the Company and will help achieve the following objectives:

(a) motivate the Participants to optimise their performance and efficiency; and

(b) attract and retain the Participants whose contributions are important to the long-term growth and profitability of the Group.

(2) Determination of Eligibility

"Participants" refer to:

(a) any full-time or part-time employee of any member of the Group;

(b) any consultant or adviser of any member of the Group;

(c) any director (including executive, non-executive or independent non-executive directors) of any member of the Group;

(d) any substantial shareholder of the Group; and

(e) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group,

and for the purposes of the Scheme, the Options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of Participants. For avoidance of doubt, the grant of any options of the Company for the subscription of Shares or any other securities of the Group to any person who fall within any of the above classes of Participants shall not, by itself, unless the Board otherwise determined, be construed as a grant of Option under this Scheme. The basis of eligibility of any Participant to be granted any option shall be determined by the Directors (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

(3) Total Number of Shares Available for Issue

A maximum of 48,000,000 Shares, being 10% of the total number of Shares in issue as at the date of this annual report, may be issued upon exercise of all options to be granted under the Share Option Scheme.

(4) Maximum Entitlement of Each Eligible Person

No option shall be granted to any Eligible Participant which, if exercised in full would result in the total number of the Shares issued and to be issued upon exercise of the options already granted or to be granted to such Eligible Participant under the Share Option Scheme (including exercised, cancelled and outstanding share options) in any 12-month period up to and including the date of such grant exceeding 1% in aggregate of the Shares in issue as at the date of such grant. Any grant of further options above this limit shall be subject to the following requirements:

(a) approval of the Shareholders of the Company at general meeting, with such Eligible Participant and its close associates (or its associates if such Eligible Participant is a connected person) abstaining from voting;

(b) a circular in relation to the proposal for such further grant must be sent by the Company to its Shareholders with such information from time to time as required by the Listing Rules;

(c) the number and terms of the options to be granted to such proposed grantee shall be fixed before the Shareholders' approval mentioned in (a) above; and

(d) for the purpose of calculating the minimum exercise price for the Shares in respect of the further options proposed to be so granted, the date of board meeting for proposing such grant of further options shall be taken as the date of offer of such options.

(5) Option Period

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Directors may in their absolute discretion determine which shall not exceed 10 years from the offer date subject to the provisions of early termination thereof, and provided that the Directors may in their discretion determine the minimum period for which an Option has to be held or other restrictions before its exercise.

(6) Minimum Vesting Period

No minimum period for which an option must be held before the exercise of any option save as otherwise imposed by the Board in the relevant offer of options.

(7) Payment on Acceptance of the Option

Participants of the Share Option Scheme are required to submit to the Company a duly signed offer letter within 7 days from the offer date together with a payment in favour of the Company of HK$1.00 per option as the consideration of the grant.

(8) Basis of Determining the Exercise Price

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as determined by the Board, and shall be at least the highest of:

(a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date (the "**Offer Date**"), which must be a business day, on which the Board passes a resolution approving the making of an offer of grant of an option to a Participant;

(b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and

(c) the nominal value of a Share on the Offer Date.

(9) Remaining Life

Subject to any prior termination by the Company in a general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years commencing on the date of adoption of the Share Option Scheme, after which period no further options shall be granted. All options granted and accepted and remaining unexercised immediately prior to the expiry of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme. As at 30 September 2024, the remaining life of the Share Option Scheme was approximately 4 years 11 months. Since the adoption of the Share Option Scheme, no option has been granted under the Share Option Scheme. Therefore, no option was exercised or cancelled or has lapsed during the year ended 30 September 2024 and there was no outstanding option as at 30 September 2024.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 30 September 2024 and up to the date of this report was the Company or any of its subsidiaries a party to any arrangement 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 body corporate with the exception of granting of share options to subscribe for Shares under the Share Option Scheme.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the date of this annual report, none of the Directors, the controlling Shareholders or their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business pursuant to Rule 8.10 of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "Connected Transaction" and the related party transactions disclosed in Note 32 to the consolidated financial statements, there were no other transactions, arrangements or contract of significance, to which the Company or any of its subsidiaries or its holding company was a party and in which a Director or an entity connected with a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 30 September 2024.

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed, no contract of significance to which the Company or any of its subsidiaries was a party, and in which the controlling shareholders of the Company or any of their subsidiaries had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year ended 30 September 2024.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 September 2024 and up to the date of this annual report.

CONNECTED TRANSACTION

During the year ended 30 September 2024, there were no connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken in the normal course of business are set out in the Note 32 to the consolidated financial statements. These transactions did not fall under the definition of connected transactions or continuing connected transactions, which are required to comply with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

RETIREMENT SCHEME

The Company only has defined contribution schemes and does not have any defined benefit plan. The Group operates its businesses principally in Singapore. Under the applicable Singapore Law, employers are required to pay both the employer and employee's share of the Central Provident Fund contributions every month. Employers are entitled to recover the employee's share from the employee's wages. The total Central Provident Fund contributions are computed based on a specific percentage of the payroll costs. The percentage and employee's share of Central Provident Fund contribution is not fixed and is determined by the age and total wages for the calendar month of the employees.

Payments made to the Central Provident Fund are recognised as expense when employees have rendered service entitling them to the contributions.

During the year ended 30 September 2024, there were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 30 September 2024, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

Save as the aforesaid, the Group did not participate in any other pension schemes during the year ended 30 September 2024.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group during the years ended 30 September 2024 and 30 September 2023 are set out in Note 11 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 September 2024, the aggregate purchases attributable to the Group's largest supplier and the five largest suppliers (including the subcontractors) in aggregate accounted for approximately 12.6% and 44.3% (2023: approximately 20.1% and 54.1%) respectively of the Group's total purchases. For the year ended 30 September 2024, revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for approximately 13.6% and 58.6% (2023: approximately 19.4% and 65.7%) respectively of the Group's total revenue. To the best of the Directors' knowledge, none of the Directors and none of the Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) and none of their respective close associates had any material beneficial interest in the Group's five largest customers or suppliers during the years.

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

Customers

The Group has maintained good relationships with its major customers and suppliers. The Group values the relationships with its customers as it believes that maintaining good relationships with them is crucial to the success of the business. The long-term working relationship can help the Group to understand the demands of its customers in a timely manner and also increase its visibility in the construction industry in Singapore. Directors consider that maintaining good relationships with its customers would increase the chance of being invited to tender or quote for the forthcoming projects, which is conducive to securing a steady stream of projects for the Group. The Group strives to monitor manpower, machinery and material distribution in all projects in response to the customers' demands.

Suppliers and subcontractors

The Group has established stable business relationships with its suppliers and subcontractors which is essential to the smooth operation of the Group's business, as the Directors consider that timely delivery of construction materials and provision of labour assistance can enable the Group to meet the schedules of its customers. The Group has also maintained a list of approved suppliers and subcontractors which is periodically reviewed and updated based on the internal assessment of their performance, to ensure that all works performed by the suppliers and subcontractors satisfy the requirements of the relevant contract.

Employees

The Group maintains a cooperative and good relationship with its management and employees in providing competitive remuneration, staff welfare and benefits. In general, the Group reviews and determines the remuneration packages of its employees on a periodical basis by reference to, among other things, the market level of salaries paid by comparable companies, the respective responsibilities of its employees and the performance of the employees and the Group.

SUFFICIENCY OF PUBLIC FLOAT

As disclosed in the announcement of the Company dated 27 September 2024, the Company did not satisfy the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules as a result of a mandatory unconditional cash offer and the Stock Exchange has granted the Company a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules during the period from 10 July 2024 to 30 September 2024 (both days inclusive) to allow Alpine, a controlling shareholder of the Company, to restore the minimum public float of the Shares by way of placement of the Company's existing shares to independent third parties (the "**Placing Arrangement**").

Immediately after completion of the Placing Arrangement on 26 September 2024, the public float of the Company has been restored to not less than 25% of the total number of issued shares of the Company in compliance with Rule 8.08(1)(a) of the Listing Rules.

Save as disclosed above, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its shares as required under the Listing Rules during the year ended 30 September 2024 and up to the date of this report.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the audited consolidated results of the Group for the year ended 30 September 2024 and discussed with the management of the Company and HLB Hodgson Impey Cheng Limited ("**HLB**") on the accounting principles and practices adopted by the Group. The audit committee of the Company was of the view that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

AUDITOR

Deloitte & Touche LLP ("**Deloitte**") resigned as auditor of the Company with effect from 30 April 2021, and HLB was appointed by the Board of Directors as the auditor of the Company with effect from 30 April 2021 to fill the casual vacancy as arising, which were approved at the conclusion of the annual general meeting held on 26 May 2021. Details of the change of external auditor were disclosed in the announcement of the Company dated 30 April 2021.

The consolidated financial statements for the year ended 30 September 2024 have been audited by HLB. A resolution will be submitted at the forthcoming AGM to re-appoint HLB, being eligible and offering themselves for re-appointment as auditor of the Company.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there is no material subsequent event undertaken by the Group after 30 September 2024 and up to the date of this report.

On behalf of the Board
Mr. Ho Chi Hong
Chairman and Executive Director
27 December 2024

Environmental, Social and Governance Report

BOARD STATEMENT

Dear Stakeholders,

The Company is pleased to present the Environmental, Social and Governance Report (the "**ESG Report**") of the Group for the year ended 30 September 2024, which outlines our commitment to creating a long-term sustainable future.

The Company believes that the key to our long-term growth is to build a sustainable business. Hence, the Board, Senior Management and the Group Sustainability Committee ("**Committee**") have taken the responsibility to ensure that sustainable practices have been incorporated into our business strategies, operations and practices, as well as to oversee and report on Environmental, Social and Governance ("**ESG**") issues that are relevant to the Group.

ESG Materiality

The Board has considered the sustainability topics and determined the material ESG factors that are crucial to the Group. This ESG Report plays an imperative role in helping us increase transparency, accountability and progress towards sustainable growth. The success of our sustainability journey requires collaboration and continuous support from our internal and external stakeholders.

Sustainability in the Future

In view of the challenging business environment and increased emphasis on sustainability and climate change, the Group remains committed to its sustainability efforts. The Group exhibited pro-active management and operational dexterity to deliver value to its stakeholders and safeguard the stakeholders' interests. The Group continues to place a heavy emphasis on ensuring the health and safety of our employees by implementing a series of safe workplace measures and working closely with dormitory service providers to ensure the well-being of all our workers and employees.

In our pursuit of excellence, we have also developed various management systems to continuously deliver high performance in areas such as craftsmanship, health and safety stewardship, environmental and social responsibility. These management systems have been accredited and are under constant review according to relevant international standards.

Acknowledgements

The success of our sustainability journey requires collaboration and continued efforts from all stakeholders. We would like to express our gratitude towards the management and staff of the Group for their boundless support and commitment to our sustainability goals. We aim to continue to create greater value for all our stakeholders in the year ahead.

On behalf of the Board,

Mr. Ho Chi Hong
Chairman and Executive Director

ABOUT THIS REPORT

Scope of Report

The ESG Report outlines the integration of sustainability into the Company's policies, operations and management, and highlights the ESG aspects of the Group's operations. In this report, stakeholders can find disclosures on our sustainability efforts, progress and targets as we strive towards greater value creation.

The ESG Report discloses all data, activities, related policies and initiatives for the core and material businesses namely (i) civil engineering works; (ii) building construction works; and (iii) other ancillary services which include logistics and transportation services of construction materials for the period from 1 October 2023 to 30 September 2024 (the "**Reporting Period**"), unless otherwise stated. It also discloses key performance indicators ("**KPIs**") of the corporate office and our construction projects[1]. The KPI data is gathered and reported for all subsidiaries under the Group's direct operational control, which includes, but not limited to, Sing Tec Development Pte. Ltd., Sing Tec Construction Pte. Ltd. and Initial Resources Pte. Ltd.

The content of this ESG Report will focus on the sustainability performance, activities and initiatives that are under our direct control, including our Singapore offices and operations, our local supply chain as well as all overseas activities directly associated with us. This report excludes joint ventures which are not directly under our control.

Through this report, the Group hopes to share its commitment in managing the impact on key ESG issues with its various stakeholders to achieve further progress in our efforts towards sustainable growth as we continue to refine our sustainability efforts in the coming years.

Reporting Basis and Principles

The ESG Report and all disclosures of KPI data are prepared in accordance with the ESG Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix C2 of the Listing Rules. There is no material change in the collection and computation of data presented in this report as compared to the ESG Report for the previous financial period.

Review and Approval

The Board acknowledges its responsibilities for ensuring the integrity of the ESG Report and to the best of their knowledge, this report addresses all relevant material issues and fairly presents the ESG performance of the Group. The Board confirms that it has reviewed and approved the ESG Report on 27 December 2024.

Forward-looking Statements

This Report contains forward-looking statements based on the current expectations, estimates, projections, beliefs, and assumptions of the Group about the businesses and the markets in which it and its subsidiaries operate. The forward-looking statement is not a guarantee of future performance and is subject to market risk, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes and returns may differ materially from the assumptions and statements in this Report.

Feedback

The Group respects all stakeholders' views on the ESG Report. As part of our continuous efforts in improving the report, we also welcome stakeholders to submit their feedback to info@singtec.com.sg.

[1] During the Reporting Period, there are approximately 34 projects that commenced or are ongoing. All ESG KPIs and data disclosed in this ESG Report are for all construction projects commenced or ongoing during the Reporting Period, unless otherwise stated.

THE ESG GOVERNANCE STRUCTURE

ESG Mission Statement

The Group strives to integrate ESG considerations across our construction activities and in our diligence, transparency and accountability processes to deliver sustainable long-term value to all our stakeholders.

Board's Role and Responsibility

The Board has overall responsibility for the ESG strategy and reporting of the Group. The Board is responsible for evaluating and determining ESG-related risks and oversee Management in ensuring that appropriate and effective ESG risk management and controls are in place. The Board reviews the Group's ESG mission, strategies, control measures and performances annually. Further, based on the set goals and targets, the Board will continue to review and monitor the Group's progress in relation to ESG issues in order to build a more sustainable business and bring greater benefits to the society as a whole.

Group Sustainability Committee

The Group has established a Group Sustainability Committee to oversee and report on ESG issues that are relevant to the Group. The Committee comprises of an Executive Director and full-time staff from relevant departments. The duties of the Committee include:

- Review, endorse and report to the Board on the Group's ESG standards, priorities and goals and oversee group-level strategies, policies and practices on ESG matters to attain those standards and goals.

- Review and report to the Board on:

  (i) Key international trends in legislation, regulation, litigation and public debate with regards to social, environmental and ethical standards of corporate behaviour;

  (ii) The standards set and the performance of the Group in ESG matters, relative to comparable construction or other benchmarked companies; and

  (iii) Sustainability risks and opportunities.

- Oversee the Group's community, charitable and environmental partnerships, strategies and related group-level policies and make recommendations to the Board on any changes to those partnerships, strategies and policies.

- Perform such further functions related or incidental to the foregoing which the Committee deems appropriate.

- Report to the Board and Management on decisions or recommendations made.

- Review and advise the Board on the Group's public reporting as regards its performance on ESG matters.

STAKEHOLDER ENGAGEMENT

The Group has identified employees, customers, business partners, communities and Government bodies as the Group's key stakeholders. Our selection of stakeholders for engagement is determined by their influence, impact, expectations and dependency on our businesses.

The Group recognises the importance of close collaboration with our key stakeholders in order to achieve a sustainable business goal and believe that communication is imperative to the success of our organisation and is key to achieving a successful sustainability journey. The Group has therefore established several platforms of communications with the stakeholders so that we could actively engage in regular and fair communication with them as well as to encourage greater stakeholder participation. The responsible units regularly review the needs and expectations of the respective groups of stakeholders to ensure that stakeholders' expectations and concerns are considered in our business decisions.

The following table summarises the various stakeholder engagement activities, the key concerns of stakeholders which the Group has gathered, and our commitments to sustainability to address those key stakeholder concerns.

Stakeholder	Communication channel	Feedback/Concern
Employees	• Performance review • Employee training and programmes • Feedback platform	• Remuneration and benefits • Fair and competitive employment practices • Safe and healthy workplace • Job security • Training and development opportunities
Customers	• Email • Tele-conversation • Project progress meetings • Customer satisfaction survey	• Customer information protection • Quality and reliable services • Timely response to customers
Suppliers and subcontractors	• Email • Tele-conversation • Supplier audit • Management meeting	• Win-win cooperation • Fair competition and pricing • Long-term cooperation
Regulatory bodies	• Written or electronic correspondences	• Compliance with laws and regulations • Safe work environment • Fair employment practices
Shareholders and investors	• Annual general meetings and other shareholder meetings • Annual reports and financial result announcements • Company website • Announcements and circulars	• Sustainable profitability and shareholder returns • Timely and transparent reporting • Sound corporate governance
Media and public	• Company website • ESG report	• Corporate social responsibility • Sustainable and responsible business practices

MATERIALITY ASSESSMENT

Similar to the last Reporting Period, a materiality assessment was performed to identify sustainability issues that can have a present or future impact on the Group's value creation and, its business over time. To keep abreast of material and critical issues, the Group periodically evaluates and reviews its business operations against the changing business landscape, emerging global trends, stakeholders' opinions and regulatory developments.

The materiality assessment took into account the ESG Reporting guidelines and we have prioritised our topics using a materiality matrix. In the conduct of the assessment, opinions and feedbacks were gathered from the various stakeholders from the abovementioned engagement channels in the previous section. In accordance with the reporting principles, we take into account the materiality topic's influence on stakeholders' decisions as well as the significance of the topic's to ESG factors. The stages of the materiality assessment are outlined below:

Stage 1: Identification

ESG factors and issues, including ESG related risks/climate risks, are identified through the feedbacks provided from all stakeholders through the various communication channels. Additionally, benchmarking was made with disclosures of suitable peer companies of the Group from the construction industry to pinpoint material ESG issues.

Stage 2: Prioritisation

The Committee, key management personnel and employees responsible for each identified ESG aspects review and discuss the Group's operations, assessing their relevance to our businesses and stakeholders.

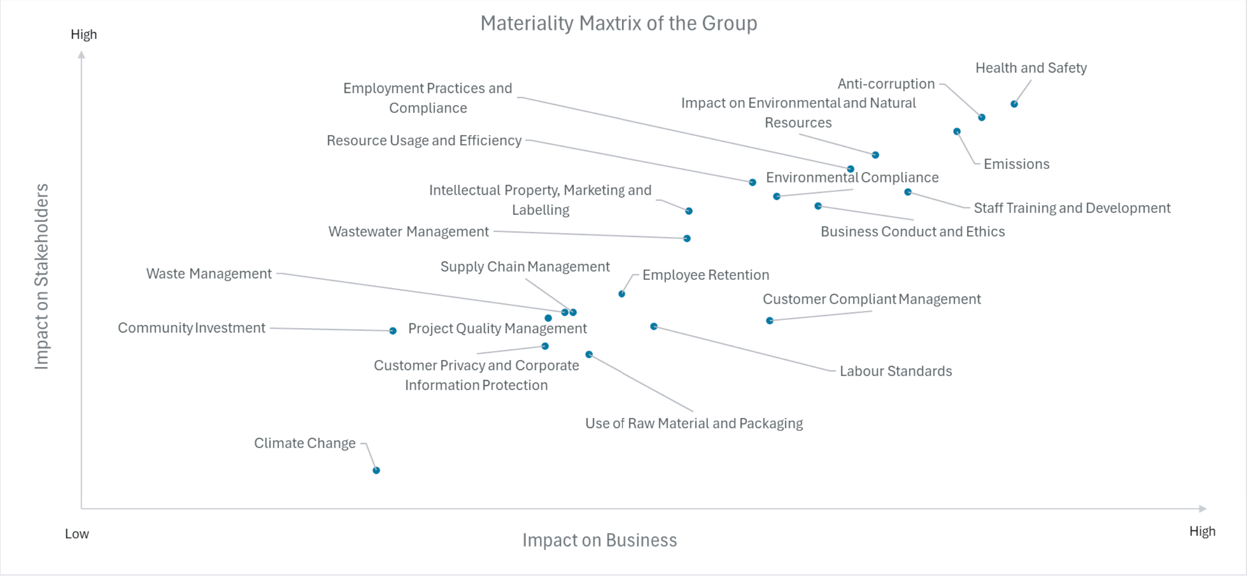
Stage 3: Validation

Findings from the first two stages are presented to the Board, which subsequently confirm a list of key material issues, the respective aspects and KPIs based on the ESG Reporting Guide for disclosure.

Material issues and topics described in this report have been selected according to their level of significance within the Company boundaries, the sustainability context and the expectations of stakeholders which are reflective of our core business in a consistent manner for comparability of our performance indicators across time.

MATERIALITY MATRIX

The results of the materiality assessment for this Reporting Period are consistent with the last Reporting Period. Three key aspects with 21 ESG issues were identified. The material topics are ranked in the materiality matrix, with their position relative to the degree of stakeholder (e.g. employees, customers, suppliers and contractors, etc.) interest and relevance to the Group in terms of the potential business impact. Each identified topic is further discussed in the subsequent pages of the Report.



Legends

Environmental

1. Environmental Compliance
2. Emissions
3. Waste Management
4. Resource Usage and Efficiency
5. Wastewater Management
6. Use of Raw Material and Packaging
7. Impact on Environmental and Natural Resources
8. Climate Change

Governance

9. Anti-corruption
10. Business Conduct and Ethics

Social

11. Employment Practices and Compliance
12. Employee Retention
13. Health and Safety
14. Staff Training and Development
15. Labour Standards
16. Supply Chain Management
17. Project Quality Management
18. Customer Compliant Management
19. Intellectual Property, Marketing and Labelling
20. Customer Privacy and Corporate Information Protection
21. Community Investment

ENVIRONMENT

The Group understands the importance of managing the impact our operations have on the environment, the importance of environmental protection and the responsible use of resources. As such, we are committed to optimising the usage of natural resources and minimising environmental impact that arising from our construction and business activities. We believe that the effective management and monitoring of our carbon footprint would contribute to the Group's productivity, lower consumption of natural resources, reduced wastage and pollution, creating a competitive edge and an overall improved financial performance.

As an avid supporter of a greener and more sustainable future, the Group is committed to managing and reducing our ecological footprint. It is the Group's responsibility to educate the employees, contractors and customers, on taking measures to efficiently manage resource consumption and reduce environmental pollution.

Environmental targets

The Group has set the environment targets and the results are as follows:

Aspects	**Unit**	**2024**	2023	**2024 Results**	**2025 targets**
GHG intensity	tCO_2e/ million S$ revenue	55.53	57.86	-4% Target achieved	Maintaining or reducing by 2025 using 2024 as baseline.
Non-hazardous wastes intensity	tonnes/ million S$ revenue	0.95	1.17	-19% Target achieved	Maintaining or reducing by 2025 using 2024 as baseline.
Energy consumption intensity	kWh/ million S$ revenue	225,078	234,738	-4% Target achieved	Maintaining or reducing by 2025 using 2024 as baseline.
Water consumption intensity	m^3/ million S$ revenue	52.85	44.77	+18% Need further efforts	Maintaining or reducing by 2025 using 2024 as baseline.

(a) Environmental Compliance

Our projects are subjected to relevant environmental requirements pursuant to the laws and regulations in Singapore, including but not limited to:

- Building Control (Environmental Sustainability) Regulations;
- Building Control Act (Chapter 29);
- Environmental Protection and Management Act (Chapter 94A);

- Environmental Public Health Act (Chapter 95);
- Sewerage and Drainage Act (Chapter 294);
- Prevention of Pollution of the Sea Act (Chapter 243); and
- Energy Conservation Act (Chapter 92C).

For the Reporting Period, to the best of the Board's knowledge, the Group was not aware of any material non-compliance with the relevant environmental laws and regulations.

Environmental Management Policies and Strategies

In order to demonstrate the Group's commitment to environmental sustainability, the Group has implemented the Environmental Management Policy, which commits to, among other things, periodically reviewing the Group's environmental management system and continuously improving through the Environmental Improvement Programme. The environmental management system includes measures and work procedures governing environmental protection compliance that our employees, suppliers and subcontractors are obliged to follow.

In light of our efforts in maintaining high standards and expectations with regard to environmental management, the Group has been accredited with the ISO 14001:2005 certifications. The Group continues to monitor and review the environmental management system to ensure that it models after the best practices and remains relevant for our business landscape.

(b) Emissions

The Group has identified dust generated at the construction sites to be the main source of air pollutant and we have taken several proactive measures to reduce dust generation at worksites.

Activities	Key Control Measures
Site entrance and boundary	• Provide vehicle washing facilities at each designated exit point. • Hoarding erected along construction sites boundary.
Drilling, cutting and polishing	• Spray water or dust suppression chemicals during drilling, cutting and polishing.
Excavation or resurfacing work	• Cover exposed earth with sheets and erosion control blankets to reduce dust and prevent silt discharge.
Vehicles	• Wash all vehicles leaving worksites. • Cover dust generating materials during transportation.

In addition to dust, the Group's activities also result in air emissions such as Nitrogen Oxides, Sulphur Oxides and Particulate Matter as well as Greenhouse Gas ("**GHG**") emissions. The Group has actively tracked the various air emissions during the Reporting Period as follows:

Air Emissions[2]	**Unit**	**2024**	2023
Nitrogen oxides ("**NO_x**")	Tonnes	**3.575**	3.884
Sulphur oxides ("**SO_x**")	Tonnes	**0.005**	0.005
Particulate matter ("**PM**")	Tonnes	**0.262**	0.279

Such emission decreased was mainly due to the Group has started implementing training programs and workshops to educate employees about the importance of reducing air emissions. The employees heightened awareness has led to several positive outcomes. In order to properly manage GHG emissions, the Group actively implements electricity conservation and energy conservation measures.

The principal sources of GHG emissions are from petrol and diesel consumption of machineries and vehicles (Scope 1) and purchased electricity (Scope 2). The Group has adopted measures to mitigate both direct and indirect GHG emissions from our business activities.

Emission Type	**Key Control Measures**
Scope 1 — Direct GHG Emissions	• Purchase motor vehicles of EURO 6 Emission Standard. • Active planning of transportation routes to optimise fuel consumption. • Switch off the engine whenever the vehicle is idle. • Examine and obtain certification for the vehicles per Section 90 of Road Traffic Act. • Perform regular vehicle maintenance to maintain optimal engine performance and fuel usage.
Scope 2 — Indirect GHG Emissions	• Improve employees' awareness in reduction of electricity consumption at offices.

2 Air emissions data is presented in terms of tonnes and is based on, but not limited to, "EMFAC-HK Vehicle Emission Calculation model" issued by the Hong Kong Environmental Protection Department and the United States Environmental Protection Agency's Vehicle Emission Modelling Software — MOBILE6.1, "How to prepare an ESG report — Appendix II: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange.

Amount of GHG emissions during the Reporting Period is as follows:

GHG Emissions[3]	Unit	2024	2023
Scope 1 — Direct GHG emissions			
• Petrol and diesel consumption	tCO_2e[4]	**3,075.15**	3,212.91
Scope 2 — Indirect GHG emissions			
• Purchased electricity[5]	tCO_2e	**33.42**	30.86
Total GHG emissions	tCO_2e	**3,108.56**	3,243.77
Total GHG emission Intensity	tCO_2e per million S$ revenue	**55.53**	57.86

Note: The Group's total revenue was approximately S$55.97 million in 2024. The Group's total revenue was approximately S$56.06 million in 2023. These data are also used for the calculation of other intensity data.

Such Scope 1 emissions decreased was mainly due to the following reasons, (i) disposal of aging machineries and motor vehicles and replacing with newer machineries during the Reporting Period; and (ii) older projects have entered into the late and/or completion stages which required less machinery and motor vehicle usage during the Reporting Period; whilst GHG emissions intensity for Scope 2 increased due to (i) higher utilisation of our corporate office building as dormitory for certain of our foreign workers resulting in increase in usage of electricity; and (ii) increase in metal fabrication works.

The Group has acknowledged that our overall intensity for GHG emissions has decreased during this Reporting Period. While this is mainly attributed to the reasons mentioned above, the Group remains prudent in monitoring our emissions level and strive towards the target for FY2025.

3 GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Bank Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report?-Appendix II: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange, the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2015 (AR5) and the Electricity Grid Emission Factors and Upstream Fugitive Methane Emission Factor issued by the Energy Market Authority of Singapore.

4 tCO_2e is defined as tonnes of carbon dioxide equivalent.

5 Computation is based on purchased electricity consumption for the corporate office only and does not include construction projects.

(c) Waste Management

The Group strives to meet our responsibilities to protect the environment to the best of our ability. While it is inevitable that wastes are generated at our construction sites due to the inherent nature of our business, the Group seeks to minimise waste generation by increasing opportunities for reusing and recycling.

In the Reporting Period, the Group remains to be in full compliance with the local laws and regulations with regard to waste treatment and disposal.

Non-hazardous Waste Management

The wastes generated at the construction sites and at the corporate office are mainly non-hazardous in nature. At the corporate office, paper remains to be the major contribution toward wastes generated. As such, employees are encouraged to make eco-friendly decisions such as printing on both sides of the paper before recycling, and reusing unwanted paper should they be only printed on one-side. Digital documentation is also preferred whenever possible in bid of the Group's efforts to be more sustainable.

For the Reporting Period, waste generated at our corporate office are as follows:

Waste	**Unit**	**2024**	2023
Paper	Tonnes	**0.63**	0.59
Intensity	Tonnes per million S$ revenue	**0.011**	0.011

At construction sites, decommissioned construction materials such as metal mix and galvanised iron pipes are upcycled. Milled wastes are recycled to cover access road and site office car park to reduce dust pollution on site.

For the Reporting Period, waste generated at our construction sites are as follows:

Waste	**Unit**	**2024**	2023
Construction waste	Tonnes	**53.14**	65.42
Intensity	Tonnes per million S$ revenue	**0.95**	1.17

During the Reporting Period, overall waste at our construction sites has decreased. Intensity for total waste at our construction sites has also decreased by approximately 19% which is mainly attributed to the improvements in management and measurement in procurement and usage of construction materials, thereby reducing wastage.

Hazardous Waste Management
According to the list of waste considered as being hazardous under the Schedule of the Environmental Public Health (Toxic Industrial Waste) Regulations 1988 of Singapore, the Group was not aware, to the best of our Board's knowledge, of the creation of any material amounts of hazardous wastes during the Reporting Period.

All construction wastes are handled by subcontractors hired by the Group. The disposal and treatment of all wastes are in compliance with local laws and regulations.

(d) Resource Usage and Efficiency
The Group recognises that investing in the conservation of our resources not only reduces our carbon footprint but will simultaneously aid in our cost savings. Hence, we are committed to taking measures in minimising our overall resource consumption and improving our energy efficiency to reduce the environmental impact of our operations.

Water
The Group acknowledges that our operations require substantial usage of water, which is a scarce limited resource on our planet. We recognise that businesses play an important role in ensuring the sustainability of water resources and made it our priority to minimise water consumption and manage water quality.

Water consumption at construction sites is managed and billed to the sub-contractors. While the Group does not have direct control over water usage at the construction sites, we continue to work closely with our subcontractors to minimise water usage. Wastewater at the construction sites, after sedimentation, will be reused for water spraying or wheel washing when practicable.

At our corporate office, employees are constantly reminded to minimise water wastage through notices and posters that are pasted near the water faucets. The Group has also taken proactive measures such as the installation of dual water flush cistern and water saving thimble in sinks to ensure water efficiency. Employees are to ensure that there are no leaking faucets and to report them for repair as soon as problems are identified.

The Group sources water from the local Public Utilities Board and hence, there are no issues in sourcing water that is fit for purpose. For the Reporting Period, the water consumption of the Group is as follows:

Water Consumption	**Unit**	**2024**	2023
Corporate Office	m^3	**2,958**	2,510
Intensity	m^3 per million S$ revenue	**52.27**	44.77

During the Reporting Period, the intensity of water consumption at our corporate office increased, which was mainly attributed to the higher utilisation of our corporate office building as dormitory for certain of our foreign workers resulting in increase in usage of water. The Company will continue to remind employees to minimise water wastage and monitor the water consumption pattern at our corporate office to further enhance water consumption efficiency.

Energy

Aside from the consumption of water, energy consumption is also a major concern to the Group. In the conduct of our business, the main areas of electricity usage are predominantly across our offices and construction operations. In bid to reduce our energy consumption and improve energy efficiency, the Group has adopted the following measures:

- Use of solar energy to power machineries and equipment at worksites;
- Use AC grid supply instead of diesel generators for site offices;
- Remind employees to switch off unnecessary electrical appliances when not in use;
- On-site monitoring of energy consumption; and
- Procure energy-efficient office equipment.

For the Reporting Period, the energy usage of the Group is as follows:

Type of Energy[6]	**Unit**	**2024**	2023
Direct energy consumption			
Diesel	kWh	**12,476,703**	13,017,788
Petrol	kWh	**42,041**	67,588
Indirect energy consumption			
Electricity[7]	kWh	**81,105**	74,040
Total	kWh	**12,599,849**	13,159,416
Intensity	kWh per million S$ revenue	**222,617**	234,738

6 Diesel and petrol data is presented in terms of kWh and is based on conversion factors sourced from the Energy Statistics Manual issued by the International Energy Agency, "How to prepare an ESG report?-Appendix II: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange.

7 Electricity figures disclosed are for corporate office consumption and does not include construction projects.

During the Reporting Period, the intensity of energy consumption has decreased by approximately 5%. During this Reporting Period, the usage of diesel also decreased as the Group's older projects were in the late and/or completion stages which required less machinery and motor vehicle usage.

Nonetheless, the Group recognises the importance of being energy efficient and will continue to work with our employees in reducing our energy consumption.

(e) *Wastewater Management*

Wastewater is generated from surface runoff and construction activities, such as boring, drilling, concreting, plastering, cleaning works, and vehicles. The Group takes appropriate measures to avoid contamination and blockage of public drains and sewers.

We are committed to minimising our water consumption whenever possible. Thus, our wastewater will be reused after sedimentation, which is pumped out to designated collection stations. In a bid to be in compliance with the regulatory requirements, wastewater treatment facilities, such as sedimentation tanks or silt traps, are installed to handle general construction wastewater. Total Suspended Solids measurements of wastewater discharged are also monitored at worksites.

(f) *Use of Raw Material and Packaging*

The use of packaging material is not a material ESG aspect of the Group due to the nature of our business activities. The Group does not partake in activities that involved industrial production and/or operate any factory facilities.

However, the Group acknowledges that the construction activities carried out by the Group utilises several types of raw materials and that it is imperative to reduce wastage of raw material used in our daily operations. The following measures are adopted as part of our Green and Gracious policy to minimise material wastage:

- Reduce — Avoid generation of waste and discard of materials
- Re-use — Putting waste materials and equipment to other purposes
- Recycle — Segregate waste for recycling
- Disposal — Dispose of waste in accordance with statutory requirements

(g) Impact on Environment and Natural Resources

The Group recognises that our construction activities inevitably bring about disturbances to the public and is committed to minimising negative environmental impacts brought by our operations. The Group has identified the following material impacts our operations have on the environment and has taken proactive measures to mitigate their impact:

Environmental Impact	Key Control Measures
Noise and vibration pollution	• A Noise Management Plan is drafted for each construction project, which includes active monitoring of noise and vibration level. • Movable noise barrier or enclosure are erected to screen off direct noise from source. • Noisy works are scheduled during permitted hours (07:00 to 19:00) and not on Public Holidays or Sundays.
Pest control	• Periodic in-house vector inspection at worksites. • External vendors are also engaged to conduct vector control regularly at the worksites.
Public safety	• Notices and signs are placed around the worksites to indicate walkways for public. • Covered walkways (at least two metres wide) with safety barriers for pedestrians are erected along the worksites. • Hoarding are well maintained and lit at night.
Public disturbance	• For construction sites near residential area, notices will be placed to inform residents of work commencement. • Banners and notices include feedback hotline for public to provide feedback on environmental infringements. • Full-time Public Relations Officers engaged to manage public sentiment and feedback.
Trees and shrubs	• Installation of protective fencing around the trees and shrubs within worksites. • Chemicals, grease and petroleum are kept away from root spread. • Tree crown located within worksites are cleaned and showered periodically.

(h) *Climate Change*

The Group recognizes the importance of developing a strategy and risk management framework that can help enhance the Group's climate resilience. The Task Force on Climate-related Financial Disclosures ("**TCFD**") provides recommendations regarding disclosure of climate-related financial information. The TCFD recommends disclosures across four pillars, including governance, strategy, risk management and metrics and targets, to assess the impact of key climate-related risks and opportunities. The Group's operations are primarily located in Singapore and due to the geographical location and maritime exposure of the country, Singapore's climate is characterised by uniform temperature and pressure. For the Reporting Period, to the best of our Board's knowledge, the Group was not affected materially by any climate-related issues.

SOCIAL

The Group believes that employees are the foundation to a strong and long-running organisation and that decisions on recruitment and staff's development are imperative to the organisation's growth. Hence, we strive to create a conducive work environment and are committed to empowering and supporting the development of our employees to their greatest potential. The Group recognises that career advancement, recognition, personal development and compensation are key factors in talent attraction and retention. We also strive to bring about a positive contribution to the communities we operate in through our business activities and initiatives.

(a) *Employment Practices and Compliance*

Human Resource Policies

The Group has established the following policies and practices to support our Human Resource ("**HR**") Department in their day-to-day operations and developed guidelines to create a positive work environment to ensure our employees' well-being is taken care of:

HR Policies and Practices	Policy Scope
Employee Handbook	Guidelines on employee placement, remuneration, leave, benefits and staff conduct.
Code of conduct for employees	Requirements on the general conduct, dress code, attendance, confidentiality, conflict of interest, bribery, business gifts, disciplinary procedures and summary dismissal.
Standard Operating Procedure ("**SOP**") on employee benefits	Guidelines on employee benefits such as sponsorship for continuous learning, special loans and other benefits.
SOP on employee appraisal and salary review	Procedures for performance review for daily-rated employees and monthly-rated employees.
SOP on employee training	Guidelines on creation and maintenance of training records, sponsorship and study bond and exam and study leave entitlement.

For the Reporting Period, to the best of our Board's knowledge, the Group was not aware of any material non-compliance with the employment-related laws and regulations including but not limited to the Employment Act (Chapter 91) of Singapore and the Employment of Foreign Manpower Act (Chapter 91A) of Singapore.

Equal opportunity, diversity and anti-discrimination

The Group strives to provide a platform with equal opportunities for all our employees as we value the experience and knowledge of our senior staff as well as the passion and adaptability of the younger staff. The Group believes that workforce diversity is vital to the enhancement of our human capital capacity and understands that talent can be harnessed from any individual regardless of their gender, age, religion or ethnicity. As such, the Group engages in fair employment practices and recruit employees based on merits such as experience, qualifications, skills and knowledge. We do not discriminate job applicants regardless of gender, race, age, nationality and ethnicity and provide equal opportunities for all applicants and employees.

In addition, it has always been the Group's priority to provide a working environment that promotes social and cultural diversity, protecting our employees from discrimination, physical or verbal harassment based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation.

All our employees are based in Singapore. The following table shows the profile of our employees:

Indicators	Headcount 2024	Headcount 2023	Percentage of total headcount 2024	Percentage of total headcount 2023
By Gender				
Male	**172**	169	**93%**	92%
Female	**12**	14	**7%**	8%
By Age Group				
Under 30 years old	**49**	51	**27%**	28%
30–50 years old	**112**	108	**61%**	59%
Over 50 years old	**23**	24	**13%**	13%
By Employment Type				
Full-time	**184**	183	**100%**	100%
Part-time[8]	**–**	–	**–**	–

Recruitment and Dismissal

In today's competitive landscape, talent attraction remains as a key source of competitive advantage for the Group. In order to establish a healthy talent pipeline in preparation of the Group's continuous business expansion, we emphasise the importance for our new hires to be selected through robust, fair and transparent recruitment process, based on their merits and their potential.

We ensure that our dismissal policies are in line with the local regulations such that the dismissal process is fair to our employees. We firmly believe that unreasonable dismissal under any circumstances is unacceptable and is prohibited in the Group. Dismissal in our Group can be due to various reasons indicated in our employee handbook which stipulates a detailed list of major offences which we regard as legitimate reason for dismissal. We choose to adopt a transparent approach in our dismissal process so as to provide full and frank disclosure of information to all our employees. This helps to avoid misinformation which may fuel low morale in our workplace.

8 Under Singapore Ministry of Manpower, a part-time employee is one who is under a contract of service to work less than 35 hours a week.

(b) *Employment Retention*

The Group recognises that the long-term sustainability of our business depends on our ability to retain talent. As such, the Group places a high emphasis on the competitiveness of our employee's remuneration and compensation packages as well as our employees' personal well-being, welfare, and career progression opportunities. Through the Group's efforts, we aim to retain people with the right experience and expertise that best fit our Group's culture, values and needs.

Our employee turnover[9] rates are as follows:

Indicators	Turnover rate 2024	2023
By Gender		
Male	**26%**	31%
Female	**42%**	50%
By Age Group		
Under 30 years old	**33%**	37%
30–50 years old	**27%**	32%
Over 50 years old	**17%**	25%

Remuneration and Compensation

The Group acknowledges that remuneration and compensation is one of the most important consideration of our employees. Hence, our remuneration and compensation packages are reviewed against industry standards regularly to ensure that they remain competitive. Each employment package is unique and catered to the employee's skill, qualifications, performance and job requirements.

In addition, we compensate our employees in accordance with the provision of Work Injury Compensation Insurance Policy under the Work Injury Compensation Act (Chapter 354) of Singapore, which covers employees who sustain personal injury by accident or disease arising during the course of employment.

Promotion

The Group also has platforms where employees are engaged, as we believe that creating an engaging environment is important for employee development. All employees are subjected to annual performance appraisal which allow employees to receive performance reviews and at the same time, identify areas for improvement and developmental needs. Salary reviews and promotion opportunities are determined based on reviewing of employees' performance throughout their period of service with the Group. In addition, we have obtained feedback from our employees with regard to the working environment and their work expectations during the annual performance review so as to ensure that the Group is able to meet their career and developmental needs.

9 Employee turnover rate is computed based on the number of resigned and terminated employees during the Reporting Period divided by the number of employees for each category as at 30 September 2024.

Rest Period and Working Hours
Our employee handbook sets out the working hours and rest periods for employees, in accordance with local employment laws.

Staff Benefits and Welfare Activities
Apart from basic compensation, the Group provides welfare and benefits to employees, such as reimbursement of medical and dental claims, and annual leaves. Additional types of leaves that are given to employees include marriage, maternity, parental, adoption, compassionate, childcare, extended childcare, examination and study leaves as long as they meet the requirements.

The following benefits are made available to our employees:

- Sponsorship for Continuous Learning for employees that are pursuing a course related to their job scope or the Group's objectives.
- Medical & Health and Insurance benefits.
- Long service award given to employees who have contributed positively to the company's growth and success over the years.
- Reimbursement of telecommunication expenses.
- Interest-free loans extended on a case-by-case basis to employees who may be facing financial difficulties.
- Education Sponsorship for employees that have consistently performed well and contributed to the positive growth and development of the company.
- School Textbook Sponsorship providing full sponsorship of the school-required textbooks shall be granted to employees with children who are pursuing primary or secondary school education.

The Group believes that apart from tangible benefits, creating an engaging environment is essential to the development of our employees. As such, we utilise other platforms such as social, recreational and health-conscious awareness activities for employee engagement to encourage team bonding, interactions and good health among our employees. Such events include festive celebrations for employees of different ethnic backgrounds, Company Trips, Family Day, Sports Day, Annual Dinner and Employee Health Screening.

(c) *Health and Safety*

Due to the nature of the construction industry, the Group acknowledges that occupational health and safety risks have always been a challenge faced by the Group. Nonetheless, the Group is committed to cultivating a safe working environment through the reduction or elimination of such occupational health and safety risks, where possible, as we believe that the health and safety of our employees are vital to the sustainability and growth of our business operations.

With that in mind, the Group has established an occupational health and safety management system. In view of the Group's high standards in occupational safety, the Group was awarded the bizSAFE Level STAR and ISO 45001:2018 certifications. Health and safety policies, which are reviewed and updated annually, have also been formalised as guidance to support our occupational health and safety management system that stipulated the following:

- Management and employees' roles and responsibilities
- General safety
- Risk assessment and safe work procedures
- Violations and Infringements
- Environmental, Health and Safety training
- Housekeeping
- Personal Protection Equipment
- Incident reporting, etc.

Policies and procedures are strictly adhered by our employees and such procedures have enabled us to control workplace hazards, monitor performance, take timely corrective actions, and identify areas for improvements.

For the Reporting Period, to the best of our Board's knowledge, the Group was not aware of any material non-compliance with health and safety-related laws and regulations including but not limited to Workplace Safety and Health Act (Chapter 354A) of Singapore.

The following measures are implemented to ensure the health and safety of our employees:

Topics	Key Control Measures
Workplace safety	• All employees working at the work sites are issued with the required Personal Protective Equipment ("**PPE**"). • Risk assessment and safety work procedure are conducted before work commencement to identify potential occupational health and safety hazards associated with the work activities and establish corresponding measures to mitigate the risks. • Regular safety inspections are conducted at our work sites. • Implement colour coding system to identify new workers on site and implement "Buddy" system for new workers to adapt and familiarise with the new working environment.
Clean and healthy working environment	• Provide workers with clean and ventilated dormitory rooms. • Provide cleaning tools to encourage hygienic living condition. • Adequate sanitary facilities with dedicated female changing room and washroom. • Provide clean hot and cold water supply. • Transportation services between work sites and dormitory. • Designated area for recreational and fitness purpose. • Established housekeeping regulations at work sites and dormitory to ensure their health and safety are properly maintained and reduce occurrence of potential hazards.
Safety training	• All new employees are expected to attend the safety training on health, safety and environmental policies and procedures. • Mass tool box meetings are conducted at work sites to educate all workers on the relevant health and safety hazards, safety measures and proper use of PPE.

The number of reported incidents is as follows:

	2024	2023	2022
Number of reportable accidents	**2 cases**	2 cases	6 cases
Number of fatalities	**–**	–	–
Fatalities rate per 1,000 employees and workers	**–**	–	–
Lost days[10] due to injuries	**44 days**	11 days	35 days

The number of lost days due to injuries has increased from 11 days to 44 days, the 2 cases only involved minor injuries. The increase in number of lost days is due mainly to increase prudency to allow our workers to recuperate for longer periods in view of ensuring safety standards are maintained, and nature of injuries were given more days for recuperation. Regardless, the Group will continue to implement more health and safety measures as we progress in order to establish a safer working environment for all employees. Also, the Group is pleased to disclose that there were no work-related fatalities for the past 7 years for financial years ended 2018 to 2024.

(d) Staff Training and Development

The Group is committed to investing in the growth of people as we believe that staff development is critical to business growth and sustainability. We seek to equip our employees with future-ready skills and knowledge by providing the necessary trainings in order for employees to keep themselves abreast of the latest industry changes, enabling them to contribute effectively to the Group's future growth and success.

Depending on the requirements of each individual's job position, employees may be sent for external trainings. Employees are also encouraged to constantly upgrade their skills in order to stay up-to-date with the ever-changing economy and job requirements in order to stay relevant in the ever-changing economy and stay relevant in the fast-evolving business environment. In the spirit of continuous learning and development, internal trainings such as workshops, conferences, and seminars that are related to the employees' work scope are also provided to our employees. Furthermore, we provide sponsorship options to employees that apply for external training courses to upgrade their skills and knowledge. Employees who take up company-sponsored training courses are also entitled to study and examination leave, which are subjected to their supervisors' approval.

10 Lost days due to injuries are derived based on the number of days of medical leave taken during the Reporting Period for the reported cases from the day of the reported accident.

For the Reporting Period, the training statistics of our employees are as follows:

	Percentage of Employees Receiving Training		Average Training Hours[11]	
	2024	2023	**2024**	2023
By Gender				
Male	**66%**	62%	**9.8 hours**	9.8 hours
Female	**100%**	79%	**12.0 hours**	3.6 hours
By Age Group				
Under 30 years old	**100%**	100%	**13.6 hours**	9.8 hours
30–50 years old	**57%**	100%	**10.2 hours**	2.5 hours
Over 50 years old	**63%**	60%	**9.9 hours**	9.7 hours

Average training hours for our male employees maintain the same level as previous year (9.8 hours). while average training hours for our female employees has increased by approximately 2 times from 3.6 hours to 12 hours. Regardless, the Group seeks to provide more training opportunities for all our employees across all employment categories.

(e) Labour Standards

The Group is committed to ensuring our recruitment process strictly complies with local laws and does not tolerate the existence of child and forced labour as defined by the International Labour Organisation ("**ILO**") Convention and Ministry of Manpower ("**MOM**") in Singapore. We strongly believe that employees shall not be forced to work against his or her will through any form of threat and intimation or subjected to corporal punishment or coercion of any type.

Applicants are required to indicate their date of birth when applying for a position with the Group. Only applicants above the age of 18 will be considered. Personal data such as identification cards will be collected during the recruitment process to verify the age and personal details of the job applicant. If violation is involved, it will be dealt with in light of circumstances. No employee shall be compelled to work against his or her will through force or intimidation of any form or subjected to corporal punishment or coercion of any type related to work. Suppliers are also screened for compliance with international labour laws before they are engaged.

For the Reporting Period, to the best of our Board's knowledge, the Group was not aware of any non-compliance with child and forced labour-related laws and regulations, including but not limited to the Employment Act (Chapter 91) of Singapore.

11 Average training hours for each category is computed based on the total training hours for employees in the specified category divided by the number of employees in the specified category.

(f) *Supply Chain Management*

As a responsible corporation, the Group recognises that it is crucial that the entire supply chain shares the same mindset as the Group with regard to sustainability. As such, the Group aims to promote sustainability in its supply chain and appoint responsible and ethical suppliers. We have worked actively with approximately 380 approved vendors of the procurement are sourced in Singapore and Malaysia.

Suppliers By Region	No.
Singapore	379
Malaysia	1

Supplier and Subcontractor Selection

Our key suppliers, including our subcontractors, undergo a comprehensive selection process where we take into consideration on criteria such as their business profile, financial solvency, resources, certification, price competitiveness and overall sustainability policies adopted. In addition, we also considered "green" evaluation (i.e. Green & Gracious certification) as a recommended criterion for selection of new suppliers and subcontractors, to assess whether material and services employed are environmentally friendly. Companies that have been awarded the Green & Gracious certification has been recognised by the BCA to have a strong commitment to corporate social responsibility to the environment and the general public as well as high standards of gracious practices (i.e. adoption of productive construction methods which reduces inconvenience to the public).

Supplier and Subcontractor Profile

The Group is dedicated to adequately maintaining all supplier and subcontractor profiles and information within our system to ensure that relevant records are safeguarded and tracked. In order to minimise potential disruptions, the Group has also diversified the supply base for critical materials across our approved suppliers.

In addition, the Group has no reliance on our Controlling Shareholders and/or their associates for operational resources of suppliers. We strictly monitor our vendor management to prevent against all kinds of business bribery and discrimination towards any vendors.

Supplier and Subcontractor Control and Monitoring

The Group will re-evaluate the suppliers annually to ensure that the Group's requirements are being met in order to determine whether to continue our partnership with them. During the evaluation, the supplier's performance in terms of delivery, quality, service, safety & environmental compliance, knowledge and price will be considered. The suppliers' accreditation is monitored closely to ensure that they have achieved the required standards. Our subcontractors' performance is also evaluated quarterly as well as during the post-mortem assessment by relevant Quantity Surveyors and Project Managers.

Such review process ensures alignment of our key vendors' services and products to our business requirements and sustainability objectives as well as consistency in the quality of the work received.

(g) *Project Quality Management*

Quality and safety of service for our customers remains to be of utmost importance to the Group. As such, the Group has established a formal quality management system which is reviewed continuously to ensure that it remains relevant. Conforming to the ISO 9001:2015 guidelines, the Group has been accredited the ISO 9001:2015 certificate.

The overall progress and quality of works undertaken by us and our subcontractors are monitored by our project managements. In the event whereby quality issues or defects are identified, it will be brought up during the regular management meetings so that it can be swiftly rectified. Prior to the submission of progress claims to clients, internal quality inspection and supervision of material or work method is conducted by Resident Engineer and Resident Technical Officer to ensure compliance with customer's specifications and requirements. Additionally, customers are also involved in the certification of the work performed.

At the end of each project, the Group also conducts customer satisfaction surveys and project post-mortem review to identify areas of improvement for future projects.

(h) *Customer Complaint Management*

The Group values all types of feedbacks received from our customers and views it as an opportunity for continuous improvement. To demonstrate the Group's commitment, the Group had established formal guidelines with regard to handling feedbacks. General feedbacks can be made via info@singtec.com.sg which is managed by the HR/Admin Manager who will forward the feedbacks to the respective Project Managers, Contract Department, Executive Directors or CEO. Specific feedbacks are made directly to the respective Quantity Surveyor, Contract Department and/or Executive Director who then addresses the feedbacks directly. In addition, a feedback box is placed at all worksites where any member of the public/interested party is able to fill up a hardcopy feedback form to be dropped into the box. Any feedbacks received will be escalated to the respective parties involved, and if necessary, the Executive Directors. All feedbacks will be recorded in detail and appropriate follow-up actions will be taken promptly.

During the Reporting Period, to the best of our Board's and Management's knowledge, the Group was not aware of any major negative complaints received.

(i) *Intellectual Property, Marketing and Labelling*

The logo and domain name of the Group has been registered as a trademark in both Hong Kong and Singapore. For any infringement of our intellectual property, the Group will urge infringers to cease such action. The Human Resources Department of the Group continues to monitor the business environment closely for any infringements and takes the appropriate measures to address the issue.

During the Reporting Period, to the best of our Board's knowledge, the Group was not aware of any infringement of relevant laws and regulations relating to intellectual property rights, marketing and labelling.

(j) *Customer Privacy and Corporate Information Protection*

The Group strictly adheres to the Singapore Personal Data Protection Act 2012 ("**PDPA**") and has appointed our Human Resource department to oversee all matters regarding personal and corporate information protection.

All new employees are introduced to the Group's PDPA policies during the new employee orientation which guides them to respect the confidentiality of our customers' information. New employees are also required to acknowledge the confidentiality clauses in the employment contract and employee handbook. Any violation of the clause leads to immediate dismissal and/or legal action taken against the offender. The Group has also implemented firewall, anti-virus, and anti-spam solutions in our Information Technology ("**IT**") systems to safeguard confidential corporate information.

During the Reporting Period, to the best of our Board's knowledge, the Group was not aware of any non-compliance with the PDPA.

(k) *Community Investments*

As a socially responsible business and part of a larger community, the Group embraces the philosophy of giving back to the community and believes that having the ability to improve the lives of others is a privilege. Contributing back to the communities that we cared for is one of the sentiments very much rooted in our Group's values and principles.

As part of the Group's contribution to the cultural development, labour needs and religious community, the Group has sponsored a total of S$18,520 and committed a total of 473 volunteering hours[12] to local community charity activities during the Reporting Period which include: Migrant Workers Carnival and Movie Night, Chinese New Year traditional biscuits making with Neighbour Company, NTUC Health Active Ageing Centre Community Day and Deepavali celebration activities.

[12] Total volunteering hours are computed based on the number of participants for each activity times the duration of each activity.

	
Cultural Celebration: Movie Night and Carnival with Migrant Workers and Neighbours	**CNY Traditional Biscuit Crafting: A Collaboration with Neighbour Company**

	
NTUC Health Active Ageing Centre — A Day for the Community	**Festive Lights: Deepavali Celebration with Migrant Workers**

GOVERNANCE

The Group believes that good governance practices are imperative to building a sound corporation with an ethical environment, thereby protecting the interests of all stakeholders. Both the Board and Management are devoted to continually enhance and add to our shareholders' value through the maintenance of a high standard of corporate governance and strong internal controls in our Group, and ensuring that all employees and workers remain committed to comply at all levels.

The Group seeks to uphold the highest standard of business ethics through our commitment to accountability and transparency to our stakeholders.

(a) Anti-corruption

The Group's fundamental values and capability to act with honesty and integrity will ultimately be subverted through fraud, bribery and corruption practices should it be allowed to occur. As such, the Group takes on a zero-tolerance approach towards bribery, fraud and corruption. Through our Anti-Fraud and Anti-Money Laundering Policy and Anti-Corruption and Anti-Bribery Policy, we are committed to ensuring that all employees understand how to comply with fraud and anti-corruption rules and regulations.

While no specific trainings relating to anti-corruption was conducted, all new employees are introduced to the Anti-Fraud and Anti-Money Laundering Policy and Anti-Corruption and Anti-Bribery Policy as part of their orientation on the first day of employment. The new hires are then required to sign an acknowledgement to indicate that they have received, read and understood the respective policies.

During the Reporting Period, to the best of our Board's knowledge, the Group was not aware of any non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Corruption Act (Chapter 241) of Singapore.

(b) *Business Conduct & Ethics*

Code of Conduct & Conflict of Interest

In pursuit of conducting our business with integrity and honesty, all employees are expected to adhere to the Group's Disclosures of Interest and Conflict of Interest Policy, which can be easily accessed by all employees via the Group's common shared folder. Clear guidelines are also provided to directors and employees in the Group's Code of Conduct for Directors and Employees respectively. The respective Code of Conduct is introduced to new employees on their first day of employment, who are then required to sign an acknowledgement to indicate that they have received, read and understood the Code of Conduct. The Code of Conduct is also made available to all employees via the Group's common shared folder.

In the Code of Conduct for Directors, emphasis is placed on potential conflict of interest, detailing the disclosure procedures should any material personal interest be present in a proposed transaction involving the Group and the relevant director. In the Code of Conduct for Employees, emphasis is placed on bribery scenarios to remind employees that receiving gifts in any form that are intended to influence a business decision are unacceptable. A list of misconduct examples is included, in particular, 'soliciting or collecting contributions for any purpose at any time in the Group without the permission of Supervisor' is explicitly specified.

Whistleblowing Policies

The Group's whistleblowing policy encourages and provides a well-defined and accessible channel to stakeholders (i.e. both internal and external) of the Group to raise concerns over any unlawful conduct, financial malpractice and/or other wrong-doings. The Group has appointed the General Manager to handle all the whistleblowing reports. Under this policy, employees or any other persons may report suspected matters of wrongdoing affecting the Group via the following email: whistleblowing@singtec.com.sg. Other reporting channels include Handphone and Postal Address are also included within the whistleblowing policy. In the event whereby the whistleblowing instances involve the appointed personnel, the report may be made directly to the Chairman of the Audit Committee at Rtktam@yahoo.com.hk.

Depending on the parties involved in the whistleblowing report, Senior management, Chairman of the Audit Committee or the Board Chairman may then appoint an investigating officer to follow up on the whistleblowing report. All disclosures will be treated in a confidential manner, protecting the identity of the employee that made the disclosure so as to encourage employees to report any suspicious activities without fear of reprisal. The policy also addresses any potential concerns from complainants of their anonymity and being subjected to victimisation, harassment or discriminatory treatment, after reporting.

During the Reporting Period, there was no reported incident pertaining to whistleblowing.

CONTENT INDEX

The ESG Report is prepared in accordance with the ESG Reporting Guide as set out in Appendix C2 to the Listing Rules.

Disclosure Reference	Description	Section/Declaration
Part B of Appendix C2: Mandatory Disclosure Requirements		
Governance Structure	• A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board Statement
Reporting Principles	• A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report: (i) Materiality (ii) Quantitative (iii) Consistency	About This Report Materiality Assessment
Reporting Boundary	• A narrative explaining the reporting boundaries of the ESG Report and describing the process used to identify which entities or operations are included in the ESG Report. • If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

Disclosure Reference	Description	Section/Declaration
Part C of Appendix C2: "Comply or explain" Provisions		
Aspect A1: Emissions	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental (a)–(e)
KPI A1.1	The types of emissions and respective emissions data.	Environmental (b): Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental (b): Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental (c): Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental (c): Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental (b): Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental (c): Waste Management

Disclosure Reference	Description	Section/Declaration
Aspect A2: Use of Resources	• General Disclosure • Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental (a): Environmental Compliance
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental (d): Resource Usage and Efficiency
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental (d): Resource Usage and Efficiency
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental (d): Resource Usage and Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental (d): Resource Usage and Efficiency
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental (f): Use of Raw Material and Packaging
Aspect A3: The Environment and Natural Resources	• General Disclosure • Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental (g): Impact on Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental (g): Impact on Environment and Natural Resources
Aspect A4: Climate Change	• General Disclosure • Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental (h): Climate Change

Disclosure Reference	Description	Section/Declaration
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental (h): Climate Change
Aspect B1: Employment	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Social (a)&(b)
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Social (a): Employment Practices and Compliance
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social (b): Employment Retention
Aspect B2: Health and Safety	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Social (c): Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social (c): Health and Safety
KPI B2.2	Lost days due to work injury	Social (c): Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Social (c): Health and Safety

Disclosure Reference	Description	Section/Declaration
Aspect B3: Development and Training	• General Disclosure • Policies on improving employees' knowledge and skills for discharging duties at work. • Description of training activities	Social (a): Employment Practices and Compliance Social (d): Staff Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social (d): Staff Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social (d): Staff Training and Development
Aspect B4: Labour Standards	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Social (a): Employment Practices and Compliance Social (e): Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social (e): Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social (e): Labour Standards
Aspect B5: Supply Chain Management	• General Disclosure • Policies on managing environmental and social risks of the supply chain.	Social (f): Supply Chain Management
KPI B5.1	Number of suppliers by geographical region	Social (f): Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Social (f): Supply Chain Management

Disclosure Reference	Description	Section/Declaration
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Social (f): Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Social (f): Supply Chain Management
Aspect B6: Product Responsibility	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Social (g)–(j)
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable (no products were produced due to business nature)
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Social (h): Customer Complaint Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Social (i): Intellectual Property, Marketing and Labelling
KPI B6.4	Description of quality assurance process and recall procedures.	Social (g): Project Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Social (j): Customer Privacy and Corporate Information Protection

Disclosure Reference	Description	Section/Declaration
Aspect B7: Anti-corruption	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Governance (a): Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Governance (a): Anti-corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Governance (b): Business Conduct & Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Governance (a): Anti-corruption
Aspect B8: Community Investment	• General Disclosure • Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social (k): Community Investments
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social (k): Community Investments
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social (k): Community Investments

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF China Next-Gen Commerce and Supply Chain Limited
(Formerly known as S&T Holdings Limited)
(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Next-Gen Commerce and Supply Chain Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 87 to 169, which comprise the consolidated statement of financial position as at 30 September 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Recognition and accounting for revenue from contracts works *Refer to Note 3, 4 and 5 to the consolidated financial statements* We identified the revenue recognition as a key audit matter due to significant management judgment and estimation is required in the determination of the total outcome of the contracts works. As set out in Note 5, the Group's contract revenue from construction services amounted to approximately S$55,467,476 for the year ended 30 September 2024 as disclosed in the consolidated statement of profit or loss and other comprehensive income (2023: S$55,588,818). As disclosed in Note 21 to the consolidated financial statements, the carrying amount of contract assets of the Group amounted to approximately S$23,781,688 as at 30 September 2024 (2023: approximately S$20,571,767). The Group is involved, amongst others, in the provision of civil engineering works and building construction works for which input method (i.e. based on actual costs incurred to date as a percentage of total budgeted costs to complete the project) is applied to measure the Group's progress towards satisfaction of a performance obligation and recognises revenue over time in accordance with IFRS 15 Revenue from Contracts with Customers.	Our procedures in relation to the management's revenue recognition and accounting for revenue from contract works included but not limited to: • Obtaining an understanding of the Group's controls and processes over revenue recognition and budget preparation; • Assessing the Group's revenue recognition including the Group's efforts or inputs to the projects relative to the expected inputs to the construction projects; • Obtaining a complete list of projects from management and sampling selected certain projects for detailed assessment; • Agreeing projects contract sum to signed contracts, and variation orders; • Vouching the actual cost incurred during the year to the details of suppliers' delivery orders and invoices and subcontractors' progress certificates to ensure the validity and accuracy of the costs; • Performing cut-off testing to verify contract costs incurred are taken up in the appropriate financial year; • Assessing the estimated cost to complete by substantiating costs that have been committed to quotations and contracts entered;

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
The revenue and profit recognised in a year on these services is dependent, amongst others, on the assessment of the Group's efforts or inputs to the projects (i.e. contract costs incurred for work performed) relative to the expected inputs to the projects (i.e. estimated total budgeted contract costs committed for the projects). The uncertainty and subjectivity involved in determining the budgeted costs to complete and foreseeable losses may have a significant impact on the revenue and profit of the Group.	• Performing retrospective review by comparing total actual contract costs incurred at completion against the total budgeted contract costs to assess the reasonableness of the estimates used by the management; • For projects in progress, re-computed the percentage of completion of the contract based on input method to test the accuracy of the percentage of completion to determine the revenue to be recognised for the year; • For projects completed during the year, obtained certificates of completion and verified that the remaining revenue was captured; and • Examining the project documentation and discussing with management on the progress of significant projects to determine if there are any changes such as delays, penalties, overruns which may result in liquidated damages.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables and contract assets *Refer to Notes 3, 4, 19, 21 and 31(b) to the consolidated financial statements* We identified the impairment assessment of trade receivables and contract assets as a key audit matter due to the significance of these balances to the consolidated financial statements as a whole, and the use of judgment and estimates by management in assessing the recoverability of trade receivables and contract assets. As disclosed in Notes 19 and 21 to the consolidated financial statements, as at 30 September 2024 the carrying amount of trade receivables and contract assets of the Group are approximately S$7,961,984 (net of allowance of credit losses of S$337,689) and S$23,781,688 (net of allowance of credit losses of S$18,008) respectively. As set out in Note 3 to the consolidated financial statements, the Group performs impairment assessment under ECL model on financial assets (including trade receivables) and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise. The impairment assessment under ECL on account receivables and contract assets is inherently subjective and requires significant management judgement, which increases the risk of error or potential management bias.	Our procedures in relation to impairment assessment of trade receivables and contract assets included but not limited to: • Understanding the management's process of assessing the recoverability of trade receivables and contract assets; • Inquiring of management for the status of each of the material trade receivables and contract assets past due at year end and collaborating explanations from management with supporting evidences, such as performing public profile search for selected customers, understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records and other correspondence with the customers; • Assessing the reasonableness of impairment recognised by examining the information used by management to form such judgements, such as checking the accuracy of the ageing analysis of trade receivables and contract assets to the payment certificates or completion certificates issued by the customers, respectively, on sampling basis; • For individually assessed expected credit losses, assessing the estimated loss rates with reference to the individual customers' historical observed default rates and checking the settlement history and changes in the forward-looking information; • Testing the subsequent settlements of credit impaired trade receivables and contract assets, on a sample basis, to cash receipt and bank remittance; and • Evaluating the disclosures regarding the impairment assessment of trade receivables and contract assets in Note 31(b) to the consolidated financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon ("**Other Information**").

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are 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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 consolidated financial statements.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 the directors.

- Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 Audit Committee 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 Audit Committee 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, actions taken to eliminate threats or safeguards applied.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement director on the audit resulting in this independent auditors' report is Kwok Tsz Chun.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Kwok Tsz Chun
Practising Certificate Number: P06901

Hong Kong, 27 December 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 September 2024

	Note	2024 S$	2023 S$
Revenue			
Services	5	**55,467,476**	55,588,818
Rental	5	**506,100**	466,820
Total revenue		**55,973,576**	56,055,638
Cost of services		**(51,174,485)**	(52,249,992)
Gross profit		**4,799,091**	3,805,646
Other income	6	**341,780**	190,683
Other gains and losses	7	**792,865**	3,313,936
Administrative expenses		**(5,998,944)**	(5,690,465)
Reversal of/(allowance for) expected credit losses on financial assets and contract assets, net		**189,669**	(1,326,234)
Finance costs	8	**(905,894)**	(995,642)
Share of result of a joint venture	17	**(2,720)**	(575,142)
Loss before taxation	9	**(784,153)**	(1,277,218)
Income tax	10	**–**	240,107
Loss and total comprehensive loss for the year		**(784,153)**	(1,037,111)
Basic and diluted loss per share (S cents)	13	**(0.16)**	(0.22)

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

Consolidated Statement of Financial Position

As at 30 September 2024

	Note	2024 S$	2023 S$
Non-current assets			
Property, plant and equipment	14	**11,819,158**	11,213,368
Investment properties	15	**11,460,000**	10,550,000
Investment properties held under joint operations	16	**4,250,000**	4,250,000
Interest in a joint venture	17	**8,348**	11,068
Financial assets at fair value through profit or loss	18	**1,282,430**	1,266,447
Bank deposits	22	**510,384**	506,966
		29,330,320	27,797,849
Current assets			
Trade receivables	19	**7,961,984**	4,475,803
Other receivables, deposits and prepayments	20	**2,434,428**	2,485,344
Contract assets	21	**23,781,688**	20,571,767
Bank balances and cash	22	**6,138,881**	8,281,908
		40,316,981	35,814,822
Current liabilities			
Trade and other payables	23	**20,008,560**	16,124,056
Contract liabilities	21	**3,899,299**	34,601
Bank overdrafts	24	**4,479,752**	4,614,289
Bank borrowings	24	**5,944,625**	6,037,672
Bank borrowings held under joint operations	24	**101,151**	96,339
Lease liabilities	25	**750,713**	416,902
		35,184,100	27,323,859
Net current assets		**5,132,881**	8,490,963
Total assets less current liabilities		**34,463,201**	36,288,812
Non-current liabilities			
Bank borrowings	24	**3,546,474**	4,812,549
Bank borrowings held under joint operations	24	**2,261,776**	2,364,054
Lease liabilities	25	**1,480,098**	1,153,203
		7,288,348	8,329,806
Net assets		**27,174,853**	27,959,006

As at 30 September 2024

	Note	2024 S$	2023 S$
Capital and reserves			
Share capital	26	**847,680**	847,680
Reserves	26	**26,327,173**	27,111,326
		27,174,853	27,959,006

The consolidated financial statements on pages 87 to 169 were approved and authorised for issue by the Board of Directors on 27 December 2024 and are signed on its behalf by:

Mr. Ho Chi Hong
Chairman and Executive Director

Mr. Chang Tin Duk Victor
Executive Director

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

Consolidated Statement of Changes in Equity

Year ended 30 September 2024

	Share capital	Share premium (Note (i))	Merger reserves (Note (ii))	Other reserves (Note (iii))	Properties revaluation reserves (Note 26)	Accumulated profits/(losses)	Total
	S$	S$	S$	S$	S$	S$	S$
At 1 October 2022	847,680	18,742,783	6,895,003	1,109,142	767,248	634,261	28,996,117
Loss and total comprehensive loss for the year	–	–	–	–	–	(1,037,111)	(1,037,111)
At 30 September 2023 and at 1 October 2023	**847,680**	**18,742,783**	**6,895,003**	**1,109,142**	**767,248**	**(402,850)**	**27,959,006**
Loss and total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(784,153)**	**(784,153)**
At 30 September 2024	**847,680**	**18,742,783**	**6,895,003**	**1,109,142**	**767,248**	**(1,187,003)**	**27,174,853**

Notes:

(i) Share premium represents the excess of share issue over the par value.

(ii) Merger reserves represents the difference between the cost of acquisition pursuant to the Reorganisation and the total value of share capital of the entity acquired.

(iii) Other reserves represents the dividend waived for the purpose of off setting the amount due from controlling Shareholders.

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

Consolidated Statement of Cash Flows

Year ended 30 September 2024

	2024 S$	2023 S$
OPERATING ACTIVITIES		
Loss before taxation	**(784,153)**	(1,277,218)
Adjustments for:		
Depreciation of property, plant and equipment	**2,585,722**	2,299,565
Fair value gains on investment properties	**(910,000)**	(337,000)
Fair value losses on investment properties held under joint operations	**–**	190,000
Fair value gains on financial assets at fair value through profit or loss	**(15,983)**	(8,439)
(Reversal of)/allowance for expected credit losses on financial assets and contract assets, net	**(189,669)**	1,326,234
Write back of payables	**–**	(480,364)
Finance costs	**905,894**	995,642
Interest income	**(26,452)**	(19,259)
Unrealised exchange differences	**443,243**	340,812
Net gain on disposal of property, plant and equipment	**(161,106)**	(3,271,035)
Net loss on disposal of investment property held under joint operations	**–**	305,000
Share of result of a joint venture	**2,720**	575,142
Operating cash flow before movements in working capital	**1,850,216**	639,080
Movements in working capital:		
Trade receivables	**(3,430,682)**	3,042,490
Other receivables, deposits and prepayments	**77,163**	1,001,671
Contract assets	**(3,101,998)**	540,685
Contract liabilities	**3,864,698**	17,516
Trade and other payables	**3,884,504**	(2,544,998)
Cash generated from operations	**3,143,901**	2,696,444
Income tax refunded	**–**	240,107
Net cash generated from operating activities	**3,143,901**	2,936,551
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	**329,439**	3,951,998
Proceeds from disposal of investment property held under joint operations	**–**	1,200,000
Purchase of property, plant and equipment	**(1,921,754)**	(1,529,298)
Interest received	**26,452**	19,259
Net cash (used in)/generated from investing activities	**(1,565,863)**	3,641,959

Consolidated Statement of Cash Flows

Year ended 30 September 2024

	2024	2023
	S$	S$
FINANCING ACTIVITIES		
Interest paid	**(905,894)**	(995,642)
Repayment of lease liabilities	**(777,385)**	(1,056,802)
(Repayment)/drawdown of bank overdrafts	**(134,537)**	257,138
Repayment of bank borrowings	**(12,220,004)**	(16,088,448)
Proceeds from bank borrowings	**10,763,416**	10,969,937
Increase in bank deposits	**(3,418)**	(226)
Net cash used in financing activities	**(3,277,822)**	(6,914,043)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,699,784)**	(335,533)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**8,281,908**	8,958,253
Effect of foreign exchange rate changes on bank balances and cash	**(443,243)**	(340,812)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank balances and cash	**6,138,881**	8,281,908

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

1 GENERAL

China Next-Gen Commerce and Supply Chain Limited (formerly known as S&T Holdings Limited) (the "**Company**") was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 17 September 2018. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Companies Ordinance**") on 14 December 2018 and the principal place of business in Hong Kong is Unit B, 17/F, United Centre, 95 Queensway, Hong Kong. The principal place of business is at 16 Kian Teck Way, Singapore 628749. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 19 September 2019.

The Company is a subsidiary of Alpine Treasure Limited ("**Alpine**"), incorporated in the British Virgin Islands (the "**BVI**"), which is also the Company's ultimate holding company. Alpine is owned as to 80% and 20% by Mr. Ho Chi Hong and Mr. Chang Tin Duk Victor through his holding vehicle, Scholar Global Limited, respectively.

The Company is an investment holding company and the principal activities of its operating subsidiaries are the provision of construction services and property investment in Singapore.

The consolidated financial statements are presented in Singapore dollars ("**S$**"), which is also the functional currency of the Company.

2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the Group's annual periods beginning on or after 1 October 2023 for the preparation of the consolidated financial statements:

IFRS 17 (Including the October 2020 and February 2020 Amendments to HKFRS 17)	Insurance Contracts
IAS 8 (Amendments)	Definition of Accounting Estimates
IAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IAS 12 (Amendments)	International Tax Reform — Pillar Two model Rules
IAS 1 (Amendments) and IFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the amendments to IFRSs in the current year had no material impact on the Group's financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
IFRS 16 (Amendments)	Lease liability in a Sales and Leaseback[2]
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current[2]
IAS 1 (Amendments)	Non-current Liabilities with Covenants[2]
IAS 21 (Amendments)	Lack of Exchangeability[3]
IAS 7 and IFRS 7 (Amendments)	Supplier Finance Arrangement[2]

1 *Effective for annual periods beginning on or after a date to be determined.*

2 *Effective for annual periods beginning on or after 1 January 2024.*

3 *Effective for annual periods beginning on or after 1 January 2025.*

The directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and the Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties, investment properties held under joint operations and financial assets at fair value through profit or loss that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and companies controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Interest in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Interest in a joint venture (continued)

The results and assets and liabilities of a joint venture are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, interest in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant joint venture.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Interest in a joint venture (continued)

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in the profit or loss.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the services underlying the particular performance obligation is transferred to customers.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Revenue from contracts with customers (continued)

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; or
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at point in time when the customer obtains control of the distinct service.

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Specifically, revenue is recognised as follows:

(i) Revenue from provision of civil engineering works and building construction works

The Group provides civil engineering works and building construction works under contracts with customers. Such contracts are entered into before the services begin. Under the terms of the contracts, the Group is contractually required to perform the services at the customers' specified sites that the Group's performance creates or enhances an asset that the customer controls as the Group performs. Revenue from provision of such services is therefore recognised over time using input method, i.e. based on the actual costs incurred by the Group to date compared with the total budgeted costs for the project to estimate the revenue recognised during the period. The management of the Group considers that input method would faithfully depict the Group's performance towards complete satisfaction of these performance obligation under IFRS 15.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Revenue from contracts with customers (continued)

(ii) Revenue from provision of other ancillary services

Revenue from provision of other ancillary services is mainly logistics and transportation services of construction materials whereby performance obligations are satisfied over a period of less than a day. Revenue is recognised upon rendering of services which coincides with the completion of delivery of the materials to the customers' designated delivery point.

Leases

Definition of a lease

A contract is, or 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.

For contracts entered into or modified on or after the date of initial application, or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

<u>Allocation of consideration to components of a contract</u>

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

<u>Short-term leases and leases of low-value assets</u>

The Group applies the short-term lease recognition exemption to leases of office and property, plant and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Leases (continued)

The Group as lessee (continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

Refundable rental deposits

Refundable rental paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Leases (continued)

The Group as lessee (continued)

Lease liabilities (continued)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Leases (continued)

The Group as lessee (continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Leases (continued)

The Group as lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the lease.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Leases (continued)

The Group as lessor (continued)

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful life of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments made to Central Provident Fund ("**CPF**") are recognised as expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the service capitals. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefits in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deduction of any amount already paid.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

(a) Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "loss before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Taxation (continued)

(b) Deferred tax (continued)

For the purpose of measuring deferred tax for leasing transaction in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income taxes requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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

(c) Current and deferred tax

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(d) Goods and services tax ("**GST**")

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other receivables or payables in the consolidated statements of financial position.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the functional currency of the entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Impairment on property, plant and equipment and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Impairment on property, plant and equipment and right-of-use assets (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than freehold land less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals. Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the group companies' shareholders, where appropriate.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Financial instruments

Initial recognition

Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent settlement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of IFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("**OCI**") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

Impairment of financial assets and contract assets

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including trade receivables, other receivables and deposits, bank deposits and bank balances and cash) and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component.

For all other financial instruments, the Group measures the loss allowance at an amount equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's is ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default (i.e. no default history), (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group also considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised directly in profit or loss.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with exception of trade and other receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred financial asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, lease liabilities, bank borrowings and bank overdrafts) are subsequently measured at amortised cost using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Financial instruments (continued)

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise bank balances and cash that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and if that person:

(i) has control or joint control over of the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiaries is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Group are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group (if the Group is itself such a plan) and the sponsoring employers are also related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting policy information (continued)

Related parties (continued)

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources, or obligations between the Group and a related party, regardless of whether a price is charged.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3 to the consolidated financial statements, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Revenue recognition from provision of civil engineering works and building construction works

The Group recognises contract revenue and contract costs from provision of civil engineering works and building construction works using input method, based on the actual costs incurred by the Group to date compared with the total budgeted costs for the project to estimate the revenue recognised during the period.

The estimated total contract costs are based on contracted amounts, and in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred and adjusted for any price fluctuations during the year, where applicable. Notwithstanding that management reviews and revises the estimates of both revenue and total contract costs as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

Management reviews the construction contracts for foreseeable losses whenever there is an indication that the estimated contract revenue is lower than the estimated total contract costs.

The carrying amounts of contract assets and contract liabilities arising from provision of civil engineering works and building construction works are disclosed in Note 21.

Estimated impairment of trade receivables and contract assets

Trade receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually.

In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on past-due aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The carrying amount of trade receivables and contract assets as at 30 September 2024 and 2023 are disclosed in Notes 19 and 21 respectively.

During the year ended 30 September 2024, net (reversal of)/allowance for expected credit losses of S$(55,499) (2023: S$745,659) and S$(107,923) (2023: S$580,379) in respect of trade receivables and contract assets were recognised in the statement of profit or loss and other comprehensive income respectively.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Fair value measurement of investment properties and properties held under joint operations

The Group's investment properties amounting to S$11,460,000 (2023: S$10,550,000) and investment properties held under joint operations amounting to S$4,250,000 (2023: S$4,250,000) as at 30 September 2024 are measured at fair values with fair values being determined based on unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these properties. See Notes 15 and 16 for further disclosures respectively.

Impairment of property, plant and equipment

Property, plant and equipment are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset including right-of-use assets, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the cash flows projections, growth rate and discount rate are subject to greater uncertainties in the current year due to uncertainty on the volatility in financial markets, including potential disruptions in the Group's provision of construction services.

As at 30 September 2024, the carrying amounts of property, plant and equipment subject to impairment assessment were approximately S$11,819,158 (2023: S$11,213,368) respectively. No impairment has been made for the years ended 30 September 2024 and 2023.

5 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from provision of construction services (including civil engineering works, building construction works and other ancillary services) by the Group to external customers and property investment being rental income from investment properties and investment properties held under joint operations.

(i) Disaggregation of revenue from contracts with customers

	2024 S$	2023 S$
Type of services		
Construction services		
– Civil engineering works	**51,993,643**	48,157,252
– Building construction works	**138,783**	7,395,252
– Other ancillary services	**3,335,050**	36,314
Revenue from contracts with customers	**55,467,476**	55,588,818
Rental from property investment	**506,100**	466,820
Segment revenue *(Note 5(iv))*	**55,973,576**	56,055,638
Timing of revenue recognition		
Over time	**55,467,476**	55,588,818
Type of customers		
Corporate	**46,842,925**	47,195,853
Government	**8,624,551**	8,392,965
	55,467,476	55,588,818

(ii) Performance obligations for contracts with customers

The Group derives its revenue from provision of construction services over time.

5 REVENUE AND SEGMENT INFORMATION (continued)

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as at the end of each reporting period:

	2024 **S$**	2023 S$
Civil engineering works		
– Within one year	**62,533,662**	66,752,387
– More than one year but not more than two years	**31,555,850**	32,494,749
– More than two years but not more than five years	**28,813,731**	34,557,743
	122,903,243	133,804,879
Building construction works		
– Within one year	**–**	118,104
– More than one year but not more than two years	**–**	–
	–	118,104
	122,903,243	133,922,983

During the year, majority of the construction contracts for services provided to external customers last over 12 months (2023: 12 months).

All performance obligations for provision of other ancillary services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

(iv) Segment information

Information is reported to the executive directors of the Company, being the Chief Operating Decision Makers ("**CODMs**") of the Group, for the purposes of resource allocation and performance assessment. The CODMs review segment revenue and results attributable to each segment, which is measured by reference to respective segments' gross profit. The Group has two operating segments as follows:

- Construction services: provision of civil engineering works, building construction works and other ancillary services to government and commercial corporations.

- Property investment: leasing of residential and industrial properties.

No analysis of the Group's assets and liabilities is regularly provided to the CODMs for review.

5 REVENUE AND SEGMENT INFORMATION (continued)

(iv) Segment information (continued)

	2024 S$	2023 S$
Segment revenue		
Construction services	**55,467,476**	55,588,818
Property investment	**506,100**	466,820
	55,973,576	56,055,638
Segment results		
Construction services	**4,445,157**	3,440,572
Property investment	**353,934**	365,074
	4,799,091	3,805,646
Unallocated:		
Other income	**341,780**	190,683
Other gains and losses	**792,865**	3,313,936
Administrative expenses	**(5,998,944)**	(5,690,465)
Reversal of/(allowance for) expected credit losses on financial assets and contract assets, net	**189,669**	(1,326,234)
Finance costs	**(905,894)**	(995,642)
Share of result of a joint venture	**(2,720)**	(575,142)
Loss before taxation	**(784,153)**	(1,277,218)

(v) Geographical information

The Group principally operates in Singapore, which is also the place of domicile. The Group's revenue are all derived from Singapore (2023: 100%) and the Group's non-current assets are all located in Singapore.

5 REVENUE AND SEGMENT INFORMATION (continued)

(vi) Information about major customers

Revenue from customers individually contributing over 10% of total revenue of the Group during the year are as follows:

	2024	2023
	S$	S$
Customer I**	**–***	5,801,600
Customer II**	**5,252,042**	6,838,688
Customer III**	**7,281,481**	10,902,056
Customer IV**	**6,240,057**	6,446,798
Customer V**	**6,119,196**	6,855,052
Customer VI**	**7,603,210**	–*

* *Revenue from the relevant customers did not contribute over 10% of the Group's total revenue for the reporting period.*

** *Revenue was derived from provision of construction services.*

6 OTHER INCOME

	2024	2023
	S$	S$
Government grants *(Note (i))*	**30,745**	23,852
Rental income from renting equipment	**284,583**	58,000
Interest income from bank deposits	**26,452**	19,259
Others *(Note (ii))*	**–**	89,572
	341,780	190,683

Notes:

(i) *Government grants for the year ended 30 September 2024 and 2023 mainly represented the employment credit scheme.*

All government grants were compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs. There are no special condition or contingencies that are needed to be fulfilled and they were non-recurring in nature.

(ii) *During the year ended 30 September 2023, others mainly represented insurance claims of approximately S$49,300.*

7 OTHER GAINS AND LOSSES

	2024 S$	2023 S$
Net gain on disposal of property, plant and equipment *(Note (i))*	**161,106**	3,271,035
Net loss on disposal of investment property held under joint operations *(Note (ii))*	**–**	(305,000)
Gain from sale of scrap materials	**149,019**	52,910
Net foreign exchange losses	**(443,243)**	(340,812)
Fair value gains on investment properties	**910,000**	337,000
Fair value losses on investment properties held under joint operations	**–**	(190,000)
Fair value gains on financial assets at fair value through profit or loss	**15,983**	8,439
Write back of payables	**–**	480,364
	792,865	3,313,936

Notes:

(i) Included in the net gain on disposal of property, plant and equipment during the year ended 30 September 2023 was mainly a net gain of approximately S$2.1 million recorded from the Group's disposal of a property to an external party at a consideration of approximately S$3.7 million.

(ii) During the year ended 30 September 2023, the Group disposed an investment property held under joint operations to an external party at a consideration of approximately S$1.2 million and recorded a net loss of approximately S$0.3 million.

8 FINANCE COSTS

	2024 S$	2023 S$
Interests on:		
– Bank borrowings	**618,395**	730,025
– Bank overdrafts	**239,820**	210,458
– Lease liabilities	**47,679**	55,159
	905,894	995,642

9 LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	2024 **S$**	2023 S$
Depreciation of property, plant and equipment:		
– recognised as cost of services	**1,608,420**	1,386,216
– recognised as administrative expenses	**977,302**	913,349
	2,585,722	2,299,565
Expense relating to short-term leases	**159,270**	127,569
Auditors' remuneration:		
– Annual audit fees	**146,475**	307,672
Directors' remuneration *(Note 11)*	**1,038,216**	1,028,495
Other staff costs:		
– Salaries and other benefits	**5,862,187**	5,711,509
– Contributions to Central Provident Fund ("**CPF**")	**329,804**	324,488
– FWL and skill development levy	**988,171**	1,064,960
Total staff costs (including Directors' remuneration):	**8,218,378**	8,129,452
– recognised as cost of services	**5,618,669**	5,539,754
– recognised as administrative expenses	**2,599,709**	2,589,698
Cost of materials recognised as cost of services	**19,519,635**	13,828,788
Subcontracting costs recognised as cost of services	**21,385,605**	28,752,387

10 INCOME TAX

	2024	2023
	S$	S$
Tax (credit)/expense comprises:		
Current tax		
– Singapore corporate income tax ("**CIT**")	**–**	–
– Over provision in prior years	**–**	(240,107)
Deferred tax		
– Current year	**–**	–
	–	(240,107)

Singapore CIT is calculated at 17% (2023: 17%) of the estimated assessable profit of the Singapore subsidiaries. Singapore subsidiaries can enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$190,000 of normal chargeable income for the years ended 30 September 2024 and 2023.

The income tax for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024	2023
	S$	S$
Loss before taxation	**(784,153)**	(1,277,218)
Tax at applicable tax rate of 17%	**(133,306)**	(217,127)
Effect of income not taxable for tax purpose	**(293,952)**	(704,762)
Effect of expenses not deductible for tax purpose	**433,708**	998,453
Tax effect of share of result of a joint venture	**462**	97,774
Effect of unused tax losses and deductible temporary differences not recognised	**270,298**	106,550
Effect of previously unrecognised and unused tax losses now being utilised	**(277,210)**	(280,888)
Over provision for current tax in prior years	**–**	(240,107)
Taxation for the year	**–**	(240,107)

10 INCOME TAX (continued)

The unused tax losses were as follows:

	2024 S$	2023 S$
Unused tax losses	**12,200,139**	11,692,655

As at 30 September 2024 and 2023, the Group has unused tax losses available for offset against future profits. No deferred tax asset has been recognised in respect of such losses and temporary differences due to the unpredictability of future profit streams of the respective group companies. The unrecognised tax losses can be carried forward subject to there being no substantial change in shareholders nor the group companies' principal activities as required by provisions of the Singapore Income Tax Act.

11 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION

Directors' and chief executive's emoluments

Mr. Poon was appointed as executive directors of the Company on 17 September 2018 and resigned on 25 September 2024. Mr. Chan Kwok Wing Kelvin was appointed as independent non-executive directors of the Company on 23 August 2019 and resigned on 29 November 2024. Mr. Tam Hon Fai was appointed as independent non-executive directors of the Company on 23 August 2019 and resigned on 25 September 2024. Mr. Wong Ka Bo Jimmy was appointed as independent non-executive director of the Company on 22 January 2021 and resigned on 25 September 2024. Mr. Koh Chew Chiang was appointed as executive director on 26 November 2021 and resigned on 25 September 2024.

Mr. Ho Chi Hong was appointed as an executive Director and the chairman of the Board on 25 September 2024. Mr. Chang Tin Duk Victor was appointed as an executive Director on 25 September 2024. Mr. Law Ka Wing Eric was appointed as a non-executive Director on 25 September 2024. Mr. Tam Tak Kei Raymond and Mr. Li Tao was appointed as an independent non-executive Director on 25 September 2024. Ms. Chen Yunxia was appointed as an independent non-executive Director on 29 November 2024.

11 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION (continued)

Directors' and chief executive's emoluments (continued)

The emoluments paid or payable to the directors and chief executive of the Company (including emoluments for services as employees/directors of the Group prior to becoming the directors of the Company) by entities comprising the Group are as follows:

Year ended 30 September 2024

	Fees S$	Discretionary bonus *(Note (iv))* S$	Salaries and allowances S$	Contributions to CPF *(Note (v))* S$	Total S$
Executive Directors					
Mr. Poon	–	43,000	516,000	15,048	574,048
Mr. Koh Chew Chiang	–	26,000	288,000	25,857	339,857
Mr. Ho Chi Hong	321	–	–	–	321
Mr. Chang Tin Duk Victor	321	–	–	–	321
Non-executive Director					
Mr. Law Ka Wing Eric	321	–	–	–	321
Independent Non-executive Directors					
Mr. Wong Ka Bo Jimmy	40,902	–	–	–	40,902
Mr. Chan Kwok Wing Kelvin	40,902	–	–	–	40,902
Mr. Tam Hon Fai	40,902	–	–	–	40,902
Mr. Tam Tak Kei Raymond	321	–	–	–	321
Mr. Li Tao	321	–	–	–	321
	124,311	69,000	804,000	40,905	1,038,216

Year ended 30 September 2023

	Fees S$	Discretionary bonus *(Note (iv))* S$	Salaries and allowances S$	Contributions to CPF *(Note (v))* S$	Total S$
Executive Directors					
Mr. Poon	–	43,000	516,000	15,642	574,642
Mr. Koh Chew Chiang	–	24,000	282,000	23,341	329,341
Independent Non-executive Directors					
Mr. Wong Ka Bo Jimmy	41,504	–	–	–	41,504
Mr. Chan Kwok Wing Kelvin	41,504	–	–	–	41,504
Mr. Tam Hon Fai	41,504	–	–	–	41,504
	124,512	67,000	798,000	38,983	1,028,495

11 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION (continued)

Directors' and chief executive's emoluments (continued)

Notes:

(i) The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

(ii) No other retirement benefits were paid to directors in respect of their respective services in connection with the management of the affairs of the Company or its subsidiaries undertaking.

The executive directors' emoluments shown above were for their services in connection with the management affairs of the Group.

Employees' remuneration

Of the five individuals with the highest emoluments in the Group, two (2023: two) were directors of the Company during the year ended 30 September 2024 whose emoluments are included in the disclosures above. The emoluments of the remaining individuals were as follows:

	2024	2023
	S$	S$
Salaries and allowances	**364,853**	391,200
Discretionary bonus	**18,500**	13,800
Contribution to CPF	**43,608**	44,064
	426,961	449,064

11 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION (continued)

Employees' remuneration (continued)

During the year, the remunerations of the five highest paid individuals are within following bands:

	Number of individuals	
	2024	2023
Emolument bands		
Nil to Hong Kong dollars ("**HK$**") 1,000,000	**2**	3
HK$1,000,001 to HK$1,500,000	**1**	–
HK$1,500,001 to HK$2,000,000	**1**	1
HK$2,000,001 to HK$2,500,000	**–**	–
HK$2,500,001 to HK$3,000,000	**–**	–
HK$3,000,001 to HK$3,500,000	**1**	1
	5	5

During the year, no remuneration was paid by the Group to the directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company or five highest paid individuals waived any remuneration during the year.

12 DIVIDENDS

No dividend has been declared by the Company or group entities during the year (2023: Nil) or subsequent to the year end.

13 LOSS PER SHARE

	2024	2023
Loss for the year attributable to owners of the Company (S$)	**(784,153)**	(1,037,111)
Weighted average number of ordinary shares in issue	**480,000,000**	480,000,000
Basic and diluted loss per share (S cents)	**(0.16)**	(0.22)

The calculation of basic loss per share for the years ended 30 September 2024 and 2023 is based on the loss for the year attributable to owners of the Company and the weighted average number of shares in issue.

Diluted loss per share is the same as the basic loss per share because the Group had no dilutive securities that are convertible into shares during the years ended 30 September 2024 and 2023.

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and properties S$	Buildings and freehold land S$	Dormitories S$	Motor vehicles S$	Plant and machinery S$	Office equipment S$	Furniture and fittings S$	Leasehold improvement S$	Total S$
Cost:									
At 1 October 2022	9,673,870	1,717,867	1,306,858	6,422,987	8,983,400	435,629	112,236	1,558,192	30,211,039
Additions	–	–	–	200,488	1,441,500	23,210	–	–	1,665,198
Disposal/written off	–	(1,717,867)	–	(756,911)	(1,930,799)	(2,808)	–	(213,704)	(4,622,089)
At 30 September 2023 and 1 October 2023	9,673,870	–	1,306,858	5,866,564	8,494,101	456,031	112,236	1,344,488	27,254,148
Additions	–	–	1,438,091	35,660	1,871,000	15,094	–	–	3,359,845
Disposal/written off	–	–	–	(225,934)	(552,000)	–	–	–	(777,934)
At 30 September 2024	9,673,870	–	2,744,949	5,676,290	9,813,101	471,125	112,236	1,344,488	29,836,059
Accumulated depreciation:									
At 1 October 2022	1,605,716	123,169	750,489	5,783,366	6,532,376	359,607	108,899	1,508,719	16,772,341
Charge for the year	336,453	3,735	386,005	302,561	1,176,052	41,949	3,337	49,473	2,299,565
Disposal/written off	–	(126,904)	–	(756,911)	(1,930,799)	(2,808)	–	(213,704)	(3,031,126)
At 30 September 2023 and 1 October 2023	1,942,169	–	1,136,494	5,329,016	5,777,629	398,748	112,236	1,344,488	16,040,780
Charge for the year	336,453	–	537,842	245,262	1,434,408	31,757	–	–	2,585,722
Disposal/written off	–	–	–	(225,934)	(383,667)	–	–	–	(609,601)
At 30 September 2024	2,278,622	–	1,674,336	5,348,344	6,828,370	430,505	112,236	1,344,488	18,016,901
Carrying values:									
At 30 September 2024	7,395,248	–	1,070,613	327,946	2,984,731	40,620	–	–	11,819,158
At 30 September 2023	7,731,701	–	170,364	537,548	2,716,472	57,283	–	–	11,213,368

14 PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives after taking into account the residual values:

Freehold land	N/A
Buildings	50 years
Leasehold land	Remaining lease term of approximately with in 1 year to 19 years
Leasehold properties	30 years
Dormitories	Lease term of 1 to 2 years
Motor vehicles	5 years
Plant and machinery	5 years
Office equipment	5 years
Furniture and fittings	5 years
Leasehold improvement	Shorter of 5 years and lease term

The carrying amounts of right-of-use assets (including in the property, plant and equipment as at 30 September 2024 and 2023, additions and depreciation by classes of right-of-use assets during the year are set out below:

	2024	2023
	S$	S$
Carrying amount		
Leasehold land	**1,048,746**	1,107,281
Dormitories	**1,070,613**	170,364
Plant and machinery	**–**	551,551
Motor vehicles	**59,373**	130,620
	2,178,732	1,959,816
Additions during the year		
Leasehold land	**–**	–
Dormitories	**1,438,091**	–
Plant and machinery	**–**	–
Motor vehicles	**–**	–
	1,438,091	–
Depreciation recognised in profit or loss		
Leasehold land	**58,535**	58,535
Dormitories	**537,842**	386,005
Plant and machinery	**96,217**	441,933
Motor vehicles	**72,247**	116,206
	764,841	1,002,679

As at 30 September 2024, the leasehold properties and buildings and freehold land with carrying value of S$6,346,502 (2023: S$6,624,420) in total are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 24.

15 INVESTMENT PROPERTIES

	Investment properties S$
Fair value	
At 30 September 2022	10,213,000
Net increase in fair value recognised in profit or loss	337,000
At 30 September 2023	10,550,000
Net increase in fair value recognised in profit or loss	910,000
At 30 September 2024	11,460,000

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's investment properties has been arrived at on the basis of a valuation carried out on the respective year end dates by GB Global Pte Ltd. (the "**Valuer**"), an independent qualified professional valuer, not related to the Group, whose method of valuation has been disclosed below. The address of the Valuer is at 60 Paya Lebar Road #07–55, Singapore 409051. The investment properties are categorised within level 3 of the fair value hierarchy.

The fair value was determined based on the direct comparison approach that reflects sale of the properties in its existing state with the benefit of vacant possession and by making reference to recent comparable sales transactions as available in the relevant market. There has been no change in the valuation technique during year.

15 INVESTMENT PROPERTIES (continued)

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Property	Valuation technique	Significant unobservable input(s)	Sensitivity
21 Toh Guan Road East #01-10, Singapore 608609	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$360 to S$528 (2023: S$376 to S$450) per square feet ("**sq ft.**") as at 30 September 2024.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
21 Toh Guan Road East #01-11, Singapore 608609	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$360 to S$528 (2023: S$376 to S$450) per sq ft. as at 30 September 2024.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
45 Hillview Avenue #01–05, Singapore 669613	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$1,514 to S$1,590 (2023: S$1,356 to S$1,472) per sq ft. as at 30 September 2024.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

15 INVESTMENT PROPERTIES (continued)

Property	Valuation technique	Significant unobservable input(s)	Sensitivity
45 Hillview Avenue #01–06, Singapore 669613	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$1,515 to S$1,591 (2023: S$1,356 to S$1,472) per sq ft. as at 30 September 2024.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
11 Kang Choo Bin Road #01–01, Singapore 548315	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$1,299 to S$1,682 (2023: S$1,263 to S$1,560) per sq ft. as at 30 September 2024.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
11 Kang Choo Bin Road #01–03, Singapore 548315	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged after taking the above adjustment factor from S$1,265 to S$1,637 (2023: S$1,263 to S$1,358) per sq ft. as at 30 September 2024.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

15 INVESTMENT PROPERTIES (continued)

Details of the Group's investment properties and information about the fair value hierarchy as at the end of each reporting period are as follows:

	Fair Value Level 3	
	2024	2023
	S$	S$
21 Toh Guan Road East #01–10, Singapore 608609	**1,650,000**	1,510,000
21 Toh Guan Road East #01–11, Singapore 608609	**1,650,000**	1,510,000
45 Hillview Avenue #01–05, Singapore 669613	**2,480,000**	2,240,000
45 Hillview Avenue #01–06, Singapore 669613	**2,470,000**	2,230,000
11 Kang Choo Bin Road #01–01, Singapore 548315	**1,440,000**	1,400,000
11 Kang Choo Bin Road #01–03, Singapore 548315	**1,770,000**	1,660,000
	11,460,000	10,550,000

All the above properties are pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 24. There was no transfer into or out of Level 3 during the year.

Details of rental income earned from and direct operating expenses for the Group's investment properties are disclosed as follows:

	2024	2023
	S$	S$
Gross rental income recognised as rental revenue	**312,100**	281,320
Less: Direct operating expenses incurred and recognised as cost of services	**(93,121)**	(76,728)
	218,979	204,592

16 INVESTMENT PROPERTIES HELD UNDER JOINT OPERATIONS

Fair value hierarchy of the Group's investment properties held under joint operations are as follows:

	Fair Value Level 3	
	2024	2023
	S$	S$
114 Lavender Street, #01–68 CT Hub 2, Singapore 338729 *(Note (i))*	**8,500,000**	8,500,000
Proportion of the Group's ownership interest in the investment properties held under joint operations	**50%**	50%
Group's share of the investment properties held under joint operations	**4,250,000**	4,250,000

16 INVESTMENT PROPERTIES HELD UNDER JOINT OPERATIONS (continued)

The fair value of the Group's investment properties held under joint operations has been arrived at on the basis of a valuation carried out on the respective year end dates by the Valuer, whose method of valuation has been disclosed below. The investment properties are categorised within level 3 of the fair value hierarchy.

The fair value was determined based on the direct comparison approach that reflects sale of the properties in its existing state with the benefit of vacant possession and by making reference to recent comparable sales transactions as available in the relevant market. There has been no change in the valuation technique during the year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Property	Valuation technique	Significant unobservable input(s)	Sensitivity
114 Lavender Street #01–68, CT Hub 2, Singapore 338729	Direct comparison	Market unit rate, taking into account recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which ranged from S$1,012 to S$1,234 (2023: S$1,000 to S$1,225) per sq ft. as at 30 September 2024.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

The property is pledged to banks to secure banking facilities including bank borrowings as disclosed in Note 24. There was no transfer into or out of Level 3 during the year.

Notes:

(i) *Pursuant to the arrangement with the joint party in connection with the property, all the costs, deposit, revenue and mortgage loan related to the property shall be shared by the Group and the joint party in proportion to their respective ownership. The relative information attributed to the Group's interest is as follows:*

	2024 S$	2023 S$
Group's share of the investment property held under joint operation:		
At beginning of the year	***4,250,000***	*4,440,000*
Net decrease in fair value recognised in profit or loss	–	*(190,000)*
At end of the year	***4,250,000***	*4,250,000*

16 INVESTMENT PROPERTIES HELD UNDER JOINT OPERATIONS (continued)

Details of rental income earned from and direct operating expenses for investment properties held under joint operations attributable to the Group are disclosed as follows:

	2024 S$	2023 S$
Gross rental income recognised as rental revenue	**194,000**	185,500
Less: Direct operating expenses incurred and recognised as cost of services	**(59,045)**	(25,018)
	134,955	160,482

17 INTEREST IN A JOINT VENTURE

	2024 S$	2023 S$
Cost of interest in a joint venture, unlisted	**1,000,000**	1,000,000
Share of post acquisition loss and other comprehensive loss	**(991,652)**	(988,932)
	8,348	11,068

The Group has interest in the following joint venture:

Name of joint venture	**Place of incorporation**	**Proportion of ownership interest held by the Group**	**Principal activities**
Ramo — Sing Tec JV Pte. Ltd.	Singapore	50%	General contractors

Ramo — Sing Tec JV Pte. Ltd. was incorporated in June 2014 with S$2,000,000 registered capital, out of which, the Group contributed S$1,000,000.

17 INTEREST IN A JOINT VENTURE (continued)

Summarised financial information in respect of the joint venture, representing amounts shown in the joint venture's financial statements prepared in conformity with IFRSs are as below:

	2024 S$	2023 S$
Current assets, representing total assets	**16,696**	22,136
– including cash and cash equivalents	**16,696**	22,136
Current liabilities, representing total liabilities	**–**	–
Net assets	**16,696**	22,136
Proportion of the Group's ownership interest in the joint venture	**50%**	50%
Group's share of net assets, representing the carrying amount of the Group's interest in the joint venture	**8,348**	11,068

	2024 S$	2023 S$
Revenue	**–**	–
Loss for the year, representing total comprehensive loss for the year	**(5,440)**	(1,150,284)
Proportion of the Group's ownership interest in the joint venture	**50%**	50%
Group's share of result of the joint venture	**(2,720)**	(575,142)

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 **S$**	2023 S$
Keyman life insurance policy, at fair value		
Balance at beginning of year	**1,266,447**	1,258,008
Fair value gain *(Note 7)*	**15,983**	8,439
Balance at end of year	**1,282,430**	1,266,447

During the year ended 30 September 2020, the Group entered into two life insurance policies with an insurance company to insure against the death and permanent disability of executive directors. Under the policies, the beneficiary and policies holder are Sing Tec Development Pte. Ltd., a wholly owned subsidiary of the Company, and the insured sum and minimum protection amount are S$765,150 and S$1,103,000 respectively. The contracts will be terminated on the occurrence of the earliest of the death of the key management personnel insured or other terms pursuant to the contracts. The Company has paid out the total insurance premium with an aggregate amount of S$1,527,281 at the inception of the policies. The Group may request a surrender of the contracts at any time and receive cash back based on the cash value at the date of withdrawal, which is determined by the gross premium paid at inception plus accumulated guaranteed interest earned and minus insurance premium charged (the "**Cash Value**"). The fair value is based on redemption value quoted by the insurance company.

These policies are recorded in the consolidated financial statements at fair value, represented by the total cash surrender value of the contract stated in the annual statement of these policies (level 2), as disclosed in Note 31(d).

19 TRADE RECEIVABLES

	2024 **S$**	2023 S$
Trade receivables	**8,299,673**	4,868,991
Less: allowance for expected credit losses	**(337,689)**	(393,188)
	7,961,984	4,475,803

The Group grants credit terms to customers typically 30 to 35 days (2023: 30 to 35 days) from the invoice dates. The following is an aged analysis of trade receivables, net of allowance for expected credit losses, presented based on the invoice date at the end of each reporting period:

	2024 **S$**	2023 S$
Within 30 days	**6,044,924**	3,036,172
31 days to 60 days	**548,226**	91,054
61 days to 90 days	**633,165**	19,629
91 days to 180 days	**617,601**	59,484
181 days to 1 year	**26,188**	7,619
Over 1 year	**91,880**	1,261,845
	7,961,984	4,475,803

The Group did not possess any collateral of plants and machinery against trade receivables as of 30 September 2024 (2023: S$1.5 million).

The Group applied simplified approach to assess the expected credit losses prescribed by IFRS 9. There has been no change in the estimation techniques or significant assumptions made. Details of impairment assessment of trade receivables are set out in Notes 4 and 31(b).

The Group has recognised a net reversal of expected credit losses of S$55,499 to the consolidated statement of profit or loss during the year ended 30 September 2024 (2023: net allowance for S$745,659).

20 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024	2023
	S$	S$
Sundry debtors	**499,366**	1,418,305
Prepayments and advances	**435,584**	236,568
Deposits	**1,513,892**	871,132
	2,448,842	2,526,005
Less: allowance for expected credit losses	**(14,414)**	(40,661)
	2,434,428	2,485,344

Details of impairment assessment are set out in Notes 4 and 31(b).

21 CONTRACT ASSETS/LIABILITIES

The following is the analysis of the contract assets and contract liabilities balances for financial reporting purpose:

	30 September 2024	30 September 2023	1 October 2022
	S$	S$	S$
Contract assets, net of loss allowance	**23,781,688**	20,571,767	21,692,831
Contract liabilities	**(3,899,299)**	(34,601)	(17,085)
	19,882,389	20,537,166	21,675,746

21 CONTRACT ASSETS/LIABILITIES (continued)

Contract assets

Amounts of contract assets represent the Group's rights to considerations from customers for the provision of construction services, which arise when: (i) the Group completed the relevant services under such contracts; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 months (defect liability period) after completion of the relevant works. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

The expected timing of recovery of settlement for contract assets as at 30 September is as follows:

	2024	2023
	S$	S$
Within one year	**16,728,553**	15,183,997
After one year	**7,053,135**	5,387,770
Total contract assets	**23,781,688**	20,571,767

The Group's contract assets are analysed as follows:

	2024	2023
	S$	S$
Construction contracts – current:		
Retention receivables	**7,059,870**	5,624,006
Others*	**16,739,826**	15,073,692
	23,799,696	20,697,698
Less: allowance for expected credit losses	**(18,008)**	(125,931)
	23,781,688	20,571,767

* *It represents the revenue not yet been billed to the customers which the Group have completed the relevant services under such contracts but yet certified by representatives appointed by the customers.*

Changes of contract assets during the year were mainly due to: (1) the amount of retention receivables in accordance with the number of ongoing and completed contracts under the defect liability period during the year; and (2) in the size and number of contract works that the relevant services were completed but yet certified by representatives appointed by the customers at the end of each reporting period.

The Group's contract assets include retention receivables to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of the reporting period. The balances are classified as current as they are expected to be received within the Group's normal operating cycle.

21 CONTRACT ASSETS/LIABILITIES (continued)

Contract assets (continued)

The Group has recognised the net reversal of expected credit losses of S$107,923 to the consolidated statement of profit or loss during the year ended 30 September 2024 (2023: net allowance for S$580,379).

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets. Details of impairment assessment are set out in Notes 4 and 31(b).

Contract liabilities

The contract liabilities represents the Group's obligation to transfer services to customers for which the Group has received consideration (or an amount of consideration is due) from the customers.

The Group's contract liabilities are analysed as follows:

	2024	2023
	S$	S$
Construction contracts — current	**3,899,299**	34,601

Out of revenue recognised during the year, S$34,601 (2023: S$17,085) relates to carried-forward contract liabilities that were included in contract liabilities balance presented in the consolidated statement of financial position at beginning of the year.

None of the revenue recognised during the year relates to performance obligations that were satisfied in prior years.

22 BANK DEPOSITS/BANK BALANCES AND CASH

Bank deposits represent deposits pledged to a bank to secure banking facilities, including bank borrowings granted to the Group (Note 24). These bank deposits are not expected to be released within twelve months from the financial year end and presented as non-current assets.

Bank deposits carry fixed interest rate of 0.1% to 1.5% (2023: 0.1% to 1.5%) per annum as at 30 September 2024.

The remaining bank balances and cash are interest free or at nominal rate.

23 TRADE AND OTHER PAYABLES

	2024 S$	2023 S$
Trade payables	**7,067,901**	4,273,229
Trade accruals	**6,751,083**	6,275,978
Retention payables*	**3,633,979**	3,653,275
	17,452,963	14,202,482
Payroll and CPF payables	**1,006,944**	975,594
Deposits	**119,200**	83,650
Sundry creditors	**254,897**	489,007
GST payable	**601,901**	45,549
Accrued expenses	**572,655**	327,774
	2,555,597	1,921,574
	20,008,560	16,124,056

* *The retention payables to subcontractors are interest-free and payable after the completion of maintenance period or in accordance with the terms specified in the relevant contracts for a period of generally 12 months after completion of the relevant works. These are classified as current as they are expected to be paid within the Group's normal operating cycle.*

The average credit period on purchases from suppliers is 30 to 60 days or payable on delivery (2023: 30 to 60 days or payable on delivery).

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2024 S$	2023 S$
Within 30 days	**2,775,586**	2,303,422
31 days to 60 days	**1,777,400**	854,009
61 days to 90 days	**1,070,868**	605,364
Over 90 days	**1,444,047**	510,434
	7,067,901	4,273,229

24 BANK OVERDRAFTS/BANK BORROWINGS/BANK BORROWINGS HELD UNDER JOINT OPERATIONS

	2024 **S$**	2023 S$
Bank overdrafts *(Note (i))*	**4,479,752**	4,614,289
Bank borrowings – secured and guaranteed *(Note (ii))*	**9,491,099**	10,850,221
Analysed as carrying amount repayable:		
Within one year	**5,944,625**	6,037,672
More than one year, but not exceeding two years	**217,967**	1,265,322
More than two years, but not exceeding five years	**728,719**	690,527
More than five years	**2,599,788**	2,856,700
	9,491,099	10,850,221
Less: Amounts due within one year (shown under current liabilities)	**(5,944,625)**	(6,037,672)
Amounts shown under non-current liabilities	**3,546,474**	4,812,549
Bank borrowings held under joint operations:		
The total mortgage bank loans related to investment properties held under joint operations	**4,725,854**	4,920,786
Proportion of the Group's ownership interest in the mortgage bank loans	**50%**	50%
Group's share of the mortgage bank loans related to investment properties held under joint operations – secured and guaranteed *(Note (iii))*	**2,362,927**	2,460,393
Analysed as carrying amount repayable:		
Within one year	**101,151**	96,339
More than one year, but not exceeding two years	**105,879**	101,153
More than two years, but not exceeding five years	**347,995**	332,461
More than five years	**1,807,902**	1,930,440
	2,362,927	2,460,393
Less: Amounts due within one year (shown under current liabilities)	**(101,151)**	(96,339)
Amounts shown under non-current liabilities	**2,261,776**	2,364,054

24 BANK OVERDRAFTS/BANK BORROWINGS/BANK BORROWINGS HELD UNDER JOINT OPERATIONS (continued)

Notes:

(i) Bank overdrafts carry interests at market rates of 5.5% (2023: 5.5%) per annum as at 30 September 2024. The balances are secured and jointly guaranteed by the executive directors of the Company and corporate guarantees provided by the Company and a subsidiary.

(ii) The bank borrowings are secured and guaranteed by:

(a) First legal mortgage over owner-occupied properties and investment properties as set out in Notes 14 and 15;

(b) Joint and several guarantees from the executive directors of the Company in their personal capacities;

(c) Corporate guarantees provided by the Company and a subsidiary; and

(d) Bank deposits pledged to banks to secure banking facilities, including bank overdrafts, granted to the Group, amounting to S$510,384 (2023: S$506,966) as at 30 September 2024 (Note 22).

(iii) The bank borrowings held under joint operations are secured by first legal mortgage over investment properties held under joint operations as set out in Note 16. In addition, joint and several guarantees are provided by the executive directors of the Company and the joint partners.

The weighted average effective interest rates of the borrowings were 4.8% (2023: 4.5%) per annum for the year ended 30 September 2024. The amounts are repayable at various dates throughout to 2037.

25 LEASE LIABILITIES

	2024	2023
	S$	S$
Lease liabilities payable:		
Within one year	**750,713**	416,902
Within a period of more than one year but not exceeding two years	**478,786**	100,148
Within a period of more than two years but not exceeding five years	**162,388**	158,778
Within a period of more than five years	**838,924**	894,277
Present value of minimum lease payments:	**2,230,811**	1,570,105
Current	**750,713**	416,902
Non-current	**1,480,098**	1,153,203
	2,230,811	1,570,105

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function. The weighted average incremental borrowing rates applied to lease liabilities range from 2.3% to 5.1% (2023: ranged from 2.3% to 5.6%).

26 SHARE CAPITAL/RESERVES

Share capital

	Number of ordinary shares	Par value HK$	Share capital HK$
Authorised share capital of the Company:			
At 1 October 2022, 30 September 2023, 1 October 2023 and 30 September 2024	1,000,000,000	0.01	10,000,000

	Number of ordinary shares	Share capital S$
Issued and fully paid of the Company:		
At 1 October 2022, 30 September 2023, 1 October 2023 and 30 September 2024	480,000,000	847,680

Properties revaluation reserves

The properties revaluation reserves arise from the difference between the carrying amount and the fair value of properties at the date of transfer from property, plant and equipment to investment properties. Where the revalued properties are sold, the portion of the properties revaluation reserves that relate to those assets is effectively realised and is transferred directly to retained earnings.

The properties revaluation reserves are not available for distribution to the Company's shareholders.

	2024 S$	2023 S$
At beginning and end of the year	**767,248**	767,248

27 RETIREMENT BENEFIT PLAN

As prescribed by the Central Provident Fund Board of Singapore, the Group's employees employed in Singapore who are Singapore Citizens or Permanent Residents are required to join the CPF scheme. For the year ended 30 September 2024, the Group contributes up to 17% (2023: 17%) of the eligible employees' salaries to the CPF scheme. From 1 September 2023, the qualifying salary cap has increased to S$6,300 while it was S$6,000 per month before that date.

The total costs charged to profit or loss, amounting to S$370,709 (2023: S$363,470), for the financial year ended 30 September 2024, represent contributions paid to the retirement benefits scheme by the Group.

As at 30 September 2024, contributions of S$74,870 (2023: S$57,771) were accrued. The amounts were paid subsequent to the end of the year.

During the years ended 30 September 2024 and 2023, the Group had no forfeited contributions under the CPF and the retirement benefits scheme utilised to reduce the existing levels of contributions. As at 30 September 2024 and 2023, there was no forfeited contribution under the CPF and the retirement benefit scheme which may be used by the Group to reduce the contribution payable in the future years.

28 COMMITMENTS

Operating lease commitments

The Group as lessor

The details of rental income earned on buildings and freehold land and investment properties are disclosed in Notes 6, 15 and 16 respectively.

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease receivables:

	2024 **S$**	2023 S$
Within one year	**474,780**	370,100
In the second year	**369,960**	92,600
In the third year	**150,980**	5,200
	995,720	467,900

The leases have tenures of 1 to 3 years (2023: 1 to 3 years), with no contingent rent provision included in the contracts.

29 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of each reporting period is as follows:

	2024	2023
	S$	S$
ASSETS AND LIABILITIES		
Non-current asset		
Investment in a subsidiary	**–***	–*
Current assets		
Other receivables, deposits and prepayments	**69,888**	28,553
Amounts due from subsidiaries	**7,824,409**	1,789,292
Bank balances and cash	**724,602**	7,996,243
	8,618,899	9,814,088
Current liabilities		
Other payables	**567,525**	468,963
	567,525	468,963
Net current assets	**8,051,374**	9,345,125
Total assets less current liabilities, representing net assets	**8,051,374**	9,345,125
EQUITY		
Capital and reserves		
Share capital	**847,680**	847,680
Share premium	**18,742,783**	18,742,783
Accumulated losses	**(11,539,089)**	(10,245,338)
Equity attributable to owners of the Company	**8,051,374**	9,345,125

* *The amount is less than S$1.*

29 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

A summary of the Company's capital and reserves is as follows:

	Share capital S$	Share premium S$	Accumulated losses S$	Total S$
At 30 September 2022	847,680	18,742,783	(9,035,936)	10,554,527
Loss for the year, representing total comprehensive loss for the year	–	–	(1,209,402)	(1,209,402)
At 30 September 2023	847,680	18,742,783	(10,245,338)	9,345,125
Loss for the year, representing total comprehensive loss for the year	–	–	(1,293,751)	(1,293,751)
At 30 September 2024	**847,680**	**18,742,783**	**(11,539,089)**	**8,051,374**

30 CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the reporting period.

The capital structure of the Group consists of debt, which includes bank overdrafts and borrowings and lease liabilities as disclosed in Notes 24 and 25 respectively, net of bank deposits, bank balances and cash and equity attributable to owners of the Group, comprising share capital and reserves.

The management of the Group reviews the capital structure on a regular basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of items in the context of capital structure, and takes appropriate actions to adjust the Group's capital structure. Based on recommendations of the management, the Group will balance its overall capital structure through continuity of funding of cash flows from operating activities or raising new funds.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings plus total lease liabilities less cash and cash equivalents. Total capital is calculated as "Equity" as shown in the consolidated statement of financial position plus net debt.

	2024	2023
	S$	S$
(Assets)/liabilities		
Bank borrowings	**9,491,099**	10,850,221
Bank borrowings held under joint operations	**2,362,927**	2,460,393
Bank overdrafts	**4,479,752**	4,614,289
Lease liabilities	**2,230,811**	1,570,105
Pledged bank deposits and bank balances and cash	**(6,649,265)**	(8,788,874)
Net debt	**11,915,324**	10,706,134
Total equity	**27,174,853**	27,959,006
Total capital	**39,090,177**	38,665,140
Gearing ratio	**30.5%**	27.7%

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of financial instruments

	2024 **S$**	2023 S$
Financial assets		
Amortised cost		
Trade receivables	**7,961,984**	4,475,803
Other receivables and deposits*	**1,998,844**	2,248,776
Bank balances and cash	**6,138,881**	8,281,908
Bank deposits	**510,384**	506,966
	16,610,093	15,513,453
Fair value through profit or loss	**1,282,430**	1,266,447
	17,892,523	16,779,900
Financial liabilities		
Amortised cost		
Trade and other payables**	**19,406,659**	16,078,507
Bank borrowings	**9,491,099**	10,850,221
Bank borrowings held under joint operations	**2,362,927**	2,460,393
Bank overdrafts	**4,479,752**	4,614,289
Lease liabilities	**2,230,811**	1,570,105
	37,971,248	35,573,515

* *Prepayments and advances are excluded.*

** *GST payable is excluded.*

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables and deposits, bank deposits, bank balances and cash, financial assets at fair value through profit or loss, trade and other payables, bank borrowings, bank overdrafts and lease liabilities. Details of these financial instruments are disclosed in respective notes to the consolidated financial statements. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management has assessed that there is exposure of cash flow interest rate risk on the variable rate bank borrowings and bank overdraft. The Group is exposed to fair value interest rate risk in relation to fixed-rate lease liabilities and bank deposits. It is the Group's policy to raise borrowings at fixed-rate or variable-rate according to business needs and as to minimise the fair value and cash flow interest rate risk.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

Interest rate sensitivity

Variable-rate bank borrowings

If interest rates of the variable-rate bank borrowings had been 10 basis points higher or lower and all other variables were held constant, the Group's loss for the year ended 30 September 2024 would increase/decrease by approximately S$14,000 (2023: loss for the year would increase/decrease by approximately S$15,000).

The above analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent interest risk as the year end exposure does not reflect the exposure during the year.

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(a) Market risk (continued)

Currency risk

The Group has certain bank balances and other payables denominated in HK$, other than the functional currency of the respective group entities, which exposes the Group to foreign currency risk. The Group manages the risk by closely monitoring the movements of the foreign currency rate.

The carrying amounts of the Group's monetary assets and liabilities denominated in foreign currencies at the end of each reporting period are as below:

	2024 **S$**	2023 S$
Monetary assets:		
Denominated in HK$	**5,920,751**	8,017,815
Monetary liabilities:		
Denominated in HK$	**567,525**	424,166

If the HK$ strengthens/weakens by 10% against the functional currency of the respective group entities, the Group's loss for the year ended 30 September 2024 would decrease/increase by approximately S$444,000 (2023: loss for the year would decrease/increase by approximately S$630,000).

In the management's opinion, the sensitivity analysis above is unrepresentative for the currency risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

(b) Credit risk and impairment assessment

Bank balances and cash and bank deposits

Credit risk on bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as of 30 September 2024 and 2023.

Included in the Group's financial assets as at 30 September 2024 as a component of bank balances and cash is S$724,602 (2023: S$7,996,242) placed in a bank in Hong Kong. The remaining bank balances and cash are placed in 5 banks (2023: 5) in Singapore.

Other than the concentration of credit risk of bank balances and cash in Hong Kong, the Group's concentration of credit risk by geographical location is mainly in Singapore, which accounted for 96% (2023: 53%) of the total financial assets as at 30 September 2024.

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(b) Credit risk and impairment assessment (continued)

Trade receivables and contract assets arising from contract with customers

In order to minimise the concentration of credit risk, the management of the Group has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. The management also performs periodic evaluations and customer visits to ensure the Group's exposure to bad debts is not significant and adequate impairment losses are made to irrecoverable amount.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 35 days from the date of invoice dates.

In addition, the Group performs impairment assessment under ECL model on trade receivables and contract assets with significant balances and credit-impaired individually and/or collectively. Except for trade receivables and contract assets balance with significant increase in credit risk, which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped based on reference to the Group's historical performance and aging of outstanding balances. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets. Details of the quantitative disclosures are set out below in this note.

Approximately 33% (2023: 33%) of total trade receivables and contract assets as at 30 September 2024 were due from top 5 customers which exposed the Group to concentration of credit risk. Those five largest customers are with good creditworthiness based on historical settlement record.

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(b) Credit risk and impairment assessment (continued)

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Other than concentration of credit risk on bank balances and cash and on trade receivables and contract assets from top 5 customers as disclosed above, the Group has no other significant concentration of credit risk on other receivables and deposits, with exposure spread over a number of counterparties.

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Trade receivable/ Contract assets	Other financial assets/other item
Performing	The counterparty has a low risk of default and does not have any past-due amounts or the counterparty frequently repays and usually settles after due dates.	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
In default	There is evidence indicating the asset is credit impaired.	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(b) Credit risk and impairment assessment (continued)

The table below details the credit quality of the Group's financial assets and other contract assets as well as the Group's maximum exposure to credit risk by credit risk rating grades:

	Note		**12m or lifetime ECL**	**Gross carrying amount** S$	**Loss allowance** S$	**Net carrying amount** S$
At 30 September 2024						
Trade receivables	*19*	*(Note)*	Lifetime ECL collective assessment	8,299,673	(337,689)	7,961,984
Other receivables and deposits	*20*	Performing	12m ECL	2,013,258	(14,414)	1,998,844
Bank deposits	*22*	Performing	12m ECL	510,384	–	510,384
Bank balances and cash	*22*	Performing	12m ECL	6,138,881	–	6,138,881
Contract assets	*21*	*(Note)*	Lifetime ECL collective assessment	23,799,696	(18,008)	23,781,688
At 30 September 2023						
Trade receivables	*19*	*(Note)*	Lifetime ECL collective assessment	4,868,991	(393,188)	4,475,803
Other receivables and deposits	*20*	Performing	12m ECL	2,289,437	(40,661)	2,248,776
Bank deposits	*22*	Performing	12m ECL	506,966	–	506,966
Bank balances and cash	*22*	Performing	12m ECL	8,281,908	–	8,281,908
Contract assets	*21*	*(Note)*	Lifetime ECL collective assessment	20,697,698	(125,931)	20,571,767

Note: For trade receivables and contract assets, the Group has applied the simplified approach prescribed in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECL on these items on a collective basis.

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(b) Credit risk and impairment assessment (continued)

The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed on a collective basis by using provision matrix within lifetime ECL.

	2024		2023	
	Average loss rate	**Trade receivables S$**	Average loss rate	Trade receivables S$
0–30 days past due	**0.1%**	**6,602,131**	0.8%	3,059,785
31–60 days past due	**1.5%**	**643,499**	2.3%	93,207
61–90 days past due	**2.3%**	**488,015**	4.1%	20,465
91–180 days past due	**3.1%**	**149,180**	8.6%	65,056
181–365 days past due	**N/A**	**–**	14.7%	8,932
More than 365 days past due	**4.2%**	**123,261**	22.2%	1,621,546
In default	**100%**	**293,587**	–	–
		8,299,673		4,868,991

	2024		2023	
	Average loss rate	**Contract assets S$**	Average loss rate	Contract assets S$
0–30 days past due	**0.1%**	**23,799,696**	0.6%	20,697,698

The following tables shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(b) Credit risk and impairment assessment (continued)

Trade receivables

	Lifetime ECL (not credit impaired) S$	Lifetime ECL (credit impaired) S$	Total S$
As at 1 October 2022	110,390	–	110,390
Allowance for expected credit losses recognised, net	282,798	462,861	745,659
Written off	–	(462,861)	(462,861)
As at 30 September 2023 and 1 October 2023	393,188	–	393,188
Reversal of expected credit losses recognised, net	(349,086)	293,587	(55,499)
As at 30 September 2024	44,102	293,587	337,689

Contract assets

	Lifetime ECL (not credit impaired) S$	Lifetime ECL (credit impaired) S$	Total S$
As at 1 October 2022	38,212	–	38,212
Allowance for expected credit losses recognised, net	87,719	492,660	580,379
Written off	–	(492,660)	(492,660)
As at 30 September 2023 and 1 October 2023	125,931	–	125,931
Reversal of expected credit losses recognised, net	(107,923)	–	(107,923)
As at 30 September 2024	18,008	–	18,008

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(b) *Credit risk and impairment assessment (continued)*

Other receivables and deposits

	12m ECL S$	Lifetime ECL (credit impaired) S$	Total S$
As at 1 October 2022	40,815	–	40,815
Allowance for expected credit losses recognised, net	(154)	350	196
Written off	–	(350)	(350)
As at 30 September 2023 and 1 October 2023	40,661	–	40,661
Reversal of expected credit losses recognised, net	(26,247)	–	(26,247)
As at 30 September 2024	14,414	–	14,414

The Group writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

(c) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations as and when they fall due. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(c) *Liquidity risk (continued)*

Non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the relevant market rates as at the reporting date) of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows, where applicable.

	Weighted average interest rate	On demand or within 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Total undiscounted cash flow	Carrying amount
	%	S$	S$	S$	S$	S$	S$	S$
As at 30 September 2024								
Non-interest bearing								
Trade and other payables (excluding GST payable)	N/A	19,406,659	–	–	–	–	19,406,659	19,406,659
Interest bearing								
Bank borrowings	4.8	4,380,344	1,156,194	617,780	1,618,351	3,202,559	10,975,228	9,491,099
Bank borrowings held under joint operations	4.8	51,807	51,807	103,614	828,912	2,312,935	3,349,075	2,362,927
Lease liabilities	2.3 to 5.1	203,478	203,417	386,602	730,173	967,501	2,491,171	2,230,811
Bank overdrafts	5.5	4,479,752	–	–	–	–	4,479,752	4,479,752
Total		28,522,040	1,411,418	1,107,996	3,177,436	6,482,995	40,701,885	37,971,248
As at 30 September 2023								
Non-interest bearing								
Trade and other payables (excluding GST payable)	N/A	16,078,507	–	–	–	–	16,078,507	16,078,507
Interest bearing								
Bank borrowings	4.5	4,365,976	1,075,095	857,092	2,688,641	3,607,575	12,594,379	10,850,221
Bank borrowings held under joint operations	4.5	51,807	51,807	103,614	828,912	2,521,274	3,557,414	2,460,393
Lease liabilities	2.3 to 5.6	236,325	128,945	82,596	350,286	1,042,411	1,840,563	1,570,105
Bank overdrafts	5.5	4,614,289	–	–	–	–	4,614,289	4,614,289
Total		25,346,904	1,255,847	1,043,302	3,867,839	7,171,260	38,685,152	35,573,515

Non-derivative financial assets

Except for financial assets at fair value through profit or loss and bank deposits as disclosed in Notes 18 and 22, all other financial assets of the Group as at 30 September 2024 and 2023 are non-interest bearing and repayable on demand or due within one year from the end of the reporting period.

31 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(d) Fair value of financial assets and financial liabilities

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis — keyman life insurance policies (Level 2)

The Group's financial assets at fair value through profit or loss, being keyman life insurance policies as disclosed in Note 18, are measured at fair value as at each reporting date. The fair values are determined from the net cash surrender value, which is based on annual valuation statement provided by the insurer. The value is comparable with similar insurance plans from other insurance providers.

The sensitivity analyses have been determined based on the returned rate of the keyman life insurance. If the return rate of the keyman life insurance has been 5% higher/lower, the post-tax loss for the year ended 30 September 2024 would increase/decrease by S$799 (2023: S$422).

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

32 RELATED PARTY TRANSACTIONS

Related parties in these consolidated financial statements refer to the Group's key management personnel and their close family members as well as entities jointly controlled by the executive directors of the Company.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in the consolidated financial statements.

Save as disclosed elsewhere in these financial statements, the Group has the following significant transactions carried out with related parties in the ordinary course of business during the year.

32 RELATED PARTY TRANSACTIONS (continued)

Guarantees from the executive directors

The executive directors of the Company provide personal guarantees for certain banking facilities including bank overdrafts granted to and hire purchases obtained by the Group as detailed in Notes 24 and 25 respectively.

Compensation of key management personnel

The remuneration of directors and other members of key management of the Group were as follows:

	2024	2023
	S$	S$
Short-term benefits	**1,197,162**	1,237,013
Contributions to CPF	**72,117**	67,559
	1,269,279	1,304,572

33 PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 30 September 2024 and 2023 are set out below:

Name of subsidiary	Place of incorporation/ operation	Paid up issued capital	Group's effective interest (%)		Interest held by the Company (%)		Principal activities
			2024	2023	**2024**	2023	
Builink Holdings Limited	BVI	US$2	**100**	100	**100**	100	Investment holding.
Sing Tec Development Pte. Ltd.	Singapore	S$6,500,000	**100**	100	**100**	100	Provision of civil engineering works, building construction works and property investment.
Sing Tec Construction Pte Ltd	Singapore	S$345,000	**100**	100	**100**	100	Provision of civil engineering works, building construction works and other ancillary services.
Initial Resources Pte. Ltd.	Singapore	S$50,000	**100**	100	**100**	100	Provision of other ancillary services.

None of the subsidiaries has issued any debt securities as at the end of the year.

34 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank overdrafts S$	Bank borrowings S$	Lease liabilities S$	Interest payable S$	Total S$
At 1 October 2022	4,357,151	18,429,125	2,626,907	–	25,413,183
Financing cash flows	257,138	(5,118,511)	(1,056,802)	(995,642)	(6,913,817)
Non-cash changes:					
Finance cost recognised *(Note 8)*	–	–	–	995,642	995,642
At 30 September 2023 and 1 October 2023	4,614,289	13,310,614	1,570,105	–	19,495,008
Financing cash flows	(134,537)	(1,456,588)	(777,385)	(905,894)	(3,274,404)
Non-cash changes:					
Finance cost recognised *(Note 8)*	–	–	–	905,894	905,894
Lease entered	–	–	1,438,091	–	1,438,091
At 30 September 2024	4,479,752	11,854,026	2,230,811	–	18,564,589

35 PERFORMANCE BONDS

As at 30 September 2024, performance bonds of S$14,062,541 (2023: S$10,741,214) were given by a bank and insurance companies in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers.

If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the respective bank or insurance company to pay to them the sum or sum stipulated in such demand. In the event of the non-performance, the Group will only become liable to compensate such customers for any performance obligations over the performance bond amounts given to them. The performance guarantees will be released upon completion of the contracts.

36 SHARE OPTION SCHEME

Pursuant to a share option scheme approved by a written resolution passed by the sole shareholder of the Company on 23 August 2019 (the "**Share Option Scheme**"), the Company may grant options to eligible directors of the Group, eligible employees of the Group and other selected participants, for the recognition of their contributions, to subscribe for shares ("**Shares**") in the Company with a payment of HK$1 upon each grant of options offered.

The exercise price of the share option shall be not less than the highest of:

(i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date (the "**Offer Date**") of grant of the particular option, which must be a business day;

(ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date of the option; and

(iii) the nominal value of a Share on the Offer Date.

The share options are exercisable at any time during a period of not more than 10 years from the date of grant, subject to the terms and conditions of the Share Option Scheme, or any conditions stipulated by the Board of Directors.

The maximum number of shares in respect of which options may be granted shall not exceed 10% of the number of shares of Company. Unless further shareholders' approval has been obtained pursuant to the conditions set out in the Share Option Scheme, no person shall be granted an option which, if all the options granted to the person (including both exercised and outstanding options) in any 12 months period up to the date of grant are exercised in full, would result in such person's maximum entitlement exceeding 1% of the number of issued shares of Company.

Up to the date of issuance of the consolidated financial statements, no options have been granted or agreed to be granted pursuant to the Share Option Scheme.

During the year ended 30 September 2024 and 2023, no share options have been granted nor exercised and there is no outstanding share option of the Company as at 30 September 2024 and 2023.

37 AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements was approved and authorised for issued by the Board of Directors on 27 December 2024.

Summary of Financial Information

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out as below:

	30 September 2024 S$	30 September 2023 S$	30 September 2022 S$	30 September 2021 S$	30 September 2020 S$
Revenue					
Services	**55,467,476**	55,588,818	66,584,422	47,125,976	41,102,421
Rental	**506,100**	466,820	508,650	301,893	420,750
Total revenue	**55,973,576**	56,055,638	67,093,072	47,427,869	41,523,171
Cost of services	**(51,174,485)**	(52,249,992)	(63,875,947)	(52,461,267)	(43,564,989)
Gross profit/(loss)	**4,799,091**	3,805,646	3,217,125	(5,033,398)	(2,041,818)
Other income	**341,780**	190,683	1,071,870	2,418,109	2,624,121
Other gains and losses	**792,865**	3,313,936	3,968,919	1,104,148	286,770
Administrative expenses	**(5,998,944)**	(5,690,465)	(8,202,755)	(8,714,593)	(5,792,829)
Reversal of/(allowance for) expected credit losses on financial assets and contract assets, net	**189,669**	(1,326,234)	233,887	130,414	(915,548)
Finance costs	**(905,894)**	(995,642)	(1,214,487)	(1,272,699)	(1,261,072)
Share of result of a joint venture	**(2,720)**	(575,142)	(528,329)	35,719	(55,929)
(Loss)/profit before taxation	**(784,153)**	(1,277,218)	(1,453,770)	(11,332,300)	(7,156,305)
Income tax	**–**	240,107	(39,298)	137,658	68,705
(Loss)/profit and total comprehensive (loss)/income for the year	**(784,153)**	(1,037,111)	(1,493,068)	(11,194,642)	(7,087,600)
ASSETS AND LIABILITIES					
Non-current assets	**29,330,320**	27,797,849	31,947,656	36,243,697	38,932,904
Current assets	**40,316,981**	35,814,822	41,492,247	39,491,325	42,555,350
Total assets	**69,647,301**	63,612,671	73,439,903	75,735,022	81,488,254
Non-current liabilities	**7,288,348**	8,329,806	14,221,061	16,760,245	16,705,299
Current liabilities	**35,184,100**	27,323,859	30,222,725	28,485,592	23,099,128
Total liabilities	**42,472,448**	35,653,665	44,443,786	45,245,837	39,804,427
Total equity	**27,174,853**	27,959,006	28,996,117	30,489,185	41,683,827